2024 ANNUAL REPORTS OF THE BPER BANCA GROUP

2024

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The present document is the English translation of the Italian Financial Reports (Consolidated and Separate), prepared for and used in Italy, and has been translated only for the convenience of international readers.

This document, prepared in PDF format to make the Financial Reports (Consolidated and Separate) as at 31 December 2024 easier to read, does not constitute compliance with the requirements set out in Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 (the "European Single Electronic Format (ESEF) Regulation"). For these purposes, an XHTML format has been developed and is available on the corporate website BPER Banca https://group.bper.it.

As at 31 December 2024, the BPER Banca Group has chosen to publish a report for 2024 that consists of the:

- Consolidated Financial Report of the BPER Banca Group as at 31 December 2024, in turn structured into:
  - Directors' Report on Group Operations, outlining the strategic profile and financial results of the BPER Banca Group in Part 1. Part 2 includes the Consolidated sustainability statement prepared pursuant to Article 4 of Legislative Decree 125/2024, which transposes the Corporate Sustainability Reporting Directive and is drafted in accordance with the European Sustainability Reporting Standards (ESRS), which came into force on 1 January 2024;
  - Consolidated Financial Statements;
  - Consolidated Explanatory Notes;
  - Attachments;
  - Certifications and other reports;
- Separate Financial Report of BPER Banca s.p.a. as at 31 December 2024, which in turn consists of:
  - Directors' Report on Operations;
  - Financial Statements;
  - Explanatory Notes;
  - Attachments;
  - Certifications and other reports.

BPER Banca s.p.a.
Head office in Via San Carlo 8/20, Modena, Italy
Tel. +39 059/2021111 – Fax +39 059/2022033
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
http://www.bper.it – https://group.bper.it
E-mail: servizio.clienti@gruppobper.it – Certified e-mail (PEC): bper@pec.gruppobper.it
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 2,121,637,109.40
Member of the Interbank Deposit Protection Fund and of the National Compensation Fund
Ordinary shares listed on the regulated Euronext Milan market

Shareholders’ Meeting

Modena, 18 April 2025

Agenda

In the extraordinary session:

1. Proposal for vesting the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, with the power, to be exercised by 31 December 2025, to increase the share capital in one or more tranches, in divisible form, with the exclusion of the pre-emption right pursuant to art. 2441, paragraph 4, first indent, of the Italian Civil Code, and with the issuance of a maximum number of 657,409,377 ordinary shares, with no par value, with regular dividend entitlement and the same characteristics as the shares outstanding, whose issuance price will be determined by the Board of Directors in line with the provisions of the law, to be paid by contribution in kind to service a voluntary public exchange offer over all the shares of Banca Popolare di Sondrio s.p.a., with subsequent amendments to art. 5 of the Articles of Association; related and ensuing resolutions.

In the ordinary session:

1. 2024 Financial Report:
   a) Approval of the Separate Financial Report as at 31 December 2024; presentation of the Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors, as well as of the Consolidated Financial Report as at 31 December 2024, containing the 2024 consolidated Sustainability Statement;
   b) Allocation of profit for financial year 2024 and dividend payout.

2. Remuneration:
   a) Report on Remuneration Policy and Compensation Paid, comprising:
      - remuneration policies of the BPER Banca s.p.a. Group for 2025 (binding resolution);
      - compensation paid in 2024 (non-binding resolution).
   b) 2025 MBO incentive plan based on financial instruments pursuant to art. 114-bis of Legislative Decree no. 58 of 24 February 1998;
   c) 2025-2027 Long-Term Incentive (LTI) plan based on financial instruments pursuant to art. 114-bis of Legislative Decree no. 58 of 24 February 1998;
   d) Authorisation to purchase and dispose of treasury shares to service current and future remuneration systems based on financial instruments in compliance with the Remuneration policies.

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2024 Separate Financial Report

DIRECTORS AND OFFICERS OF THE PARENT COMPANY AT THE DATE OF APPROVAL OF THE FINANCIAL REPORT

Board of Directors

Chair:	Fabio Cerchiai
Deputy chair:	Antonio Cabras
Chief Executive Officer:	Gianni Franco Papa
Directors:	Elena Beccalli Silvia Elisabetta Candini Maria Elena Cappello Matteo Cordero di Montezemolo Angela Maria Cossellu Gianfranco Farre Piercarlo Giuseppe Italo Gera Andrea Mascetti Monica Pilloni Stefano Rangone Fulvio Solari Elisa Valeriani

Board of Statutory Auditors

Chair:	Silvia Bocci (*)
Standing Auditors:	Michele Rutigliano Patrizia Tettamanzi
Alternate Auditors:	Sonia Peron Andrea Scianca

Manager responsible for preparing the Company's Financial Reports

Manager responsible for preparing the Company's Financial Reports:	Marco Bonfatti

Independent Auditors

Deloitte & Touche s.p.a.

(*) Silvia Bocci was appointed as Chair of the Board of Statutory Auditors by the Shareholders' Meeting of 19 December 2024, replacing the Chair Angelo Mario Giudici, who tendered his resignation on 25 October 2024, effective from the appointment of his replacement by the Shareholders' Meeting and in any case, at the latest, from 1 January 2025.

MESSAGE FROM THE CHAIR TO THE SHAREHOLDERS' MEETING

Dear Shareholders,

The 2024 Financial Report of BPER provide us with the opportunity to present to you, with great satisfaction, the results of our actions and efforts during the year.

The figures, activities and projects described here are the result of the work of all our colleagues, who have shown remarkable dedication and determination, generating tangible actions to the benefit of all of us, the shareholders, customers, people, families, businesses, and the communities in which and for which we operate.

In a historically and economically complex period, with market conditions made less favourable by geopolitical uncertainties, we have laid the foundations and created the conditions for the ongoing sustainable growth of our Bank, which already holds a solid competitive position among Italian commercial banks.

2024 was a challenging year, during which we inherited the important legacy of the previous Board of Directors, which led BPER's growth in recent years. We also defined and presented our new business plan, "B: Dynamic | Full Value 2027", which will enable us to express the prominent value of the Bank and unlock the vast untapped potential within the Group. We are ready to accelerate this new cycle of growth and the creation of lasting value for the future, in the knowledge that there is a competitive space that we can successfully occupy, thanks to our strong position, extensive national presence, significant coverage of Italy's most dynamic export regions, and the flexibility and customer proximity provided by an efficient and well-distributed territorial network.

We are committed to supporting individuals, businesses, communities and local areas in their growth, by promoting innovative solutions and integrating all ESG components, in order to combine business growth with social and environmental sustainability.

I would like to take this opportunity to thank all of you for the trust you place in our Bank – trust that we fully recognise as a responsibility – and to thank our people, the main driving force behind our development, who have worked and will continue to work alongside us with commitment and passion to meet the ambitious goals we have already achieved and the even more significant ones we have set ourselves.

I am proud to say that the results achieved so far confirm, once again, our ability and firm resolve to continue along the development path we have outlined, fully meeting the expectations of our stakeholders and combining economic growth and financial strength with the social and environmental sustainability values that are intrinsic to our way of doing business.

Thank you for your attention.

Fabio Cerchiai
Chair

CONSOLIDATED FINANCIAL REPORT OF THE BPER BANCA GROUP AS AT 31 DECEMBER 2024

2024

DIRECTORS' REPORT ON GROUP OPERATIONS

Part 1

PROFILE, STRATEGY AND FINANCIAL RESULTS OF THE BPER BANCA GROUP

CONTENTS

1. MACROECONOMIC CONTEXT

1.1. Background

In 2024, the world economy maintained a fairly steady pace of growth, while remaining slightly below its long-term average. The economic cycle benefited from a context characterised by more favourable financial conditions, thanks to monetary policies that became increasingly less restrictive, in the wake of a trend in consumer prices which – although progressing at a slower and less linear pace than in the past – confirmed the tendency towards deceleration. The easing of inflationary pressures allowed, in a growing number of countries, for the inflation rate to move closer to the targets set by central banks and, above all, gave a positive boost to the growth of real incomes and consumption. Risks of slowing growth in most key sectors of the global economy, on the whole, have continued to subside, despite persisting uncertainty from evolving geo-political tensions. Geographically, Europe (the Eurozone in particular) is still the source of the poorest growth, struggling to break out of a phase of stagnation that has been going on for several quarters now; however, the difficulties shown by the Eurozone are more than offset by the growth rates observed in the world's other major economies, led by the United States and China. Regarding the growth rate of the global economy, the latest update of the International Monetary Fund's World Economic Outlook predicts a 3.2% y/y increase in global GDP in 2024, slightly down from 3.3% y/y in 2023.

Analysing the main areas, the Eurozone maintained a growth rate similar to the previous year, recording a quarterly GDP change rate that consistently remained just above zero. This is against a backdrop of general stagnation which, according to consensus estimates, will culminate in only a slightly positive y/y change in Eurozone GDP. What continued to hold back the Eurozone economy, as observed last year, was mainly manufacturing activity, which, with a few rare exceptions (such as Spain), remained extremely weak – particularly within the area's largest economies, France and Germany – both of which were also affected by prolonged periods of political uncertainty. Service-related activities, despite an encouraging first half of the year, also gradually lost momentum. As a result, the business cycle leading indicator that summarises the performance of both manufacturing and services – the Composite PMI (Purchasing Managers Index) – slipped slightly below the 50-point mark in the latter part of the year, a level consistent with a moderate contraction in economic activity. The continued weakness of the economic cycle allowed for a further easing of inflation, which, albeit not linearly, fell from 2.9% year-on-year at the end of 2023 to 2.4% y/y in December 2024. The core component of inflation, excluding the most volatile items, was instead confirmed to be slightly more persistent but it too maintained a decelerating trajectory, stabilising its growth rate at below 3% (+2.7% y/y in December 2024). The inflationary context described above led the European Central Bank (ECB) to initiate a cycle of monetary policy easing in June 2024. Following four cuts totalling 100 bps, the rate on main refinancing operations fell to 3.15%, the rate on marginal lending operations to 3.40%, and the deposit rate to 3%. However, the President of the ECB Christine Lagarde did not provide any guidance on the future path of rates, stressing that the ECB is moderating the degree of monetary policy restriction, but that there will be no shortage of obstacles to overcome; consequently, the timing and extent of future rate cuts, will continue to be data-dependent and will be decided upon with a meeting-by-meeting approach. Widening the view to the whole of Europe, the expansionary turn adopted by the ECB was also mirrored by other major central banks, from Switzerland's Schweizerische National Bank (SNB) to the UK's Bank of England.

As far as Italy is concerned, in the first part of the year the economic trend essentially mirrored that of the entire Eurozone, before slightly worsening in the second half. According to consensus estimates, the year-on-year change in Italian GDP is still expected to be positive, although a few tenths of a percentage point below the Eurozone average. The development of the consumer price index, in contrast to the Eurozone average, recorded an acceleration. However, the inflation rate remained, throughout the year, significantly below that of the area, registering in December a year-on-year increase of 1.3%. The pace of growth in core inflation was also lower than the Eurozone average (+1.8% in December 2024). Regarding the economic cycle leading indicators (the PMIs), the composite figure reversed the signs of improvement observed in the first half of the year during the second part, closing December at a level consistent with a moderate contraction in economic activity.

In the United States, the economy de facto maintained the same growth trajectory as in 2023, confirming a pace of expansion broadly in line with its long-term potential. According to consensus estimates, GDP for the period under review is expected to rise by 2.7% year on year. The overall level of economic activity, as measured by the PMI leading indicators, consistently remained in expansion throughout the period, reflecting cyclical strength which was evident, among other things, in employment data: the labour market consistently generated new jobs, growing at a monthly average of just under 200,000 positions. Meanwhile, the unemployment rate – though slightly worsening – remained close to 4%, a historically very low level. As for price dynamics, after a more uncertain first half of the year, the general inflation rate fell in July – for the first time in over three years – below 3%, before rising again by 2.9% in December. The core inflation trend was similar, although it remained at higher absolute levels (3.2% year on year in December 2024). In light of this context, the Federal Reserve – the US central bank – also shifted its monetary policy towards an expansionary stance, implementing three rate cuts totalling 100 bps in the final four months of the year, bringing the cost of money into the 4.25%-4.50% range. At the December 2024 meeting, however, likely influenced by Donald Trump's clear-cut victory in the presidential election (the Republican candidate's manifesto is characterised by growth-friendly but potentially inflationary policies), the institution led by the Chair Jerome Powell revised its 2025 rate forecasts in a more restrictive direction, projecting fewer cuts than those estimated in September.

In emerging markets, economic growth continued to show, on average, greater dynamism than in developed countries. This was also thanks to China's expansion which – while remaining below potential – is expected, according to consensus estimates, to achieve annual growth of 4.8%, not far from the target set by the local authorities. Favourable conditions in the Asian country were also supported by the government's stimulus package – which included, among other measures, interventions for the banking sector and the property market – approved in the final part of the year. The stronger economic cycle in emerging markets was reflected in the PMI indicators, which, despite a slight deceleration in manufacturing activity, remained at levels consistent with economic expansion throughout the year. As regards the trend in inflation, the emerging world recorded an overall, not always linear, deceleration in prices, which allowed various central Banks in the area to continue, or to initiate, a process of monetary relaxation. There were, however, a few rare exceptions, such as Brazil, where – in light of renewed inflationary pressures – the local central bank resumed raising rates in the final four months of the year.

1.2 Public finance

In a context of global geopolitical uncertainty and still-restrictive monetary policy, the Italian economy[1] in 2024 followed a path of moderate expansion. In the first part of the year, economic growth was mainly driven by external demand, while in the second half, domestic demand became the main growth driver, also supported by the decline in inflation. A partial reduction in the divergence between sectoral trends was also observed, with a slight slowdown in the expansion of the services sector and a gradual stabilisation of the manufacturing sector's weakness. The construction sector continued to show notable dynamism, partly due to the boost provided by projects under the National Recovery and Resilience Plan (NRRP). In the new trend scenario presented in the Update Note to the 2024 Economic and Financial Document (EFD) and confirmed in the "2025 Budgetary Planning Document", real GDP growth is projected to be 1% in 2024 and 1.2% in 2025.

The debt/GDP ratio is expected to worsen to 135.8% in 2024 from 134.6% in 2023. For the next three-year period, at least initially, a similar trend is expected, due to the impact of tax credits relating to construction bonuses accrued in previous years and used to offset taxes. The ratio is expected to increase slightly to 137.8% in 2026, before returning to a downward path, settling at 137.5% in 2027.

As regards general government net borrowing, the most recent data show a more favourable trend than expected for 2024, especially on the revenue side, with direct tax receipts forecast to exceed the projection in the 2024 Stability Programme. Consequently, also thanks to the upward revision of nominal GDP, the deficit in 2024 is now expected to be 3.8% of GDP, a clear reduction compared to 2023.

Public finance balance *(% of GDP)*	**2024e**	**2025f**	**2026f**
Net borrowing	(3.8)	(3.3)	(2.8)
Loans	135.8	136.9	137.8

Key e = estimate f = forecast

Source: "2025 Budgetary Planning Document" presented in October 2024 by the Minister of Economy and Finance, Giancarlo Giorgetti.

1 The scenario presented below has been taken from the 2025 Budgetary Planning Document sent to the EU Commission in October 2024.

1.3 The financial market and interest rates

2024 proved to be a particularly favourable year for financial markets, with positive trends particularly in higher-risk asset classes: equities and spread-based bonds. There were also positive, albeit significantly more contained, changes for government bonds, while among commodities, gold stood out in particular. On the currency front, the euro experienced a mixed performance, weakening significantly against the US dollar but appreciating against the Japanese yen. A number of factors contributed positively to the markets at different stages. Among these, it is worth highlighting: a favourable macroeconomic context, with the global economy – thanks largely to the United States – showing stronger-than-expected growth, alongside a decline in inflationary pressures; the election of Donald Trump as President of the United States, whose electoral manifesto featured promises of pro-cyclical and business-friendly policies; and expansionary monetary policies, with the main central banks – from the Federal Reserve (Fed) to the European Central Bank (ECB) – beginning to lower interest rates after a period of hikes aimed at containing inflation. Indeed, after the previous phase of restrictive monetary policy, during the course of 2024 central bankers gradually changed direction, initiating a period of interest rate cuts to stimulate economic growth. The ECB, which for the first time in its history moved before the Fed, launched the first of four 25 bps interest rate cuts on 12 June 2024, bringing the deposit rate to 3% by year-end. The US central bank, by contrast, began its monetary easing cycle on 18 September 2024 with a 50 bps cut; this was followed by two further 25 bps cuts, bringing the Federal Funds Rate to a range of 4.25-4.50% by the end of 2024. Inflation, although sharply down from the peaks reached in 2022 and 2023, returned to the centre of the debate in the final part of the year: on the geopolitical front, the prolonged conflict in Ukraine and clashes in the Middle East continued to exert pressure on energy and commodities, while the US presidential elections – with the victory of Republican Donald Trump and the potential return to more protectionist policies in some advanced economies – introduced further uncertainty.

The MSCI AC World equity index ended the year up over 15%, driven primarily by the strong performance of its largest contributor: the US stock market. In the United States, where the main indices all reached new all-time highs, large-cap stocks – mostly in the Technology sector – performed particularly well, buoyed by broadly satisfactory financial statements results but especially by the sustained enthusiasm around artificial intelligence. The run of the "Magnificent Seven", as Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta and Tesla have been dubbed, allowed the US Nasdaq Composite technology index to close 2024 up by almost 30%. Also contributing to the stronger performance of the United States in the final months of the year was investor optimism following the election, in anticipation of the pro-cyclical policies promised by President-elect Trump. In Europe, equity markets saw a more mixed but overall positive performance. The best result was posted by the German DAX index, up 19%, while the Italian index – the FTSE MIB – also performed well, rising by more than 12%, thanks mainly to the strength of the banking sector. Paris, on the other hand, closed with a modest decline, penalised by internal political tensions that led to no fewer than four changes of government over the course of the year. Geographically, Japanese equities also stood out for their strong performance, supported by the stance adopted by the Bank of Japan which, despite moving against the trend by raising interest rates twice, confirmed a very cautious approach, stating its intention to maintain accommodative financial conditions. In emerging countries, however, the MSCI Emerging Markets Index closed 2024 with a more modest gain (+5%) than its global counterpart, with the good performance of the Asian markets offsetting the weakness of the Latin American indexes.

Bond markets experienced a two-speed 2024, rebounding in the second half of the year after facing significant challenges in the first half. At the end of 2023, the government bond market, which had been based on strongly expansionary expectations (the money markets were anticipating several rate cuts in 2024, both by the Fed and the ECB), underwent a profound revision in a less accommodative direction. This new context, combined with an inflationary dynamic that proved to be more uncertain than expected, led to a general rise in market yields, which was further fuelled in Europe by the political events in France. In the third quarter, the scenario changed radically: in both the Eurozone and the United States, based on the macro data and the stance of the central banks, investors gradually started to factor in more expansionary monetary policies than those envisaged previously. Therefore, the interest rate curves recorded a general steepening, which brought the spread between short and long-term yields in the Eurozone and United States back into positive territory. The bullish trend in the markets softened somewhat in the final months of the year, particularly overseas. Contributing to the slowdown in government bonds, aside from concerns over a potential resurgence in inflation following Trump's election victory, was the more cautious rhetoric employed by Jerome Powell, the Chair of the Federal Reserve, during the final meeting of the year. In fact, Powell referred to a stronger-than expected economy and persistent inflation, stating that the US central bank could afford to be more prudent in cutting interest rates. Eurozone bond markets, on the other hand, remained more resilient, with purchases supported by weak economic growth – a theme that could be further exacerbated in the coming months by the new US Administration's trade policies (tariffs and duties). Of note was the strong relative performance of Italian government bonds, which, thanks to a significant decrease in yields, saw the spread between the 10-year BTP and the Bund narrow by over 50 bps. Spread markets also performed very well in 2024, outperforming government bond indices on average.

In the area of currencies, the Euro showed a contrasting performance compared to the other main currencies. These movements were partly driven by developments in monetary policy and the resulting widening or narrowing of interest rate spreads across macroeconomic areas. The euro thus lost significant ground against the US dollar, in line with expectations of a less expansionary Fed and the protectionist, growth-oriented policies proposed in the Trump agenda. Conversely, the single currency appreciated against the Japanese yen, after the Bank of Japan signalled its intention to raise rates gradually, citing the need for greater clarity on wage dynamics and US policies. Emerging market currencies were generally very weak.

As for commodities, 2024 saw precious metals stand out positively. Gold, despite the rise in US real interest rates and the appreciation of the dollar - two factors traditionally adverse to the yellow metal - rose sharply, reaching a new all-time high supported, among other things, by central bank purchases. Industrial metals and energy commodities experienced more volatile movements. After an initial upward phase, they largely returned all gains, closing the year with only marginally positive changes. This trend was also reflected in oil prices, which rose sharply especially in the first quarter – driven by ongoing geopolitical tensions in the Middle East and concerns over possible supply disruptions – before gradually declining. This drop was initially fuelled by fears over the resilience of global demand and later by restrictive production policies adopted by the OPEC+ cartel of countries.

1.4 The banking system and domestic interest rates[2]

In 2024, the global economic environment was characterised by a relatively steady growth rate, albeit slightly below the long-term average. The economic cycle benefited from a context characterised by more favourable financial conditions, thanks to monetary policies that became increasingly less restrictive, in the wake of a trend in consumer prices which – although progressing at a slower and less linear pace than in the past – confirmed the tendency towards deceleration. Major central banks, including the ECB, began their respective monetary easing cycles, with effects having also naturally materialised in the Italian banking market.

Deposits

According to the initial ABI estimates made in December 2024, deposits from customers from all the banks operating in Italy, including deposits from residents and bonds (net of those repurchased by banks), increased by 2.4% as compared to the previous year. More specifically, the trend in deposits from resident customers registered a +1.7% change, with an annual increase in absolute value of Euro 31 billion.

The average interest rate paid on customer funds (comprising the yield on Euro deposits, bonds and repurchase agreements paid to households and non-financial companies) was 1.14% in December 2024. More specifically:
- the rate on Euro deposits paid to households and non-financial companies was 0.91%;
- the yield on bonds was 2.84%;
- that on current account deposits was 0.47%.

2 Source: ABI Monthly Outlook (summary), January 2025.

Loans

In December 2024, total loans to residents in Italy (private sector plus Public Administrations, net of repos with central counterparties) amounted to Euro 1,644.2 billion, with an annual change of -1.6%. Loans to Italian residents in the private sector amounted to Euro 1,411 billion, a decrease of 0.9% compared to previous year, of which Euro 1,270 billion was to households and non-financial companies.

According to the latest quarterly bank lending survey, in the final months of 2024, lending standards for businesses remained unchanged. Terms and general conditions became slightly more favourable, primarily through lower interest rates on loans, also driven by narrowing margins. Improved lending conditions were supported by greater risk tolerance, competitive pressure, and overall economic outlook. Lending criteria for households purchasing homes remained unchanged, while consumer credit standards tightened slightly, reflecting banks' reduced risk appetite. Corporate credit demand – declining since early 2023 – continued to fall slightly, reflecting greater use of self-financing and alternative funding sources. There was a marked increase in household demand for home loans, while the rise in consumer credit demand was more modest. Bank funding conditions improved, particularly for medium- to long-term debt securities.

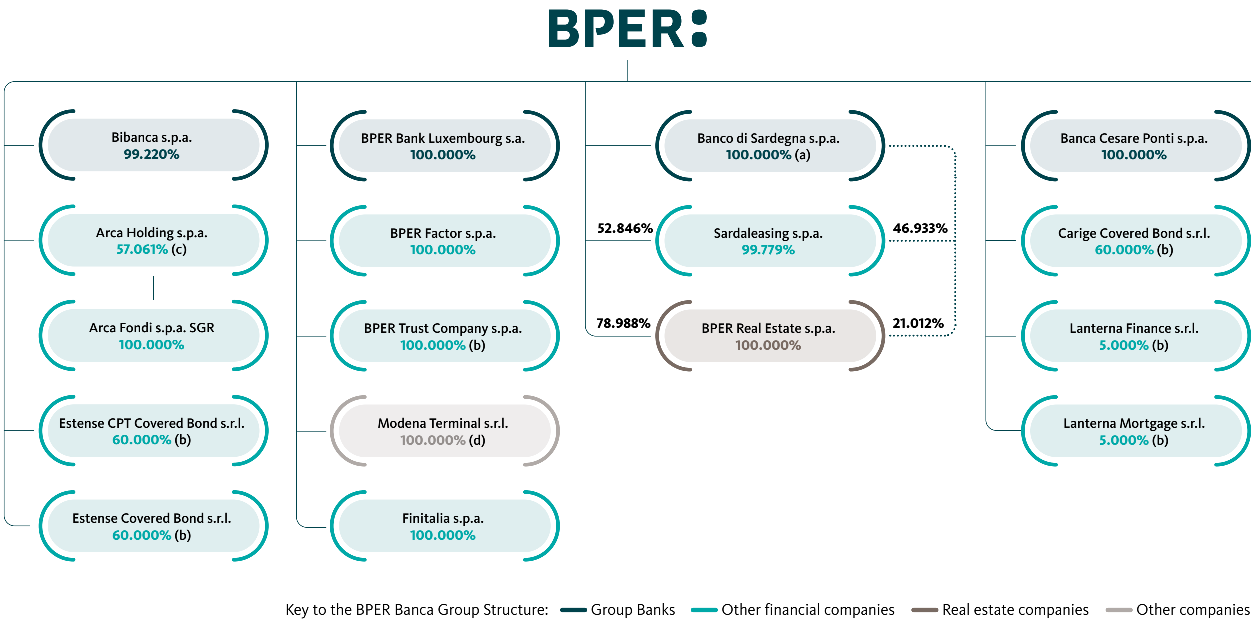
ABI reports that the rate on Euro-denominated home purchase loans to households - average of fixed and floating rates - came to 3.10% in December 2024 (4.42% in December 2023). About 95% of new mortgage loans are arranged at a fixed rate. The average rate on new Euro-denominated loans to non-financial companies has increased to 4.53% (5.45% in December 2023). Lastly, the weighted average interest rate on all loans to households and non-financial companies was 4.45% at the end of December 2024 (4.76% in December 2023).

For banks, the spread between the average rate on loans and the average rate on deposits from households and non-financial companies was down: in December 2024 it was 217 basis points (bps), from 298 bps at the end of 2023.

After several years of improvement, a slight deterioration in the credit quality of Italian banks was recorded in 2024. Bad loans, net of the write-downs and provisions already made by banks using their own resources, totalled Euro 31.1 billion in November 2024, up from Euro 30.5 billion a year earlier. The ratio of net bad loans to total loans settled at 1.51% in November 2024 (vs. 1.41% in November 2023).

2. HIGHLIGHTS

2.1 BPER Banca Group structure as at 31 December 2024



(a) Equivalent to 99.483% of the entire Share Capital consisting of ordinary and preference shares.

(b) Subsidiaries consolidated under the equity method.

(c) Subsidiary company which is not included in the Banking Group since it does not contribute directly to its activities.

(d) BPER equity investment as at 31.12.2024 was reclassified under Non-current assets and disposal groups classified as held for sale.

St. Anna Gestione Golf Società Sportiva Dilettantistica s.r.l., a subsidiary of BPER Real Estate through St. Anna Golf s.r.l., was excluded from the scope of consolidation as it was considered non-significant.

The scope of consolidation also includes the following subsidiaries which are not included in the Banking Group, since they do not contribute directly to its activities. These companies are consolidated under the equity method.

Direct subsidiaries of the Parent Company:
- Adras s.p.a. (100%);
- Commerciale Piccapietra s.r.l. (100%).

Indirect subsidiares of BPER Banca, through BPER Real Estate s.p.a.:
- Annia s.r.l. (100%);
- Sant'Anna Golf s.r.l. (100%).

2.2 The BPER Banca Group today

BPER Banca is the Parent Company of the BPER Banca Group which includes several companies, among which BPER Banca, Banco di Sardegna and BPER Banca Private Cesare Ponti.
With over 150 years of history (founded in 1867 as the Banca Popolare di Modena by the Società Operaia di Mutuo Soccorso), the Group today employs around 20,000 people and operates 1,558 branches across Italy, serving approximately 5 million customers.
BPER Banca is the third-largest commercial bank in Italy by number of customers and by assets under management, with over Euro 300 billion in total financial assets under management.
The Group operates, including through in-house product companies and major strategic partnerships, across all key market segments – Retail, Corporate, Private & Wealth Management, Bancassurance, Leasing, Factoring, Consumer Credit, Payments – offering qualified services, products, and advice tailored to every type of financial need, including with a view to internationalisation.
A key part of BPER's mission is to support individuals, businesses, communities and local areas in their growth, by also promoting innovative solutions and integrating all ESG components, in order to combine business development with social and environmental sustainability.

The BPER Banca's distribution structure across the country is organised into 9 Regional Departments[3]:
- West Lombardy with headquarters in Milan;
- East Lombardy – Triveneto Regional Department based in Brescia;
- West Emilia with headquarters in Modena;
- East Emilia – Romagna Regional Department based in Bologna;
- Liguria – Piedmont, based in Genoa;
- Marche Abruzzo, based in Loreto;
- Lazio - Tuscany – Umbria, based in Rome;
- Campania – Puglia – Basilicata Territorial Department based in Avellino;
- Calabria-Sicily with headquarters in Crotone.

3rd
National banking group

1
National Bank:
BPER Banca

1
Regional commercial Bank:
Banco di Sardegna

1
Specialist Private Bank:
BPER Banca Private Cesare Ponti

1
Foreign Bank:
BPER Bank of Luxembourg

~ 5 million customers

Over **1,500** branches*

~ 20 thousand
employees

* 1,558 branches in Italy and 1 in Luxembourg
Data as of 31/12/2024

The Group includes multiple product factories operating in:
Leasing • Factoring • Consumer finance

3 Effective from 7 January 2025 following the "Organisational evolution and footprint" of BPER, BDS, and BCP.

Main banks and companies of the BPER Group[4]

Banca Cesare Ponti s.p.a.

Established in 1871 as a general partnership for currency exchange, Banca Cesare Ponti joined the BPER Banca Group in 2022. It acts as the Group's Investment Centre and private banking hub, with a business model focused on excellence, personalisation, and innovation. It has a strong presence throughout Italy with two main offices (Milan and Genoa), 112 private banking centres, and a network of approximately 350 private bankers, 55,000 customers and approximately Euro 35 billion in funding and lending volumes. As an Investment Centre, Banca Cesare Ponti manages assets exceeding Euro 105 billion, covering all BPER Banca Group customer segments.

Banco di Sardegna s.p.a.

Banco di Sardegna has always been the leading bank on the island. It has a total of 271 branches (265 in Sardinia, in 240 municipalities) serving around 620 thousand customers. In addition to its sound financial position and the quality of its balance sheet, the Bank combines the strong sense of belonging of its employees, its constant closeness to the territory and its proactive listening, which allow it to be a benchmark for businesses and families and to promote a sustainable growth style based on values of simplicity, transparency, professionalism and efficiency.

Bibanca s.p.a.

A BPER Group company specialising in payments and consumer credit, it offers its services throughout the country through the branch network of the BPER Group banks and that of its agents. Today Bibanca has a payment card portfolio of over 5 million including credit, debit and prepaid cards and manages a stock of over Euro 3.9 billions worth of net loans. As part of BPER Banca Group's rationalisation and efficiency initiatives, the company underwent a partial and non-proportional demerger during the year, with the e-money business unit related to payment systems being transferred to BPER Banca. For further details, please refer to the chapter "Significant events and strategic transactions" of this Report.

BPER Bank Luxembourg s.a.

BPER Bank Luxembourg is the Luxembourg subsidiary of the BPER Group. It was established in 1996 and has dealt with the management of Private Banking, Personal and "Corporate" customers since then. It also manages the treasury for retail and institutional customers and loans both locally and internationally, mainly for "Corporate" customers.

Arca Holding s.p.a. and Arca Fondi SGR s.p.a.

Arca Fondi SGR was established from the history and experience of Arca SGR s.p.a. (today Arca Holding s.p.a.), founded in October 1983.
It is one of the main players in the field of asset management in Italy: around 50 placement agents operate with over 4,500 branches and financial advisers to guarantee the highest level of service and assistance to its customers.

BPER Factor s.p.a.

The predominant activity is the purchase of trade receivables and the disbursement of loans. in addition to the residual activity of leasing. The company operates predominantly on the national market, although it also has dealings with other European countries.

BPER Real Estate s.p.a.

Real estate companies whose business consists of the acquisition, disposal, administration, enhancement, management and leasing of real estate assets mainly for functional use by the BPER Group companies.

Finitalia s.p.a.

Finitalia is a company established in 1972 operating in the consumer credit sector which has been part of the BPER Group since July 2019. It specialises in both financing premiums and any products and services related to insurance policies, through the issue of virtual revolving credit cards on a private circuit or by granting special purpose loans, and in financing by granting personal loans.

Sardaleasing s.p.a.

The company's purpose is the leasing of assets (mainly immovable assets, capital goods and registered personal property) as well as the granting of loans, provided that they are connected to leasing operations.

Modena Terminal s.r.l.[5]

Since 1983, the company has been strongly committed to the provision of custody, storage, logistics and handling services for domestic, EU and foreign goods. Modena Terminal is authorised to operate under the General Warehouse system and may therefore issue deposit slips and pledge notes on the goods deposited.

4 In the rest of the document, banks and companies belonging to the BPER Group are also referred to as "Banks and Companies".

5 As at 31 December 2024, the company was recognised under "Non-current assets and disposal groups held for sale".

2.3 Summary of results

As at 31 December 2024, the Parent Company's share of consolidated net profit amounted to Euro 1,402.6 million, after having expensed Euro 111.7 million in contributions to systemic funds.

Net Interest Income totalled Euro 3,376.9 million (+3.9% as compared to 31 December 2023) reflective of the contribution from commercial spreads and the improved funding mix.

Net commission income amounted to Euro 2,058.4 million (+4.5% compared to 31 December 2023) with commissions on investment services amounting to Euro 840.9 million (+7.1% compared to 31 December 2023), bancassurance commissions on non-life insurance portfolio at Euro 128.2 million (+29.6% compared to 31 December 2023) and commissions on traditional banking totalling Euro 1,089.3 million (+0.4% compared to 31 December 2023). Performance fees relating to the bancassurance non-life and protection sector for 2024 amounted to Euro 31.1 million (+37.5% compared to 31 December 2023).

Net loans to customers amounted to Euro 90.1 billion (Euro 92.0 billion gross), up 2.2% since end-2023.

The disciplined approach to non-performing loan management has enabled the Bank to achieve high asset quality standards: the share of gross non-performing loans to customers (gross NPE ratio) is stable at 2.4% y/y, whereas the share of net non-performing loans to customers (net NPE ratio) is 1.1% (vs. 1.2% at the end of 2023).

The Bank's capital profile remains strong thanks to organic capital generation, which allowed the CET1 ratio to reach 15.8%. The liquidity position shows regulatory indicators well above the minimum required thresholds, even following the latest repayment in March 2024 of a tranche of TLTRO funding amounting to Euro 1.7 billion.

For further details on the results achieved by the BPER Banca Group in 2024, please refer to the chapter "The BPER Banca Group's results of operations" in this Directors' Report on Group Operations.

2.4 Performance ratios[6]

Financial ratios

Financial ratios	31.12.2024	2023 (*)
Structural ratios		
Net loans to customers/total assets	64.11%	62.07%
Net loans to customers/direct deposits from customers	76.31%	74.28%
Financial assets/total assets	20.66%	20.12%
Gross non-performing loans/gross loans to customers	2.41%	2.44%
Net non-performing loans/net loans to customers	1.12%	1.18%
Texas Ratio	18.35%	21.82%
Profitability ratios		
ROE	15.81%	18.85%
ROTE	16.90%	19.19%
ROA	1.03%	0.97%
Cost/Income Ratio	54.43%	55.44%
Cost of credit	0.36%	0.48%

(*) The comparative ratios are calculated on data as at 31 December 2023, as reported in the Integrated Report and Consolidated Financial Report of the BPER Banca Group as at 31 December 2023, with the exception of ROE, ROTE, and ROA, which have been updated based on a revised definition of the 2023 recurring component, adopted to ensure proper comparability with the figures for the current financial year.

The Texas ratio is calculated as total gross non-performing loans to customers on net tangible equity (Group and minority interests) plus impairment provisions for non-performing loans to customers.

ROE has been calculated as net profit for the year (only recurring component of Euro 1,406.9 million as at 31 December 2024 and Euro 1,351.1 million as at 31 December 2023) on the Group's average shareholders' equity not including net profit.

ROTE is calculated as the ratio between net profit for the year (solely the recurring component amounting to Euro 1,406.9 million as at 31 December 2024 and Euro 1,351.1 million as at 31 December 2023) and the Group's average shareholders' equity i) including net profit for the year (solely the recurring component amounting to 1,406.9 million as at 31 December 2024 and Euro 1,351.1 million as at 31 December 2023) stripped of the portion allocated to dividends and ii) excluding intangible assets and equity instruments.

ROA has been calculated as net profit for the year including net profit pertaining to minority interests (only recurring component of Euro 1,442.8 million as at 31 December 2024 and Euro 1,383.6 million as at 31 December 2023) on total assets.

The Cost/Income Ratio is calculated on the basis of the reclassified income statement (operating costs/ operating income); the same indicator, calculated considering only the recurring component of operating costs (Euro 2,806.4 million, net of i) the provision for charges related to the extension of the workforce optimisation manoeuvre and ii) the impairment of software whose useful life has been revised), amounts to 50.34%. When calculated on the basis of the accounting schedules envisaged by the 8th update of Bank of Italy Circular no. 262, the cost/income ratio amounts to 56.92% (59.03% as at 31 December 2023).

The Cost of credit is calculated as the ratio between the items in the reclassified statement "Net impairment losses to financial assets at amortised cost – loans to customers" and "Loans b) loans to customers".

6 The information provided is consistent with the ESMA document of 5 October 2015 "Guidelines on Alternative performance measures", aimed at promoting the usefulness and transparency of Alternative Performance Measures included in prospectuses or regulated information. To construct ratios, reference was made to the balance sheet and income statement items of the reclassified statements providing an operational management view and commented on in the chapter "The BPER Banca Group's results of operations" contained in the present Consolidated Financial Report of the BPER Banca Group.

Prudential supervisory ratios

Prudential supervisory ratios	31.12.2024	2023 (*)
Own Funds (Fully Phased) (in thousands of Euro)		
Common Equity Tier 1 (CET1)	8,578,930	7,736,303
Total Own Funds	11,265,519	9,663,855
Risk-weighted assets (RWA)	54,227,812	53,501,799
Fully Phased capital ratios and liquidity ratios		
Common Equity Tier 1 Ratio (CET1)	15.82%	14.46%
Tier 1 Ratio (T1 Ratio)	17.88%	14.74%
Total Capital Ratio (TC Ratio)	20.77%	18.06%
Leverage ratio	6.6%	5.5%
Liquidity Coverage Ratio (LCR)	166.9%	160.9%
Net Stable Funding Ratio (NSFR)	137.7%	128.4%

(*) The comparative ratios have been calculated on figures at 31 December 2023 as per the Integrated Report and the Consolidated Financial Report of the BPER Banca Group as at 31 December 2023.

The Leverage Ratio has been calculated according to the provisions of Regulation (EU) 575/2013 (CRR), as amended by Commission Delegated Regulation (EU) 62/2015.

Sustainability indicators

Non-financial indicators	31.12.2024	31.12.2023
Environmental		
GAR (Stock - Turnover weighting)	2.8%	1.5%
Electricity consumption from renewable sources	100%	100%
Emission intensity on net revenue (tCO_2e/net revenues in thousands of Euro)	9.11	n.a.
Social		
Employees on permanent contracts	99%	99%
Percentage of women over total employees	48%	47%
Training hours per employee	52	53
Governance		
% Women in BoD	40%	57%

(*) The value was rounded up.

The GAR (or Green Asset Ratio) is the ratio of the bank's assets that finance or are invested in economic activities aligned with the taxonomy to the total assets covered. The indicator reported above is calculated based on exposures as at 31 December 2024 to households (loans collateralised by properties) and to counterparties subject to the CSRD, the latter weighted according to the alignment data in relation to their reported turnover.
The percentage of electricity consumption from renewable sources is the ratio of electricity purchased and self-consumed in the year from renewable sources to the total electricity consumed in the year.
The emission intensity on revenues is calculated as the emissions produced during the year in tCO_2 over net revenues in thousands of Euro as at 31 December 2024 of the consolidated Banks and Companies. The Market-Based calculation method is used in the calculation.
The Social indicators are calculated on the basis of the total number of employees of the consolidated Banks and Companies as at 31 December 2024. Per capita hours of training are based on the total number of training hours divided by the total number of employees of the consolidated Companies as at 31 December.
For further details, please refer to Part 2 "Consolidated sustainability statement" of this Report.

3. SIGNIFICANT EVENTS AND STRATEGIC TRANSACTIONS

3.1 B:DYNAMIC | FULL VALUE 2027

On 9 October 2024, BPER Banca's Board of Directors approved the new 2024-2027 Business Plan of the BPER Banca Group "B:Dynamic | Full Value 2027".

Considering the positioning of the BPER Banca Group, i.e. by maximising its standing as Italy's third bank by number of customers (roughly 5 million, including approximately 4.3 million retail and around 700 thousand corporate customers) and third wealth management player[7] in terms of Total Customer Financial Assets (roughly Euro 300 billion), with an extensive national presence, primarily concentrated in the more prosperous Italian regions and the flexibility and proximity to the customer of a well-distributed territorial network, the Plan was developed on the basis of three main pillars:
- "Unleash our clients' full-value" with tailor-made e products on BPER's Retail and Private banking clients, leveraging the new wealth management set-up, as well as supporting its Corporate clients with tailor-made banking solutions through the new Corporate product factory;
- "Capture our latent economies of scale", by increasing workforce productivity (through the new omni-channel service model and AI/GenAI enabled process optimization and automation), with up-skilling initiatives and the insourcing of key operational activities, while reducing administrative costs;
- "Leverage our strong balance sheet", by improving and modernising credit risk and capital management.

The "Bank's complete modernisation" will enable the flawless execution of these three strategic pillars through the following enablers:
- Technology, Security and Artificial Intelligence - The BPER Banca Group will continue investing on top of what has already been invested in recent years to be at the IT forefront, ensuring business growth and productivity enhancement;
- ESG and Sustainability commitment - In line with the Group's modernization process, the integration of ESG factors into the BPER Banca Group's business processes will continue in order to remain a leader in ESG;
- Organisation and People - The Business Plan comprises a number of actions: an up-skilling programme aimed at increasing the Group's commercial fire power which will empower over 30% of the workforce; a cross-functional approach based on the full IT integration to enable the transformation the BPER Banca Group into a modern organization ready to capture new business opportunities; a new performance management model with meritocracy at the centre; and a new Incentive Plan fully aligned with the Business Plan targets.

End-2024 ahead-of-time closure of the 2022-2025 "BPER e-volution" Business Plan

On 30 May 2024, BPER Banca's Board of Directors resolved the early closure of the 2022-2025 "BPER e-volution" Business Plan as at 31 December 2024, in light of the earlier-than-planned achievement of the Bank's main economic and financial targets.

For the objectives laid out in the former Business Plan achieved in prior years, please refer to the 2022 and 2023 Reports of the BPER Banca Group where a description of the one-off transactions completed over time can be found (acquisition of the Carige Group, transfer of the merchant acquiring business and launch of a partnership with Nexi s.p.a., disposal of 48 branches to Banca Desio e della Brianza s.p.a., merger of SIFA' into UnipolRental s.p.a.)

A summary of the targets achieved in 2024 is reported below:
- Concentration of the Wealth & Asset Management segments of the BPER Banca Group in Banca Cesare Ponti (BCP): the project was carried out in several stages: (a) The merger by absorption of Optima s.p.a. SIM (Optima) became effective on 13 November 2023, (b) on 19 February 2024, the business unit relating to the Wealth & Asset Management segments ("Private Banking business") was transferred by BPER Banca to BCP. The merger is aimed at achieving more effectively: (i) the specialisation and focus of BCP in a key business area in terms of value generation for the BPER Banca Group; (ii) the attractiveness of the business for both customers and private bankers, strengthening the proposition and competitiveness of the BPER Banca Group in this area over the medium term; (iii) improved efficiency and strategic flexibility through the enhancement of the historic Banca Cesare Ponti brand, which is set to become the Group's reference hub in the Wealth & Asset Management sector.

7 Considering listed Retail & Commercial banks (data from last available financial reports and market presentations).

- Merger by absorption of BPER Reoco s.p.a. into BPER Real Estate s.p.a. approved by the Extraordinary Shareholders' Meetings on 22 March 2024, effective for legal, accounting and tax purposes from 1 July 2024, with the goal of rationalising and simplifying the control of the Group's real estate segment. As a result of the merger, BPER Banca's holding in BPER RE's share capital is 78.99%.
- Transfer of e-money activities of Bibanca to BPER Banca, again based on the pursuit of internal Group operating efficiency. The project was launched on 6 and 7 August 2024 following the resolutions of the Boards of Directors of BPER Banca and Bibanca which approved the transaction, later authorised by the European Supervisory Authority on 30 October 2024. Subsequently, the transaction was approved by the extraordinary Shareholders' Meetings of BPER and Bibanca, both held on 19 December 2024. The demerger deed was signed on 16 January 2025 and became effective from 27 January 2025. The transfer of activities to a single entity will enable the BPER Banca Group to align monitoring of the business and its pricing with market best practice, to optimise relations with payment circuits and simplify the internal governance model.
- Framework agreement with Gardant and AMCO for the disposal of UTP loans and the creation of a strategic partnership for the management of NPE portfolios. This agreement was finalised on 15 January 2024 through the creation of a servicing platform, 70% owned by Gardant Bridge Servicing s.p.a. (former Bridge Servicing s.p.a.), a company belonging to the Do Value Group (former Gardant Group), and 30% owned by BPER Banca. The agreement also included the signing of two servicing agreements on the management and recovery of loans classified as both Unlikely to Pay (UTPs) and Non-Performing Loans (NPLs) held by BPER Banca and by the subsidiary Banco di Sardegna.

As part of its de-risking activities, the BPER Banca Group finalised the disposal of a portfolio of bad loans of BPER Banca and its subsidiary Banco di Sardegna for a total claimed amount of Euro 556 million on 16 December 2024. In addition to this transaction, further actions were carried out in December, including: 1) further single name disposals of bad loans and UTPs by BPER Banca and its subsidiary Banco di Sardegna for a total claimed amount of Euro 56 million; 2) contribution by BPER Banca of UTP loans with a claimed amount of approximately Euro 27 million to the Kryalos fund; and 3) contribution by BPER Leasing of non-performing loans with a claimed amount of approximately Euro 79 million to the Efesto fund.

3.2 Other significant events

Additional Tier 1 bond issuance

On 9 January 2024, BPER Banca successfully placed an Additional Tier 1 perpetual bond issuance, callable from year 5, for a total principal amount of Euro 500 million (the "Notes").

The Notes, reserved for institutional investors, were priced at par, with a fixed coupon of 8.375% until 16 July 2029, payable semi-annually; if not called by the Bank, the new fixed rate coupon will be redetermined by adding a reset spread of 595 bps to the 5-year mid swap rate in Euro as at the reset date and would remain fixed for the following 5 years (until the next recalculation date).

The Additional Tier 1 issuance was oversubscribed with orders exceeding Euro 3.2 billion after books opening, which made it possible to revise the initial guidance from 9.00% to 8.375% and reach the target sizing of Euro 500 million.

The final allocation was primarily in favour of investment funds (80%) and private banking (15%).

The geographical distribution sees participation from international investors (including 50% from the UK, 11% from France, 8% from Germany) and Italian investors (18%).

In addition, the Additional Tier 1 Issuance provides for the temporary principal write-down mechanism of the nominal value, should the CET1 ratio of the Bank and/or the Group fall below 5.125%.

On 13 November 2024, BPER Banca successfully placed an Additional Tier 1 perpetual bond issuance, callable on 20 March 2030 the "First reset date" and, thereafter on any interest payment date, for a total amount of Euro 500 million.

This was the second Additional Tier 1 issuance carried out by the Bank in 2024, contributing to the strengthening and optimisation of the capital structure.

The Notes, reserved for institutional investors, were placed at par with a fixed coupon of 6.50% until the First Reset Date, payable semi-annually. If not called by the Bank, the coupon will be redetermined by adding a reset spread of 434.6 bps to the 5-year mid swap rate in Euro as at the reset date and will remain fixed for the following five years (until the next reset date).

Following a book-building process, the Notes gathered orders for over of Euro 3 billion from around 230 investors. Strong and well-diversified demand made it possible to lower the initial coupon guidance from around 7.00% to 6.50%.

The final allocation was mainly in favour of investment funds (83%) and private banking (15%).

The geographical distribution saw participation from international investors (including 44% from the UK, 19% from France, 10% from Germany) and Italian investors (16%).

Coupon payment is discretionary and subject to certain restrictions. The Issuance additionally provides for the temporary principal write-down mechanism of the nominal value, should the CET1 ratio of the Bank and/or the Group fall below 5.125%.

First and second senior preferred green bond issuance

On 13 February 2024, BPER Banca has successfully placed its first Senior Preferred Bond issuance qualifying as green in accordance with the Group's Green, Social and Sustainability (GSS) Bond Framework, targeting institutional investors. The issuance, with 6-year maturity and a call after year 5, was allocated for an amount of Euro 500 million.

Confirming the strong interest in BPER Banca, orders in excess of Euro 3.4 billion were raised for the issuance.

The geographical distribution sees participation from foreign investors (including 20% from the UK, 13% from Germany, Austria and Switzerland, 9% from France) and Italian investors (42%).

The final allocation was primarily in favour of investment funds (51%) and private banking (30%). The issuance, whose proceeds will be used to finance and/or refinance Eligible Green Assets, complements the BPER Banca Group's ESG strategy and represents the concrete achievement of environmental sustainability objectives.

On 15 May 2024, BPER Banca has successfully placed its second Senior Preferred Bond issuance qualifying as green in accordance with the Group's Green, Social and Sustainability (GSS) Bond Framework, targeting institutional investors. The issuance, with 7-year maturity and a call after year 6, was allocated for an amount of Euro 500 million.

The geographical distribution sees participation from foreign investors (including 22% from France, 14% from the UK, 12% from Nordics, 11% overall from Germany, Austria and Switzerland) and Italian investors (29%).

The final allocation was primarily in favour of investment funds (50%) and private banking (22%).

The proceeds from the issuance will be used to finance and/or refinance Eligible Green Assets and the transaction fits within BPE's ESG strategy.

Issuance of European covered bonds

On 14 March 2024, BPER Banca successfully placed a 7-year maturity Covered Bond issuance for an amount of Euro 500 million, targeting institutional investors. The bonds qualify as the first European Covered Bond (Premium) issuance placed by the Bank in 2024. Confirming the strong market interest in BPER Banca, orders in excess of Euro 4.6 billion were raised for the issuance from 139 investors.

Geographical distribution sees participation from foreign investors – including from UK and Ireland (27%), Germany and Austria (17%), Nordics (14%), Benelux (4%), France (3%) – and Italian investors (29%).

The final allocation was primarily in favour of investment funds (45%) banks (31%) and institutions (18%). The bonds are backed by a 100% residential mortgage loan book, confirming BPER Banca's ability to support the residential mortgage market for retail customers.

On 27 August, BPER Banca successfully placed a Covered Bond issuance with 5 year maturity (July 2029) for an amount of Euro 500 million, which has reopened the Italian banks' bond market after the summer break. The bonds qualify as the second European Covered Bond (Premium) issuance for institutional investors placed by the Bank in 2024. Orders in excess of Euro 1.9 billion were raised for the issuance from 68 investors.

Geographical distribution sees participation of foreign investors from Germany, Austria and Switzerland (15%), Denmark (15%), Benelux (13%), UK (12%), Spain (5%), France (4%) and Italian investors (31%).

The final allocation was primarily in favour of investment funds (43%) banks (42%), institutions (8%) and insurance companies (5%). The bonds are backed by a 100% residential mortgage loan book.

NPE Business Plan

On 28 March 2024, the 2024-2026 NPE Business Plan and related operating plan were presented and approved, defining targets for non-performing exposures against an underlying macroeconomic scenario characterised by economic uncertainty with stabilising inflation. In the new 2024-2026 NPE Business Plan, the entry into force of the servicing agreement with Gardant Bridge Servicing s.p.a. (effective as of 15 January 2024) has been taken into account, which, together with the disposal of additional NPE portfolios and the improvement of internal management and workout activities, contributes to confirming a low gross NPE ratio.

As previously highlighted, on 10 October 2024, the BPER Banca Group's 2024-2027 Business Plan "B:Dynamic | Full Value 2027" was presented to the public. The Plan includes an update of the main guidelines for the disposal of bad loans and UTPs for the 2025-2027 period, amounting to approximately Euro 0.8 billion.

Qualitative requirements for reporting to the ECB including the management of Non-Performing Exposures (NPEs)[8] complement the quantitative capital requirements for which please refer to the chapter "*Results of operations*" in the "*Own Funds and Capital Ratios*" section.

Extension of the workforce manoeuvre

On 13 July 2024, the Parent Company BPER Banca and the Trade Unions reached an agreement to extend the workforce optimisation manoeuvre launched in 2023, aimed at generational and professional turnover. The extension allowed to accept additional 615 early retirement applications as compared to the early retirement incentive plan of 23 December 2023.

The voluntary exits will be matched by a total of 460 new hires on permanent contract by 30 June 2026, including of former employees who had worked at the Group Companies on fixed-term or temporary agency contracts.

BPER Banca: conversion of the Additional Tier 1 notes issued in July 2019

On 31 July 2024, 416,666 BPER Banca ordinary shares with regular dividend entitlement were issued, following the requests for the voluntary conversion - received by 15 July 2024 - of part of the "Euro 150,000,000 Convertible Additional Tier 1 Capital Notes" issued on 25 July 2019 further to BPER Banca's BoD resolution of 11 July 2019 on the basis of the power delegated by the extraordinary- Shareholders' Meeting on 4 July 2019.

On 14 August 2024, a total of 5,357,140 BPER Banca ordinary shares were issued, with regular dividend entitlement rights, as a result of the voluntary conversion requests received by 31 July 2024. As at 14 August 2024, there were 503 residual shares outstanding for a nominal value of Euro 125,750,000.

After the obligations of disclosure with the Modena Companies' Register were fulfilled for the purpose of registering the new share capital of BPER Banca and filing the new Articles of Association, BPER Banca's share capital amounted to Euro 2,121,637,109.40 (for a new number of ordinary shares of 1,421,624,324) as at 30 September 2024.

3.3 Events after the reporting period as at 31 December 2024

Public voluntary exchange offer on all the ordinary shares of Banca Popolare di Sondrio

On 6 February 2025, the Board of Directors of BPER Banca ("Offeror") approved the launch of a voluntary public exchange offer for all the ordinary shares of Banca Popolare di Sondrio s.p.a. ("BP Sondrio"). The decision was disclosed on the same date in accordance with Article 102 of Legislative Decree no. 58 of 24 February 1998 ("Consolidated Law on Finance") and Article 37 of Consob Regulation no. 11971 of 14 May 1999 ("Issuers' Regulation").

The Offer, which is subject to the regulatory authorisations provided by applicable legislation and to the fulfilment of the explicitly stated conditions, is aimed at acquiring a stake of more than 50% of the share capital of BP Sondrio, allowing the Offeror to exercise de jure control over BP Sondrio. In any case, the Offeror reserves the right to partially waive this condition, provided that the shareholding acquired at the end of the Offer exceeds 35% of BP Sondrio's share capital (a shareholding which, given the structure of the bank's ownership, would enable BPER to exert dominant influence over BP Sondrio). Furthermore, if as a result of shares tendered into the Offer or purchased outside the Offer, the Offeror comes to hold more than 90% of BP

8 The ECB recommended that BPER Banca should implement, only for Pillar 2 regulatory purposes, a progressive adjustment of its coverage levels for the stock of non-performing loans outstanding at 31 March 2018 until full coverage is achieved, with the following objectives:
- for secured NPEs older than 7 years, achieve 90% minimum coverage by year end 2024, with a linear adjustment path to full coverage by year end 2025;
- for unsecured NPEs older than 2 years, achieve 100% minimum coverage by year end 2024, with a linear adjustment path.

Sondrio's share capital, BPER hereby declares its intention not to restore a sufficient free float to ensure regular trading of the bank's shares.

The exchange ratio has been set at 1.450 newly issued BPER shares for each existing BP Sondrio share. Taking as a reference the official share prices of BPER and BP Sondrio on 5 February 2025, this exchange ratio implies an offer price of Euro 9.527 per BP Sondrio share, a premium of approximately 6.6% over the official price of BP Sondrio shares recorded on 5 February 2025, and a 10.3% premium over the weighted average of the last three months.

The strategic and business objectives of the Offer are to accelerate growth and maximise value creation for all stakeholders through the combination of two banks, which can be achieved quickly and effectively thanks to similar business models and shared values.

The Offer is expected to be completed in the second half of 2025, and full integration is expected by the end of 2025, subject to the necessary authorisations from the competent authorities under current regulations.

Completion of the Offer will allow for the full realisation of the potential of the two groups, enhancing value creation and distribution, achieving significant synergies without social costs, and reducing the risk profile for all stakeholders.

In the Italian credit market landscape, BP Sondrio stands out for its similarities with BPER, particularly in terms of the history that has characterised the development of the two banks, the high level of complementarity of their local presence, their positioning on the market and their business models, which are very consistent with each other and strongly oriented towards serving households and businesses in their respective areas of footprint, while pursuing sustainable growth and environmental protection.

BPER Banca and BP Sondrio have long been operating in the same way in some segments of their customer proposition, using not only similar business models, but also shared partnerships and product factories, in asset management (Arca Fondi SGR s.p.a.), bancassurance (Arca Vita s.p.a. and Arca Assicurazioni s.p.a.) and leasing (Alba Leasing s.p.a.).

The anticipated benefits of the transaction for stakeholders are as follows:
- for BP Sondrio shareholders, the opportunity to receive – in addition to the premium and pay-out mentioned above – a significantly more liquid equity security, with increased exposure to the creation and distribution of value arising from the realisation of synergies. Shareholders will also benefit from stronger commercial performance, a solid capital position, and robust asset quality, as well as the Offeror's greater capacity to generate revenues and profits thanks to improved growth and development opportunities;
- for BP Sondrio customers, enhanced support activities, particularly for small- and medium-sized enterprises and households, including through a broader and more structured range of products and services to be offered by a new banking group larger than the previous two and holding a leadership position in Italy;
- for the employees of both entities, opportunities for professional growth and development within the new banking group, with new job opportunities and generational turnover. The ability to attract top talent will increase, and the resilience and competitiveness of the combined entity will certainly ensure greater job security and stability;
- for local communities, the new banking group's greater financial strength will allow it to provide better support to the areas in which the combined entity operates;
- for the environment and ESG values, the new banking group will be able to increase its commitment to ESG investments, promoting sustainable growth and supporting its customers in reducing their exposure to climate and environmental risks, as well as in managing their green transition.

Following completion of the transaction, the new banking group will continue its policy of high shareholder remuneration, maintain solid capital ratios and strong credit quality, with no one-off charges for shareholders. In this regard, the following targets are expected to be achieved:
- an increase in earnings per share, with net profit including synergies expected to exceed Euro 2 billion by 2027, and a projected RoTE close to 15%;
- confirmation of the dividend distribution policy outlined in the "B:Dynamic | Full Value 2027" Business Plan, with a significant improvement in pay-out for BP Sondrio shareholders;
- maintenance of a solid risk profile due to (i) an asset quality above the average of major peers in the Italian banking sector and (ii) a solid capital base (CET1 Ratio above 15%);
- increased investment in the areas of footprint and initiatives linked to ESG goals, in order to drive a transition toward sustainable and inclusive growth, mitigate climate and environmental risks, and fully leverage the Offeror's excellent ESG strategy.

The profitability of the resulting banking group will benefit from significant revenue synergies, arising from increased productivity per customer and per branch in line with the levels of the Offeror, also as a result of shared product companies and cross-selling opportunities in high value-added business segments (wealth management, bancassurance, and specialty finance), all supported by the Offeror's effective distribution model. Cost synergies have also been estimated based on economies of scale and improved operational efficiency, which the Offeror has already demonstrated in previous bank integration initiatives. The achievement of these synergies will result in a lean operational structure and will free up important resources for investment (including technology).

Fitch revises BPER Banca's outlook to Positive from Stable and affirms long-term IDR 'BBB-'

On 20 January 2025, the international agency Fitch Ratings revised the outlook on BPER Banca's long-term Issuer Default Rating (IDR) to Positive from Stable and affirmed the Long-Term Issuer Default Rating (IDR) as Investment Grade at 'BBB-' and the Viability Rating (VR) was confirmed at 'bbb-'.

The Positive Outlook reflects Fitch Ratings' expectation that BPER's credit profile will benefit from the ongoing realisation of synergies from its enlarged and stabilised franchise after past acquisitions. This should sustainably enhance the Bank's earnings generation and resilience, through larger business volumes and stronger contribution from fee-based wealth management and insurance activities. Fitch Ratings expects BPER to also benefit from more business opportunities and firmer growth prospects offered by Italy's improving operating environment.

Moody's affirms the deposit and senior unsecured debt ratings of BPER Banca with outlook remaining stable

On 12 February 2025, Moody's Ratings affirmed the deposit and senior unsecured debt ratings of BPER Banca s.p.a., with the outlook remaining stable.

The rating action was prompted by BPER's announcement on 6 February 2025 that it had launched a voluntary public tender offer fully in shares for all the shares of Banca Popolare di Sondrio s.p.a.

BPER's "baa3" Baseline Credit Assessment (BCA) and Adjusted BCA were also affirmed.

Acknowledging BPER's successful history of acquisitions, Moody's Ratings also considered the scale benefits, expected synergies and the complementary geography of both retail banking franchises, a higher emphasis on lending to small to mid-sized corporates, and several similar distribution agreements in asset management and insurance.

In addition, the rating agency's affirmation of BPER's "baa3" BCA reflects the bank's strong asset quality, solid capital, improved profitability and a robust retail deposit base.

Moody's Ratings anticipates the combined entity, if the acquisition of Banca Popolare di Sondrio s.p.a. is finalised, to maintain its overall creditworthiness.

S&P affirms BPER Banca's "BBB-/A-3" long and short-term Counterparty Credit Ratings, with outlook remaining positive following offer on Banca Popolare di Sondrio

On 13 February 2025, S&P Global Ratings affirmed the Bank's "BBB-/A-3" long and short-term counterparty credit ratings, with the outlook remaining positive.

If effectively executed, the rating agency views the business combination positively given the strong strategic rationale for BPER, the geographic and business fit, and limited overlaps. Overall, the business combination will lead to a larger and more effective group with stronger market position as increasing digitalization and the need to enhance revenue diversification will require scale and continuous investments.

In S&P Global Ratings' view the impact on BPER's capitalization under current terms appears manageable. The agency believes that the acquisition of Banca Popolare di Sondrio will not materially affect BPER's asset quality in the years to come. Both banks have sound funding and liquidity positions.

4. SCOPE OF CONSOLIDATION OF THE BPER BANCA GROUP

4.1 Composition of the Group as at 31 December 2024

The BPER Banca Group has been registered since 7 August 1992 with code no. 5387.6 in the Register of Banking Groups referred to in art. 64 of Legislative Decree 385 of 1 September 1993.

The following is a list of the Banks and Companies included in the scope of consolidation at 31 December 2024, distinguishing between Banks and Companies consolidated on a line-by-line basis and Banks and Companies, whether or not belonging to the Group, consolidated under the equity method.

The BPER Banca Group has decided to align the scope of consolidation used for accounting purposes with that required for prudential reporting purposes. This is discussed further in the consolidated Explanatory Notes to this Consolidated Report.

The scope of consolidated companies has changed compared to 31 December 2023 as:
- on 15 January 2024, the disposal of the majority stake, amounting to 70% of Bridge Servicing s.p.a.'s share capital, to Gardant s.p.a. was completed, while BPER Banca maintains a minority stake corresponding to the remaining 30%;
- on 6 march 2024, the company Centro Fiduciario C.F. s.p.a. was removed from the Companies' Register - in liquidation (consolidated under the equity method);
- The deed of merger by absorption of BPER Reoco s.p.a into BPER Real Estate s.p.a. was signed on 19 June 2024, effective for legal, accounting and tax purposes from 1 July 2024. As a result of the merger, BPER Banca's holding in BPER Real Estate share capital is 78.99%.

For further details, please refer to chapter "Significant events and strategic transactions" of this Report.

Reported below are the percentages held by the Group[9] in each company, with further specific information provided, where necessary, by means of footnotes.

Banking Group companies consolidated on a line-by-line basis:
- BPER Banca s.p.a., based in Modena (Parent Company);
- BPER Bank Luxembourg s.a., based in the Grand Duchy of Luxembourg (100%);
- Banco di Sardegna s.p.a., based in Cagliari, which is held as follows: 100% of the ordinary shares and 96.555% of the preference shares, representing 99.483% of total capital;
- Bibanca s.p.a., based in Sassari (99.220%);
- BPER Real Estate, based in Modena, real estate company (100%)[10];
- Modena Terminal s.r.l., based in Campogalliano (Modena), the activities of which are the storage of goods, the storage and ageing of cheeses and the cold storage of meat and perishable products (100%)[11];
- BPER Factor s.p.a., based in Bologna, a factoring company (100%);
- Sardaleasing s.p.a., based in Sassari, leasing company (99.779%)[12];
- Arca Holding s.p.a.[13] based in Milan (57.061%);
- Arca Fondi SGR s.p.a. based in Milan, asset management company wholly owned by Arca Holding s.p.a.;
- Finitalia s.p.a. based in Milan, company that specialises in consumer lending (100%).
- Banca Cesare Ponti s.p.a., based in Milan (100%).

Other subsidiaries consolidated under the equity method[14]:
- Estense Covered Bond s.r.l. based in Conegliano (Treviso), a special purpose vehicle for the issue of Covered Bonds under art. 7 bis of Law 130/99 (60%);

9 Unless otherwise specified, the percentage shown refers to the Parent Company.
10 Held by: the Parent Company (78.988%) and Banco di Sardegna s.p.a. (21.012%).
11 As at 31 December 2024, the shareholding was reclassified as "Non-current assets and disposal groups held for sale".
12 Held by: the Parent Company (52.846%) and Banco di Sardegna s.p.a. (46.933%).
13 The company is not a member of the Banking Group.
14 Following alignment of the scope of consolidation for accounting purposes with that used for supervisory purposes.

- BPER Trust Company s.p.a., based in Modena, with the role of trustee for trusts established by customers, as well as providing advice on trust matters (100%);
- Estense CPT Covered Bond s.r.l., based in Conegliano (TV), a special purpose vehicle for the issue of Covered Bonds under art. 7 bis of Law 130/99 (60%).
- Carige Covered Bond s.r.l. based in Genoa, a special purpose vehicle for the issue of Covered Bonds under art. 7 bis of Law 130/99 (60%);
- Lanterna Finance s.r.l., based in Genoa, special purpose vehicle pursuant to Law no. 130/99 (5%);
- Lanterna Mortgage s.r.l., based in Genoa, special purpose vehicle pursuant to Law no. 130/99 (5%);

In addition to the above companies that belong to the Banking Group, the following direct and indirect subsidiaries are including in this cluster at 31 December 2024, even though they are not included in the Group since they do not contribute to its banking activities[15]:
- Adras s.p.a. (100%);
- St. Anna Golf s.r.l., wholly-owned by BPER Real Estate s.p.a.;
- Commerciale Piccapietra s.r.l. (100%);
- Annia s.r.l., wholly-owned by BPER Real Estate s.p.a.

St. Anna Gestione Golf Società Sportiva Dilettantistica s.r.l., a subsidiary of BPER Real Estate through St. Anna Golf s.r.l., was excluded from the scope of consolidation as it was considered non-significant.

Associated companies consolidated under the equity method:
- Cassa di Risparmio di Fossano s.p.a., based in Fossano (Cuneo) (23.077%);
- Cassa di Risparmio di Savigliano s.p.a., based in Savigliano (Cuneo) (31.006%);
- Alba Leasing s.p.a., based in Milan (33.498%);
- Resiban s.p.a., based in Modena (20%);
- Unione Fiduciaria s.p.a., based in Milan (24%);
- Sarda Factoring s.p.a., based in Cagliari (21.484%)[16];
- Lanciano Fiera - Polo fieristico d’Abruzzo - consortium based in Lanciano (33.333%);
- Nuova Erzelli s.r.l., based in Genoa (40%);
- Gility s.r.l. SB, based in Milan (45.732%);
- Gardant Bridge Servicing s.p.a., with registered office in Rome, a company specialising in debt recovery (30%).

With regard to companies over which a significant influence is exercised, it should be noted that:
- on 28 February 2024, the equity investment held in Immobiliare Oasi nel Parco s.r.l was sold.
- Atriké s.p.a (which were consolidated under the equity method) were removed from the Companies’ Register on 27 December 2024:

It is also noted that, following events involving Autostrada dei Fiori s.p.a. and UnipolRental s.p.a., BPER Banca is no longer considered to exercise significant influence, which is a prerequisite for classifying such holdings as investments in associates. As a result, these assets were reclassified from “Equity investments” to “Financial assets measured at fair value through other comprehensive income”.

15 Following alignment of the scope of consolidation for accounting purposes with that used for supervisory purposes.

16 Held by: Banco di Sardegna s.p.a. (13.401%) and the Parent Company (8.083%).

5. THE BPER BANCA GROUP'S RESULTS OF OPERATIONS

5.1 Balance sheet aggregates

The most important balance sheet aggregates and items at 31 December 2024 are presented below on a comparative basis with 31 December 2023, in thousands of Euro, indicating the changes between periods in absolute and percentage terms.

For greater clarity in the presentation of the results, the accounting schedules envisaged by the 8th update of Bank of Italy Circular no. 262/2005 are presented below on a reclassified basis[17]; in particular:

- debt securities measured at amortised cost (under item 40 "Financial assets measured at amortised cost") have been reclassified to item "Financial assets";
- loans mandatorily measured at fair value (included in item 20 c) "Financial assets measured at fair value through profit or loss - other financial assets mandatorily measured at fair value") have been reclassified to the item "Loans";
- "Other assets" includes items 110 "Tax assets", 120 "Non-current assets and disposal groups classified as held for sale" and 130 "Other assets";
- "Other liabilities" includes items 60 "Tax liabilities", 70 "Liabilities associated with assets classified as held for sale", 80 "Other liabilities", 90 "Employee termination indemnities" and 100 "Provisions for risks and charges".

Assets

(in thousands)

Assets	31.12.2024	31.12.2023	Changes	% Change
Cash and cash equivalents	7,887,900	10,085,595	(2,197,695)	-21.79
Financial assets	29,040,782	28,600,425	440,357	1.54
a) Financial assets held for trading	664,625	672,598	(7,973)	-1.19
b) Financial assets designated at fair value	-	1,991	(1,991)	-100.00
c) Other financial assets mandatorily measured at fair value	812,239	762,059	50,180	6.58
d) Financial assets measured at fair value through other comprehensive income	5,694,010	6,859,241	(1,165,231)	-16.99
e) Debt securities measured at amortised cost	21,869,908	20,304,536	1,565,372	7.71
- banks	6,137,029	6,721,529	(584,500)	-8.70
- customers	15,732,879	13,583,007	2,149,872	15.83
Loans	91,806,382	89,993,197	1,813,185	2.01
a) Loans to banks	1,544,202	1,661,081	(116,879)	-7.04
b) Loans to customers	90,136,389	88,224,354	1,912,035	2.17
c) Loans mandatorily measured at fair value	125,791	107,762	18,029	16.73
Hedging derivatives	649,437	1,122,566	(473,129)	-42.15
Equity investments	302,494	422,046	(119,552)	-28.33
Property, plant and equipment	2,502,191	2,456,850	45,341	1.85
Intangible assets	710,763	648,981	61,782	9.52
- of which: goodwill	170,018	170,018	-	-
Other assets	7,691,483	8,798,699	(1,107,216)	-12.58
Total assets	**140,591,432**	**142,128,359**	**(1,536,927)**	**-1.08**

17 Further details of how the Reclassified Balance Sheet has been prepared can be found in the "Reconciliation between the Consolidated Financial Statements and the Reclassified Financial Statements as at 31 December 2024", which is included as an Annex to this Consolidated Financial Report.

Loans to customers

Net loans to customers are made up solely of the loans allocated to item 40 b) "Financial assets measured at amortised cost – loans to customers" in the assets section of the balance sheet.

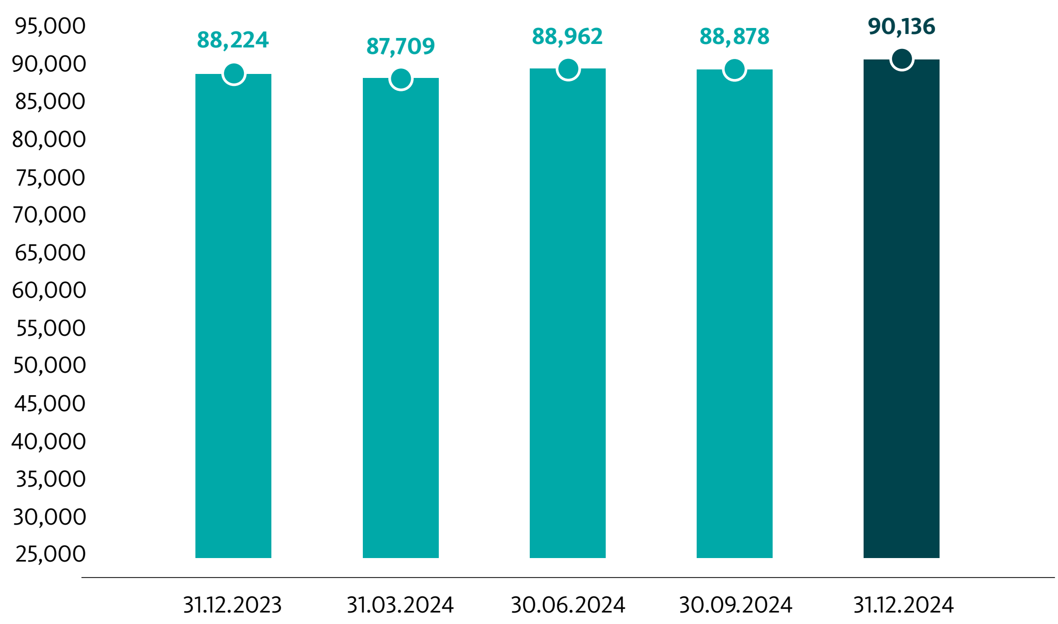
(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Current accounts	5,296,360	5,453,933	(157,573)	-2.89
Mortgage loans	62,408,291	62,120,911	287,380	0.46
Repurchase agreements	-	-	-	n.s.
Leases and factoring	5,028,961	5,134,789	(105,828)	-2.06
Other transactions	17,402,777	15,514,721	1,888,056	12.17
Net loans to customers	**90,136,389**	**88,224,354**	**1,912,035**	**2.17**

Loans to customers, net of adjustments, totalled Euro 90,136.4 million (Euro 88,224.4 million at 31 December 2023), up by Euro 1,912.0 million compared to 31 December 2023. Among the various type of products, the increase on mortgage loans was Euro 287.4 million (+0.46%), and on other transactions was Euro 1,888.1 million (+12.17%), while the reduction was on leases and factoring for an amount of Euro -105.8 million (-2.06%) and on current accounts for an amount of Euro -157.6 million (-2.89%).

NET LOANS TO CUSTOMERS

(amounts in millions)



(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Gross non-performing exposures	**2,211,934**	**2,197,089**	**14,845**	**0.68**
Bad loans	516,523	632,013	(115,490)	-18.27
Unlikely-To-Pay loans	1,572,971	1,353,554	219,417	16.21
Past due loans	122,440	211,522	(89,082)	-42.11
Gross performing exposures	**89,747,423**	**87,834,438**	**1,912,985**	**2.18**
Total gross exposure	**91,959,357**	**90,031,527**	**1,927,830**	**2.14**
Impairment losses on non-performing exposures	**1,200,514**	**1,153,879**	**46,635**	**4.04**
Bad loans	391,628	457,424	(65,796)	-14.38
Unlikely-To-Pay loans	767,690	638,689	129,001	20.20
Past due loans	41,196	57,766	(16,570)	-28.68
Impairment losses on performing exposures	**622,454**	**653,294**	**(30,840)**	**-4.72**
Total impairment losses	**1,822,968**	**1,807,173**	**15,795**	**0.87**
Net non-performing exposures	**1,011,420**	**1,043,210**	**(31,790)**	**-3.05**
Bad loans	124,895	174,589	(49,694)	-28.46
Unlikely-To-Pay loans	805,281	714,865	90,416	12.65
Past due loans	81,244	153,756	(72,512)	-47.16
Net performing exposures	**89,124,969**	**87,181,144**	**1,943,825**	**2.23**
Total net exposure	**90,136,389**	**88,224,354**	**1,912,035**	**2.17**

At 31 December 2024, the provisions relating to non-performing loans amounted to Euro 1,200.5 million (Euro 1,153.9 million at 31 December 2023; +4.04%), for a coverage ratio of 54.27% (52.52% at 31 December 2023), while the provisions for performing loans amounted to Euro 622.5 million (Euro 653.3 million at 31 December 2023; -4.72%) and give a coverage ratio of to 0.69% (0.74% at 31 December 2023).
The total coverage ratio is thus 1.98%, down compared with the figure at 31 December 2023 (2.01%).

(in thousands)

Loans to customers	31.12.2024		31.12.2023		%	%	Lev. %
	Gross	Net	Gross	Net	Gross change	Net change	coverage ratio
1. BPER Banca s.p.a.	79,796,162	78,334,245	78,414,497	77,018,983	1.76	1.71	1.83
2. BPER Bank Luxembourg s.a.	288,239	282,804	320,045	313,955	-9.94	-9.92	1.89
3. Bibanca s.p.a.	4,011,207	3,936,180	3,476,750	3,431,929	15.37	14.69	1.87
4. Banco di Sardegna s.p.a.	7,184,042	7,056,100	7,013,795	6,907,025	2.43	2.16	1.78
5. Banca Cesare Ponti s.p.a.	97,813	97,410	39,932	39,678	144.95	145.50	0.41
Total banks	**91,377,463**	**89,706,739**	**89,265,019**	**87,711,570**	**2.37**	**2.27**	**1.83**
6. Sardaleasing s.p.a.	2,979,839	2,862,012	3,365,546	3,150,041	-11.46	-9.14	3.95
7. BPER Factor s.p.a.	2,298,190	2,271,434	2,190,128	2,160,582	4.93	5.13	1.16
8. Finitalia s.p.a.	401,131	393,470	470,076	461,403	-14.67	-14.72	1.91
9. BPER Real Estate s.p.a.	-	-	271	271	-100.00	-100.00	-
Other companies and consolidation adjustments	(5,097,266)	(5,097,266)	(5,259,513)	(5,259,513)	-3.08	-3.08	-
Balance sheet total	**91,959,357**	**90,136,389**	**90,031,527**	**88,224,354**	**2.14**	**2.17**	**1.98**

(in thousands)

Non-performing loans	31.12.2024		31.12.2023		%	%	Lev. %
	Gross	Net	Gross	Net	Gross change	Net change	coverage ratio
1. BPER Banca s.p.a.	1,803,060	837,448	1,695,781	854,646	6.33	-2.01	53.55
2. BPER Bank Luxembourg s.a.	8,091	3,023	7,910	2,583	2.29	17.03	62.64
3. Bibanca s.p.a.	96,054	44,795	65,018	36,363	47.73	23.19	53.36
4. Banco di Sardegna s.p.a.	137,429	67,970	128,821	65,352	6.68	4.01	50.54
5. Banca Cesare Ponti s.p.a.	489	310	626	455	-21.88	-31.87	36.61
Total banks	**2,045,123**	**953,546**	**1,898,156**	**959,399**	**7.74**	**-0.61**	**53.37**
6. Sardaleasing s.p.a.	126,647	44,028	247,152	61,743	-48.76	-28.69	65.24
7. BPER Factor s.p.a.	33,990	11,916	44,835	19,522	-24.19	-38.96	64.94
8. Finitalia s.p.a.	6,174	1,930	6,946	2,546	-11.11	-24.19	68.74
Balance sheet total	**2,211,934**	**1,011,420**	**2,197,089**	**1,043,210**	**0.68**	**-3.05**	**54.27**
Non-performing loans (balance sheet total)/Loans to customers	**2.41%**	**1.12%**	**2.44%**	**1.18%**			

Net non-performing loans amount to Euro 1,011.4 million (-3.05% on 31 December 2023), equal to 1.12% of total net loans to customers (1.18% at 31 December 2023), whereas, on a gross basis, the ratio of non-performing loans to loans to customers is 2.41% (2.44% at 31 December 2023).
The coverage of non-performing loans of 54.27% has increased compared with 31 December 2023 (52.52%).

(in thousands)

Bad loans	31.12.2024		31.12.2023		% Gross change	% Net change	Lev. % coverage ratio
	Gross	Net	Gross	Net			
1. BPER Banca s.p.a.	379,935	99,036	404,839	138,964	-6.15	-28.73	73.93
2. BPER Bank Luxembourg s.a.	849	9	1,683	13	-49.55	-30.77	98.94
3. Bibanca s.p.a.	23,300	5,011	6,023	1,654	286.85	202.96	78.49
4. Banco di Sardegna s.p.a.	21,453	5,734	25,258	7,455	-15.06	-23.09	73.27
5. Banca Cesare Ponti s.p.a.	56	11	9	3	522.22	266.67	80.36
Total banks	**425,593**	**109,801**	**437,812**	**148,089**	**-2.79**	**-25.85**	**74.20**
6. Sardaleasing s.p.a.	68,301	13,067	167,158	22,443	-59.14	-41.78	80.87
7. BPER Factor s.p.a.	20,098	1,513	24,267	3,289	-17.18	-54.00	92.47
8. Finitalia s.p.a.	2,531	514	2,776	768	-8.83	-33.07	79.69
Balance sheet total	**516,523**	**124,895**	**632,013**	**174,589**	**-18.27**	**-28.46**	**75.82**
Bad loans (Balance sheet total)/ Loans to customers	**0.56%**	**0.14%**	**0.70%**	**0.20%**			

Net bad loans amount to Euro 124.9 million (-28.46% compared with 31 December 2023), accounting for 0.14% of total net loans to customers (0.20% at 31 December 2023), whereas, on a gross basis, the bad loans on total loans to customers ratio comes to 0.56% (0.70% at 31 December 2023).
The coverage of bad loans has increased to 75.82%, compared with 72.38% at 31 December 2023.

(in thousands)

Unlikely-To-Pay loans	31.12.2024		31.12.2023		% Gross change	% Net change	Lev. % coverage ratio
	Gross	Net	Gross	Net			
1. BPER Banca s.p.a.	1,374,028	706,340	1,171,617	623,658	17.28	13.26	48.59
2. BPER Bank Luxembourg s.a.	6,966	2,831	5,837	2,287	19.34	23.79	59.36
3. Bibanca s.p.a.	33,023	15,423	28,406	15,803	16.25	-2.40	53.30
4. Banco di Sardegna s.p.a.	100,967	51,576	83,072	42,740	21.54	20.67	48.92
5. Banca Cesare Ponti s.p.a.	318	208	450	317	-29.33	-34.38	34.59
Total banks	**1,515,302**	**776,378**	**1,289,382**	**684,805**	**17.52**	**13.37**	**48.76**
6. Sardaleasing s.p.a.	49,527	25,234	54,487	25,732	-9.10	-1.94	49.05
7. BPER Factor s.p.a.	6,032	3,001	6,741	3,212	-10.52	-6.57	50.25
8. Finitalia s.p.a.	2,110	668	2,944	1,116	-28.33	-40.14	68.34
Balance sheet total	**1,572,971**	**805,281**	**1,353,554**	**714,865**	**16.21**	**12.65**	**48.81**
Unlikely to pay loans/Loans to customers	**1.71%**	**0.89%**	**1.50%**	**0.81%**			

Net unlikely-to-pay loans total Euro 805.3 million (+12.65% compared with 31 December 2023), representing 0.89% of total net loans to customers (0.81% at 31 December 2023), while on a gross basis the ratio is 1.71% (1.50% at 31 December 2023).
The coverage of unlikely-to-pay loans has increased to 48.81%, compared with 47.19% at 31 December 2023.

(in thousands)

Past due loans	31.12.2024		31.12.2023		% Gross change	% Net change	% Coverage ratio
	Gross	Net	Gross	Net			
1. BPER Banca s.p.a.	49,097	32,072	119,325	92,024	-58.85	-65.15	34.68
2. BPER Bank Luxembourg s.a.	276	183	390	283	-29.23	-35.34	33.70
3. Bibanca s.p.a.	39,731	24,361	30,589	18,906	29.89	28.85	38.69
4. Banco di Sardegna s.p.a.	15,009	10,660	20,491	15,157	-26.75	-29.67	28.98
5. Banca Cesare Ponti s.p.a.	115	91	167	135	-31.14	-32.59	20.87
Total banks	**104,228**	**67,367**	**170,962**	**126,505**	**-39.03**	**-46.75**	**35.37**
5. Sardaleasing s.p.a.	8,819	5,727	25,507	13,568	-65.43	-57.79	35.06
6. BPER Factor s.p.a.	7,860	7,402	13,827	13,021	-43.15	-43.15	5.83
7. Finitalia s.p.a.	1,533	748	1,226	662	25.04	12.99	51.21
Balance sheet total	**122,440**	**81,244**	**211,522**	**153,756**	**-42.11**	**-47.16**	**33.65**
Past due loans/Loans to customers	**0.13%**	**0.09%**	**0.23%**	**0.17%**			

The net amount of past due loans of Euro 81.2 million (-47.16% compared with 31 December 2023) represents 0.09% of total net loans to customers (0.17% at 31 December 2023), whereas on a gross basis the ratio of past due loans to total loans to customers is 0.13% (0.23% at 31 December 2023).
The coverage of past due loans has increased to 33.65% (27.31% at 31 December 2023).

The breakdown of loans to non-financial corporates is reported below by the respective ATECO codes of economic activity:

(in thousands)

Distribution of loans	31.12.2024	%
A. Agriculture, forestry and fishing	1,012,906	1.12
B. Mining and quarrying	104,659	0.12
C. Manufacturing	12,728,061	14.13
D. Provision of electricity, gas, steam and air-conditioning	1,408,465	1.56
E. Provision of water, sewerage, waste management and rehabilitation	848,957	0.94
F. Construction	2,675,076	2.97
G. Wholesaling and retailing, car and motorcycle repairs	6,824,582	7.57
H. Transport and storage	1,497,544	1.66
I. Hotel and restaurants	1,537,442	1.71
J. Information and communication	839,263	0.93
K. Financial and insurance activities	87,571	0.10
L. Real estate	3,391,642	3.76
M. Professional, scientific and technical activities	3,019,851	3.35
N. Rentals, travel agencies, business support services	1,247,917	1.38
P. Education	45,250	0.05
Q. Health and welfare	503,202	0.56
R. Arts, sport and entertainment	198,972	0.22
S. Other services	948,068	1.05
Total loans to non-financial corporates	**38,919,428**	**43.18**
Individuals and other not included above	43,187,698	47.92
Financial companies	4,979,886	5.52
Insurance	152,231	0.17
Governments and other public entities	2,897,146	3.21
Total loans	**90,136,389**	**100.00**

Financial assets and equity investments

Among financial assets, debt securities measured at amortised cost solely consist of bonds allocated to items 40 a) and b) “Financial assets measured at amortised cost – loans to banks and loans to customers” in the assets section of the balance sheet.

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Financial assets measured at fair value through profit or loss	1,476,864	1,436,648	40,216	2.80
- of which derivatives	*575,695*	*601,685*	*(25,990)*	*-4.32*
Financial assets measured at fair value through other comprehensive income	5,694,010	6,859,241	(1,165,231)	-16.99
Debt securities measured at amortised cost	21,869,908	20,304,536	1,565,372	7.71
a) banks	6,137,029	6,721,529	(584,500)	-8.70
b) customers	15,732,879	13,583,007	2,149,872	15.83
Total financial assets	**29,040,782**	**28,600,425**	**440,357**	**1.54**

Financial assets amount to Euro 29,040.8 million, including Euro 27,028.1 million of debt securities (93.07% of the total). Of these, Euro 16,354.5 million relates to sovereign States and Central Banks (+ 21.05% compared with 31 December 2023) and Euro 7,495.8 million to Banks (-18.60% on 31 December 2023).
Equity instruments come to Euro 668.0 million (2.30% of total), inclusive of Euro 650.9 million of stable equity investments classified in the FVOCI portfolio, Euro 3.0 million in securities held for trading (FVTPL) and Euro 14.1 million in other equity instruments mandatorily measured at FVTPL.
“Financial assets held for trading” include derivatives for an amount of Euro 575.7 million, down 4.32% from 31 December 2023, and consist of interest rate, currency and commodity derivatives traded with customers, derivatives relating to securitisation transactions, and forward currency trading (with customers and/or used in the management of the foreign exchange position).

(in thousands)

Financial assets	31.12.2024	31.12.2023	Changes	% Change
1. BPER Banca s.p.a.	26,732,907	26,253,073	479,834	1.83
2. BPER Bank Luxembourg s.a.	231,950	170,353	61,597	36.16
3. Bibanca s.p.a.	19,561	15,130	4,431	29.29
4. Banco di Sardegna s.p.a.	1,664,500	1,956,025	(291,525)	-14.90
5. Banca Cesare Ponti s.p.a.	207,648	207,871	(223)	-0.11
Total banks	**28,856,566**	**28,602,452**	**254,114**	**0.89**
Other companies and consolidation adjustments	184,216	(2,027)	186,243	--
Total	**29,040,782**	**28,600,425**	**440,357**	**1.54**

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Equity investments	302,494	422,046	(119,552)	-28.33
of which subsidiaries	*9,048*	*9,862*	*(814)*	*-8.25*
of which associates	*293,446*	*412,184*	*(118,738)*	*-28.81*

Following alignment of the scope of consolidation used for accounting purposes with that used for prudential reporting purposes, as discussed in detail in the Explanatory Notes, this item comprises significant investments (non-Group companies subject to significant influence, usually being investments in which the equity interest is greater than or equal to 20%), subsidiaries that are not part of the Banking Group since they do not contribute to its banking activities, and Group companies not meeting the requirements of art. 19 of Regulation (EU) 575/2013 that are measured under the equity method.
The decrease in the equity investments balance is attributable to adjustments to shareholders' equity value during the period.

Intangible assets

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Intangible assets	710,763	648,981	61,782	9.52
of which goodwill	*170,018*	*170,018*	-	-

Among "Intangible assets", goodwill for an amount of Euro 170.0 million is allocated to the CGU Arca Holding and has remained unchanged with respect to 31 December 2023. The net increase registered by this item is essentially traceable to application software measured at cost and amortised on a straight-line basis over a variable period, not exceeding five years, that depends on the degree of obsolescence involved.

Interbank and liquidity position

The values of loans to banks only include the component of “Loans” allocated to item 40 a) “Financial assets measured at amortised cost – loans to banks” and “Current accounts and demand deposits” allocated to item 10 “Cash and cash equivalents” in the assets section of the balance sheet.

(in thousands)

Net interbank position	31.12.2024	31.12.2023	Changes	% Change
A. Loans to banks	**8,607,189**	**10,938,266**	**(2,331,077)**	**-21.31**
- Loans	**1,544,202**	**1,661,081**	**(116,879)**	**-7.04**
1. Current accounts and deposits	35,802	76,611	(40,809)	-53.27
2. Repurchase agreements	343,404	302,711	40,693	13.44
3. Compulsory reserve	1,013,730	1,036,703	(22,973)	-2.22
4. Other	151,266	245,056	(93,790)	-38.27
- Current accounts and demand deposits	**7,062,987**	**9,277,185**	**(2,214,198)**	**-23.87**
1. with Central Banks	6,654,183	8,155,778	(1,501,595)	-18.41
2. with Banks	408,804	1,121,407	(712,603)	-63.55
B. Due to banks	**5,047,675**	**7,754,450**	**(2,706,775)**	**-34.91**
Total (A-B)	**3,559,514**	**3,183,816**	**375,698**	**11.80**

The net interbank position as at 31 December 2024 improved by Euro 375.7 million compared to 31 December 2023. As at 31 December 2024, a decrease was observed in “overnight” deposits with Central Banks which amounted to Euro 6,654.2 million (-18.41% compared to 31 December 2023) due to lower cash and cash equivalents to be invested taking also into account that the latest TLTRO tranche came to maturity in the first quarter of the year (Euro 1,670 million).

Operations with the ECB

As at 31 December 2024, the BPER Group has no TLTRO-III or other transactions in place with the ECB.

Counterbalancing Capacity

(in millions)

Counterbalancing Capacity	Guarantee value	Encumbered portion	Unencumbered portion
Eligible securities and loans	**27,500**	**4,389**	**23,111**
- of which Securities and loans transferred to the Pooling Account	*5,546*	-	*5,546*

At 31 December 2024, the Central Treasury held significant resources relating to securities eligible for refinancing at the European Central Bank of an overall amount, net of margin calls, of Euro 27,500 million (Euro 30.100 million at 31 December 2023). The unencumbered portion amounts to Euro 23,111 million (Euro 21,513 million at 31 December 2023). Of the amount held in the Treasury, as at 31 December 2024, a total of Euro 5,546 million, not refinanced and hence entirely available, is attributable to what is known as the Pooling account (as at 31 December 2023 securities eligible for refinancing totalling Euro 8,430 million were held in the Pooling Account, refinanced for Euro 1,705 million, therefore with Euro 6,725 million still available).

Liabilities and shareholders' equity

(in thousands)

Liabilities and shareholders' equity	31.12.2024	31.12.2023	Changes	% Change
Due to banks	5,047,675	7,754,450	(2,706,775)	-34.91
Direct deposits	118,117,555	118,766,662	(649,107)	-0.55
a) Due to customers	104,250,319	104,854,552	(604,233)	-0.58
b) Debt securities issued	11,155,186	11,902,469	(747,283)	-6.28
c) Financial liabilities designated at fair value	2,712,050	2,009,641	702,409	34.95
Financial liabilities held for trading	224,294	300,955	(76,661)	-25.47
Hedging activities	144,481	111,374	33,107	29.73
a) Hedging derivatives	226,324	266,558	(40,234)	-15.09
b) Change in value of macro-hedged financial liabilities (+/-)	(81,843)	(155,184)	73,341	-47.26
Other liabilities	5,493,147	5,629,441	(136,294)	-2.42
Minority interests	210,413	199,328	11,085	5.56
Shareholders' equity pertaining to the Parent Company	11,353,867	9,366,149	1,987,718	21.22
a) Valuation reserves	216,411	151,396	65,015	42.94
b) Reserves	5,285,033	4,206,666	1,078,367	25.63
c) Equity instruments	1,115,596	150,000	965,596	643.73
d) Share premium reserve	1,244,576	1,236,525	8,051	0.65
e) Share capital	2,121,637	2,104,316	17,321	0.82
f) Treasury shares	(32,035)	(2,250)	(29,785)	--
g) Profit (Loss) for the year	1,402,649	1,519,496	(116,847)	-7.69
Total liabilities and shareholders' equity	**140,591,432**	**142,128,359**	**(1,536,927)**	**-1.08**

Deposits

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Current accounts and demand deposits	93,722,900	94,485,148	(762,248)	-0.81
Time deposits	2,078,811	3,342,264	(1,263,453)	-37.80
Repurchase agreements	1,825,110	2,087,467	(262,357)	-12.57
Lease liabilities	402,257	313,188	89,069	28.44
Other liabilities	6,221,241	4,626,485	1,594,756	34.47
Bonds	9,890,105	11,163,577	(1,273,472)	-11.41
- subscribed for by institutional customers	9,350,143	10,528,372	(1,178,229)	-11.19
- subscribed for by ordinary customers	539,962	635,205	(95,243)	-14.99
Certificates	2,712,050	2,009,641	702,409	34.95
Certificates of deposit	1,265,081	738,892	526,189	71.21
Direct deposits from customers	**118,117,555**	**118,766,662**	**(649,107)**	**-0.55**
Indirect deposits (off-balance sheet figure)	**164,921,324**	**149,021,241**	**15,900,083**	**10.67**
- of which under management	71,457,668	65,244,865	6,212,803	9.52
- of which under custody	93,463,656	83,776,376	9,687,280	11.56
Customer funds under custody	**283,038,879**	**267,787,903**	**15,250,976**	**5.70**
Deposits from banks	5,047,675	7,754,450	(2,706,775)	-34.91
Funds under custody and management	**288,086,554**	**275,542,353**	**12,544,201**	**4.55**

Direct deposits from customers of Euro 118,117.6 million are in line with the amount as at 31 December 2023. Among the various technical forms, the main items to record a negative balance change were: current accounts and demand deposits, with Euro -762.2 million (-0.81%), bonds for an amount of Euro -1,273.5 million (-11.41%) as a result of the repayment of some transactions with institutional counterparties, time deposits were down by Euro -1,263.5 million (-37.80%), and repurchase agreements for Euro -262.4 million (-12.57%). By contrast, as at 31 December 2024, other liabilities increased by Euro 1,594.8 million (+34.47%), relating primarily to forms of short-term funding Cold Money), certificates of deposit for Euro 526.2 million (+71.21%) and certificates for Euro 702.4 million (+34.95%) due to new issuances by the Parent Company BPER Banca in 2024. Indirect customer deposits, marked to market, amounted to Euro 164,921.3 million, up by Euro 15,900.1 million (+10.67%) compared to 31 December 2023, given, inter alia, the positive market trend recorded during the year. Total funds under custody and management by the Group, including deposits from banks (Euro 5,047.7 million) amount to Euro 288,086.6 million.

(in thousands)

Direct deposits	31.12.2024	31.12.2023	Changes	% Change
1. BPER Banca s.p.a.	103,707,279	106,131,423	(2,424,144)	-2.28
2. BPER Bank Luxembourg s.a.	277,136	422,804	(145,668)	-34.45
3. Bibanca s.p.a.	265,488	264,124	1,364	0.52
4. Banco di Sardegna s.p.a.	12,106,776	11,964,113	142,663	1.19
5. Banca Cesare Ponti s.p.a.	1,901,951	257,834	1,644,117	637.66
Total banks	**118,258,630**	**119,040,298**	**(781,668)**	**-0.66**
Other companies and consolidation adjustments	(141,075)	(273,636)	132,561	-48.44
Total	**118,117,555**	**118,766,662**	**(649,107)**	**-0.55**

Direct deposits include subordinated liabilities:

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Non-convertible subordinated liabilities	1,476,697	1,681,160	(204,463)	-12.16
Total Subordinated liabilities	**1,476,697**	**1,681,160**	**(204,463)**	**-12.16**

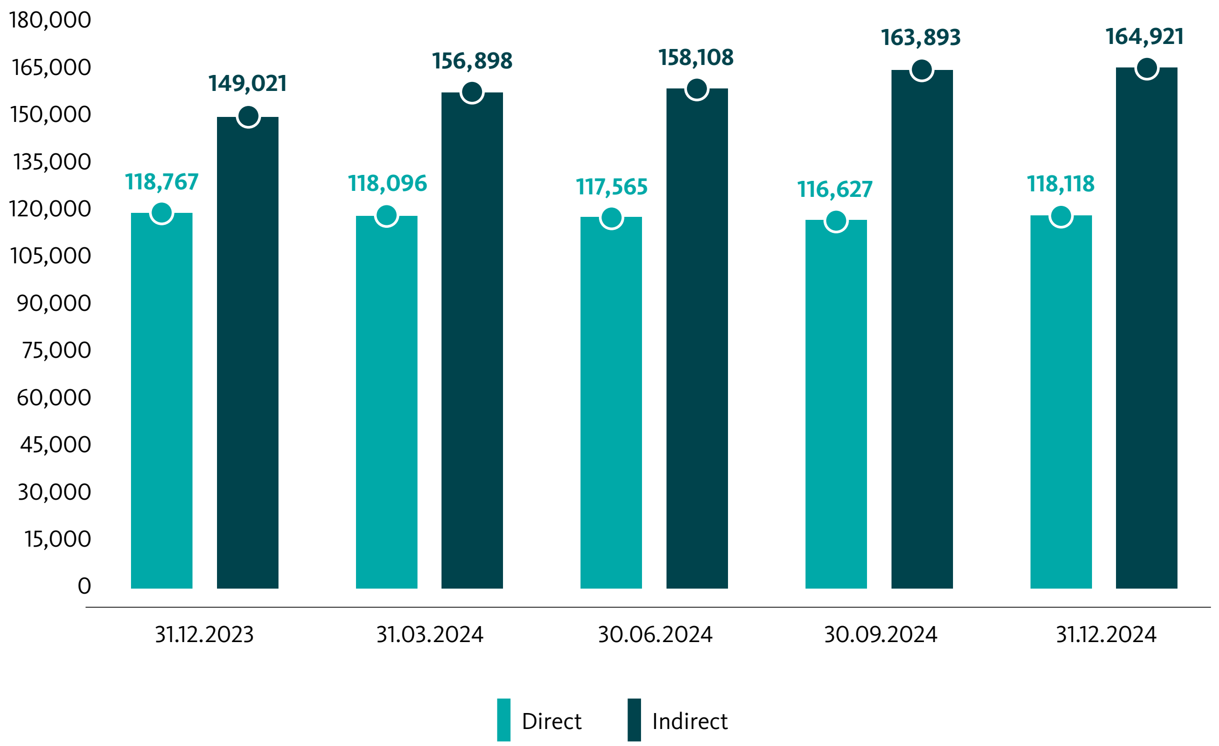
Subordinated loans outstanding, with a book value of Euro 1,476.7 million, have decreased by 12.16% compared with 31 December 2023. As was the case in December 2023, there are no convertible subordinated liabilities at 31 December 2024.

(in thousands)

Indirect deposits	31.12.2024	31.12.2023	Changes	% Change
1. BPER Banca s.p.a.	115,751,127	127,758,364	(12,007,237)	-9.40
2. BPER Bank Luxembourg s.a.	674,939	1,589,947	(915,008)	-57.55
3. Banco di Sardegna s.p.a.	6,517,375	5,385,331	1,132,044	21.02
4. Banca Cesare Ponti s.p.a.	26,856,555	1,023,505	25,833,050	--
Total banks	**149,799,996**	**135,757,147**	**14,042,849**	**10.34**
5. Arca Fondi SGR s.p.a.	42,291,975	36,930,675	5,361,300	14.52
Other companies and consolidation adjustments	(27,170,647)	(23,666,581)	(3,504,066)	14.81
Total	**164,921,324**	**149,021,241**	**15,900,083**	**10.67**

The chart shows the dynamics of direct and indirect deposits in the last five quarters:

DEPOSITS *(amounts in millions)*



Indirect deposits reported above do not include the amount arising from placement of insurance policies.

(in thousands)

Bancassurance	31.12.2024	31.12.2023	Changes	% Change
Insurance premiums portfolio	**21,309,995**	**21,390,296**	**(80,301)**	**-0.38**
- of which life	*21,006,225*	*21,093,626*	*(87,401)*	*-0.41*
- of which non-life	*303,770*	*296,670*	*7,100*	*2.39*

If life insurance premiums are added to indirect deposits under management the total comes to Euro 92,463.9 million, which accounts for 49.73% of the overall total of indirect deposits (assets under custody and assets under management) and life insurance premiums (Euro 185,927.5 million).

Shareholders' equity

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Shareholders' equity pertaining to the Parent Company	**11,353,867**	**9,366,149**	**1,987,718**	**21.22**
- of which profit (loss) for the year	*1,402,649*	*1,519,496*	*(116,847)*	*-7.69*
- of which shareholders' equity excluding profit (loss) for the year	*9,951,218*	*7,846,653*	*2,104,565*	*26.82*

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Minority interests	**210,413**	**199,328**	**11,085**	**5.56**
- of which profit (loss) for the year pertaining to minority interests	*35,861*	*32,273*	*3,588*	*11.12*
- of which shareholders' equity pertaining to minority interests excluding their share of profit (loss) for the year	*174,552*	*167,055*	*7,497*	*4.49*

(in thousands)

Shareholders' equity	31.12.2024	31.12.2023	Changes	% Change
1. BPER Banca s.p.a.	9,352,751	7,414,788	1,937,963	26.14
2. BPER Bank Luxembourg s.a.	77,245	66,179	11,066	16.72
3. Bibanca s.p.a.	328,694	307,281	21,413	6.97
4. Banco di Sardegna s.p.a.	975,041	915,796	59,245	6.47
5. Banca Cesare Ponti s.p.a.	153,566	99,763	53,803	53.93
Total banks	**10,887,297**	**8,803,807**	**2,083,490**	**23.67**
Other companies and consolidation adjustments	(761,527)	(790,099)	28,572	-3.62
Total	**10,125,770**	**8,013,708**	**2,112,062**	**26.36**
Profit (Loss) for the year pertaining to the Parent Company	1,402,649	1,519,496	(116,847)	-7.69
Profit (Loss) for the year pertaining to minority interests	35,861	32,273	3,588	11.12
Total shareholders' equity	**11,564,280**	**9,565,477**	**1,998,803**	**20.90**

This figure is made up of liability items 120, 140, 150, 160, 170, 180, 190 and 200.

5.2 Own funds and capital ratios

The harmonised rules for banks and investment companies contained in Regulation (EU) 575/2013 (CRR) and in the 2013/36/EU Directive (CRD IV) approved on 26 June 2013 and published in the Official Journal of the European Union the next day, entered into force on 1 January 2014.

These rules were later amended by Regulation (EU) 2019/876 of the European Parliament and of the Council ("CRR2") and Directive 2019/878/EU of the European Parliament and of the Council (CRDV) of 20 May 2019, published in the Official Journal of the European Union on 7 June 2019. Subject to certain exceptions, the CRR2 Regulation has applied since 28 June 2021.

This regulatory framework, which is the only set of rules that seeks to harmonise prudential regulations of the Member States of the European Community, was made applicable in Italy by the Bank of Italy's Circular 285, published on 17 December 2013 and subsequent updates.

The scope of consolidation for accounting purposes is the same as that used for prudential reporting purposes: companies excluded are treated in the same way as the Banks and Companies subject to significant influence and consolidated under the equity method.

As at 31 December 2024, the BPER Banca Group has internal models in use for measuring the capital requirements relating to the credit risk represented by both business and retail customers. The perimeter includes:
- BPER Banca, Banco di Sardegna and Bibanca (ECB authorisation of 24 June 2016);
- Former Banca Carige and subsidiaries (approved by the Board of Directors of the Parent Company on 7 July 2022 and subsequently transmitted to the ECB);
- Former Cassa di risparmio di Saluzzo, former UBI Banca and former Unipol Banca (ECB authorisation of 16 February 2023 and of 29 June 2023)[18].

For the year 2024, the Bank of Italy identified the BPER Banca Group as other systemically important institution (hereinafter also "O-SII") authorised to operate in Italy, which is required to maintain, over the transitional period, an O-SII capital buffer of 0.125% from 1 January 2024.

On 30 November 2023, after completing the annual SREP prudential review and evaluation process, the BPER Banca received notification from the ECB of the latest prudential requirements to be met on a consolidated basis pursuant to art. 16 of Regulation (EU) 1024/2013.

Based on the outcome of the SREP assessment conducted in 2023 with reference date 31 December 2022 and any other relevant information received thereafter, the ECB has established that, with effect from 1 January 2024, BPER shall maintain a minimum consolidated capital ratio in terms of Common Equity Tier 1 of 8.54%, consisting of the sum of the minimum regulatory Pillar 1 requirement of 4.5%, the additional Pillar 2 requirement of 1.38%[19] and the Combined Buffer Requirement of 2.66%[20].

Capital requirements to be met by 31 December 2024 are listed below:
- Common Equity Tier 1 Ratio: of 8.80%, being the sum of Pillar 1 minimum regulatory requirement pursuant to art. 92 of Regulation (EU) 575/2013 (4.50%), plus the additional Pillar 2 requirement in accordance with art. 16 of Regulation (EU) 1024/2013 (P2R component of 1.27%[21]), plus the combined buffer requirement in accordance with art. 129-131 of Directive 2013/36/EU as transposed into national law (3.03%[22]);
- Tier 1 Ratio: of 10.72%, being the sum of the minimum requirement pursuant to art. 92 of Regulation (EU) 575/2013 (6.00%), plus the additional Pillar 2 requirement in accordance with art. 16 of Regulation (EU) 1024/2013 (P2R component of 1.69%[23]), plus the combined buffer requirement in accordance with art. 129-131 of Directive 2013/36/EU as transposed into national law (3.03%);

18 The former Cassa di Risparmio di Saluzzo and former UBI Banca exposures fall under the new system starting from the Supervisory Reports as of 31 March 2023; the former Unipol exposures fall under the Supervisory Reports of 30 June 2023.

19 The Pillar 2 additional own funds requirement is 2.45% (including NPE P2R add-on equal to 0.20%) to be held in the form of 56.25% of CET1 capital and 75% of Tier 1 capital, as a minimum.

20 The Combined Buffer Requirement is made up of the Capital Conservation Buffer (2.50%), the O-SII Buffer (0.125%) and the Countercyclical Capital Buffer (0.03% as at 30 September 2023).

21 The additional Pillar 2 requirement communicated by the ECB to BPER on 30 November 2023 in the Final SREP Letter was 2.45%, to be held in the form of 56.25% of CET1 capital as a minimum. The P2R add-on relative to the NPE Coverage Expectation of 0.20% was zeroed as of 31 March 2024. As a consequence, the additional Pillar 2 requirement is 2.25% (of which at least 56.25% to be held in the form of CET1).

22 The Combined Buffer Requirement is made up of the Capital Conservation Buffer (2.50%), the O-Sii Buffer (0.125%) and the Countercyclical Capital Buffer (0.0408% as at 31 December 2024) and the Systemic Risk Buffer (0.3619%).

23 The additional Pillar 2 requirement communicated by the ECB to BPER on 30 November 2023 in the Final SREP Letter was 2.45%, to be held in the form of 75% of Tier 1 capital as a minimum. The P2R add-on relative to the NPE Coverage Expectation of 0.20% was zeroed as of 31 March 2024. As a consequence, the additional Pillar 2 requirement is 2.25% (of which at least 75% to be held in the form of Tier 1).

- Total Capital Ratio: of 13.28%, being the sum of the minimum requirement pursuant to art. 92 of Regulation (EU) 575/2013 (8.00%), plus the additional Pillar 2 requirement in accordance with art. 16 of Regulation (EU) 1024/2013 (P2R component of 2.25%), plus the combined buffer requirement in accordance with art. 129-131 of Directive 2013/36/EU as transposed into national law (3.03%).

In accordance with regulations for the prudential supervision of banks, failure to comply with the CET1 Ratio and Total Capital Ratio minimum requirements would lead to limitations on the distribution of earnings and the need to adopt a plan for the conservation of capital.

The amount of available equity (Fully Phased-in CET1) as at 31 December 2024 is quantified at Euro 3,808 million (roughly 702 b.p. of CET1).

With regard to the above, the CET1 amount was calculated by including the portion of the profit for the year that can be allocated to equity, amounting to Euro 549.7 million, as determined in accordance with the process envisaged in art. 3 of ECB Decision (EU) 656/2015 dated 4 February 2015 and art. 26, para. 2 of Regulation (EU) 575/2013 (CRR) for its inclusion.

The following table shows the BPER Banca Group's capital ratios and the minimum capital adequacy requirements for regulatory purposes as at 31 December 2024.

(in thousands)

	31.12.2024 Fully Phased	31.12.2023 Fully Phased	Changes	% Change
Common Equity Tier 1 capital - CET1	8,578,930	7,736,303	842,627	10.89
Additional Tier 1 capital (AT1)	1,115,906	150,352	965,554	642.20
Tier 1 capital (Tier 1)	**9,694,836**	**7,886,655**	**1,808,181**	**22.93**
Tier 2 capital (Tier 2 - T2)	1,570,683	1,777,200	(206,517)	-11.62
Total Own Funds	**11,265,519**	**9,663,855**	**1,601,664**	**16.57**
Total Risk-weighted assets (RWA)	**54,227,812**	**53,501,799**	**726,013**	**1.36**
CET1 Ratio (CET1/RWA)	**15.82%**	**14.46%**	**+136 bps**	
Tier 1 Ratio (Tier 1/RWA)	**17.88%**	**14.74%**	**+314 bps**	
Total Capital Ratio (Total Own Funds/RWA)	**20.77%**	**18.06%**	**+271 bps**	
RWA/Total assets	**38.57%**	**37.64%**	**+93 bps**	

The capital ratios are as follows:
- Common Equity Tier 1 Ratio (Fully Phased) of 15.82% (14.46% as at 31 December 2023);
- Tier 1 Ratio (Fully Phased) of 17.88% (14.74% as at 31 December 2023);
- Total Capital Ratio (Fully Phased) of 20.77% (18.06% as at 31 December 2023).

Note that the BPER Banca Group uses different methods for calculating risk-weighted assets, which are summarised below:
- credit risk: for Group entities represented by BPER Banca, Banco di Sardegna and Bibanca, credit risk is measured using the AIRB approach. For Banks and other Companies that are not in the scope of validation and for other risk assets not included in the validated models, the standardised approach has been maintained;
- credit adjustment risk - the standardised approach is used;
- market risk - the standardised approach is used for assessing market risk (general and specific risk on equities, general risk on debt securities and positioning risk for units in investment funds) to determine the related separate and consolidated capital requirement;
- operational risk - operational risk measurement uses the standardised approach (TSA).

On 3 December 2024, after completing the annual SREP prudential review and evaluation process, the BPER Banca received notification from the ECB of the latest prudential requirements to be met on a consolidated basis pursuant to art. 16 of Regulation (EU) 1024/2013.

Based on the outcome of the SREP assessment conducted in 2024 with reference date 31 December 2023 and any other relevant information received thereafter, the ECB has established that, with effect from 1 January 2025, BPER shall maintain a minimum consolidated capital ratio in terms of Common Equity Tier 1 of 8.93%, consisting of the sum of the minimum regulatory Pillar 1 requirement of 4.5%, the additional Pillar 2 requirement of 1.27%[24] and the Combined Buffer Requirement of 3.16%[25], while the minimum Total Own Funds Requirement ("Total Capital Ratio") shall be 13.41%.

24 The Pillar 2 additional own funds requirement is 2.25% to be held in the form of 56.25% of CET1 capital and 75% of Tier 1 capital, as a minimum.

25 The Combined Buffer Requirement is made up of the Capital Conservation Buffer (2.50%), the O-SII Buffer (0.25%) and the Countercyclical Capital Buffer (0.04% as at 30 September 2024) and the Systemic Risk Buffer (0.37%).

5.3 Reconciliation of consolidated net profit/shareholders' equity

Consolidated net profit for the year pertaining to the parent company comprises, on a shareholding basis, the sum of profits (losses) at 31 December 2024 of the following Banks and Companies of the Group included in the line-by-line scope of consolidation.

(in thousands)

Reconciliation of consolidated profit (loss) for the year	31.12.2024
BPER Banca s.p.a.	**1,249,549**
Other Group companies:	**429,330**
Banco di Sardegna s.p.a.	*238,080*
Bibanca s.p.a.	*64,678*
BPER Bank Luxembourg s.a.	*7,269*
Banca Cesare Ponti s.p.a.	*56,877*
Arca Holding s.p.a. (consolidated figure)	*45,781*
Sardaleasing s.p.a.	*8,809*
BPER Factor s.p.a.	*14,323*
Finitalia s.p.a.	*8,926*
BPER Real Estate s.p.a.	*(11,313)*
BPER REOCO s.p.a. (*)	*(4,272)*
Modena Terminal s.r.l.	*172*
Total profit (loss) of the Group	**1,678,879**
Consolidation adjustments	(276,230)
Consolidated profit (loss) for the year	**1,402,649**

(*) the result for the period until 30 June 2024 was considered. On 1 July 2024 the company was merged by absorption into BPER Real Estate.

As required by current regulations, the following is presented with regard to the position at 31 December 2024:

Reconciliation of the shareholders' equity and results of the Parent Company with the related consolidated amounts

(in thousands)

	Increase (decrease)	
	Profit (Loss) for the year	Shareholders' equity
Amounts relating to the Parent Company	**1,249,549**	**10,602,299**
DIFFERENCES between the shareholders' equity of companies consolidated on a line-by-line basis (net of minority interests) and the book value of the related equity investments held by their parent companies	319,910	691,563
DIVIDENDS collected from companies consolidated on a line-by-line basis or measured under the equity method	(176,963)	43
DIFFERENCE between the interest in shareholders' equity (including results for the year) and the book value of companies consolidated under the equity method	10,153	59,962
Profit (Loss) for the year and shareholders' equity of the Parent Company as at 31.12.2024	**1,402,649**	**11,353,867**
Profit (Loss) for the year and shareholders' equity of minority interests	**35,861**	**210,413**
Total consolidated Profit (Loss) for the year and shareholders' equity as at 31.12.2024	**1,438,510**	**11,564,280**
Total consolidated Profit (Loss) for the year and shareholders' equity as at 31.12.2023	**1,551,769**	**9,565,477**

5.4 Income statement aggregates

Summary data from the consolidated income statement at 31 December 2024 is presented below in thousands of Euro, appropriately compared with the amounts at 31 December 2023 and highlighting the changes in absolute and percentage terms.

The accounting schedules envisaged by the 8th update of Bank of Italy Circular no. 262/2005 are presented below on a reclassified basis. The principal reclassifications relate to the following items:

- "*Net commission income*" includes in placement fees for Certificates, allocated to item 110 *"Net income on other financial assets and liabilities measured at fair value through profit or loss"* of the accounting statement (Euro 18.3 million as at 31 December 2024 and Euro 23.9 million as at 31 December 2023);
- "*Net income from financial activities*" includes items 80, 90, 100 and 110 in the accounting statement, net of the Certificates placement fees under the item above;
- the item "*Gains (losses) of equity investments measured under the equity method*" includes the Parent Company's share of any gains (losses) of equity investments consolidated under the equity method, allocated to item 250 "*Gains (Losses) of equity investments*" in the accounting statement;
- indirect tax recoveries, allocated for accounting purposes to item 230 *"Other operating expense/income"*, have been reclassified as a reduction in the related costs under *"Other administrative expenses"* (Euro 303.7 million at 31 December 2024 and Euro 277.0 million at 31 December 2023);
- recoveries of costs of appraisals for new loans, allocated for accounting purposes to item 230 "*Other operating expense/income*", have been reclassified as a reduction in the related costs under "*Other administrative expenses*" (Euro 16.7 million at 31 December 2024 and Euro 13.6 million at 31 December 2023);
- the item "*Staff costs*" includes costs relating to staff training and refund of expenses against receipts, allocated to item 190 b) "*Other administrative expenses*" in the accounting statement (Euro 17.6 million at 31 December 2024 and Euro 20.8 million at 31 December 2023);
- "*Net adjustments to property, plant, equipment and intangible assets*" include items 210 and 220 of the accounting schedule;
- gross effects from the use of provisions for risks and charges set aside in prior periods (former "*Other operating expenses/Reversal of provisions for risks and charges*") were directly offset within the same item by Euro 17 million;
- the item "*Gains (Losses) on investments*" includes items 250, 260, 270 and 280 of the accounting statement, net of the Parent Company's share of any gains (losses) of equity investments consolidated under the equity method, reclassified as a separate item;
- "*Contributions to systemic funds*" have been shown separately from the specific accounting technical forms to give a better and clearer representation, as well as to leave the "*Other administrative expenses*" as a better reflection of the trend in the Group's operating costs. In particular, at 31 December 2024, this item represents the component allocated for accounting purposes to administrative costs in relation to:
  - the 2024 contribution to the DGS (Deposit Guarantee Scheme) for Euro 109.6 million;
  - estimated initial contribution to the newly established Guarantee Fund for life insurance for Euro 2.1 million.

It should also be noted that the Reclassified Income Statement reflects the additional reclassification already adopted in the accounting statement with regard to 'charges for payment services provided' that were reclassified from "*Other administrative expenses*" to "*Net commission income*" (Euro 35.5 million as at 31 December 2024, Euro 27.6 million as at 31 December 2023).

Consolidated Income Statement

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Net interest income	3,376,876	3,251,817	125,059	3.85
Net commission income	2,058,435	1,969,286	89,149	4.53
Dividends	41,821	30,884	10,937	35.41
Gains (losses) of equity investments measured under the equity method	(12,361)	23,956	(36,317)	-151.60
Net income from financial activities	13,499	100,042	(86,543)	-86.51
Other operating expense/income	96,367	100,737	(4,370)	-4.34
Operating income	**5,574,637**	**5,476,722**	**97,915**	**1.79**
Staff costs	(1,915,500)	(2,001,397)	85,897	-4.29
Other administrative expenses	(784,151)	(771,223)	(12,928)	1.68
Net adjustments to property, plant and equipment and intangible assets	(334,591)	(263,564)	(71,027)	26.95
Operating costs	**(3,034,242)**	**(3,036,184)**	**1,942**	**-0.06**
Net operating income	**2,540,395**	**2,440,538**	**99,857**	**4.09**
Net impairment losses to financial assets at amortised cost	(331,758)	(436,261)	104,503	-23.95
- loans to customers	*(322,844)*	*(425,583)*	*102,739*	*-24.14*
- other financial assets	*(8,914)*	*(10,678)*	*1,764*	*-16.52*
Net impairment losses to financial assets at fair value	(209)	(57)	(152)	266.67
Gains (Losses) from contractual modifications without derecognition	(1,321)	3,006	(4,327)	-143.95
Net impairment losses for credit risk	**(333,288)**	**(433,312)**	**100,024**	**-23.08**
Net provisions for risks and charges	(75,653)	(62,481)	(13,172)	21.08
Gains (Losses) on investments	34,210	(58,861)	93,071	-158.12
Profit (Loss) from current operations	**2,165,664**	**1,885,884**	**279,780**	**14.84**
Contributions to systemic funds	(111,684)	(161,241)	49,557	-30.73
Profit (Loss) before tax	**2,053,980**	**1,724,643**	**329,337**	**19.10**
Income taxes for the year	(615,470)	(172,874)	(442,596)	256.02
Profit (Loss) for the year	**1,438,510**	**1,551,769**	**(113,259)**	**-7.30**
Profit (Loss) for the year pertaining to minority interests	(35,861)	(32,273)	(3,588)	11.12
Profit (Loss) for the year pertaining to the Parent Company	**1,402,649**	**1,519,496**	**(116,847)**	**-7.69**

Consolidated income statement by quarter as at 31 December 2024

(in thousands)

Items	1st quarter 2024	2nd quarter 2024	3rd quarter 2024	4th quarter 2024	1st quarter 2023	2nd quarter 2023	3rd quarter 2023	4th quarter 2023
Net interest income	843,620	838,852	840,753	853,651	725,989	818,980	836,548	870,300
Net commission income	498,723	516,015	487,942	555,755	496,246	479,612	476,250	517,178
Dividends	4,882	32,211	3,303	1,425	2,223	22,912	4,810	939
Gains (losses) of equity investments measured under the equity method	(4,118)	2,847	3,997	(15,087)	11,546	5,131	426	6,853
Net income from financial activities	13,968	(3,675)	(6,846)	10,052	50,882	3,066	41,627	4,467
Other operating expense/income	4,099	10,626	41,871	39,771	33,220	(581)	4,984	63,114
Operating income	**1,361,174**	**1,396,876**	**1,371,020**	**1,445,567**	**1,320,106**	**1,329,120**	**1,364,645**	**1,462,851**
Staff costs	(437,692)	(622,465)	(395,674)	(459,669)	(429,175)	(430,866)	(385,477)	(755,879)
Other administrative expenses	(188,567)	(188,699)	(179,061)	(227,824)	(179,602)	(185,507)	(181,573)	(224,541)
Net adjustments to property, plant and equipment and intangible assets	(63,044)	(69,206)	(73,569)	(128,772)	(57,161)	(57,856)	(59,039)	(89,508)
Operating costs	**(689,303)**	**(880,370)**	**(648,304)**	**(816,265)**	**(665,938)**	**(674,229)**	**(626,089)**	**(1,069,928)**
Net operating income	**671,871**	**516,506**	**722,716**	**629,302**	**654,168**	**654,891**	**738,556**	**392,923**
Net impairment losses to financial assets at amortised cost	(92,223)	(82,224)	(78,378)	(78,933)	(142,411)	(126,919)	(95,351)	(71,580)
- loans to customers	*(94,977)*	*(85,887)*	*(78,808)*	*(63,172)*	*(141,199)*	*(130,026)*	*(82,577)*	*(71,781)*
- other financial assets	*2,754*	*3,663*	*430*	*(15,761)*	*(1,212)*	*3,107*	*(12,774)*	*201*
Net impairment losses to financial assets at fair value	(1,049)	1,005	(324)	159	(31)	529	(817)	262
Gains (Losses) from contractual modifications without derecognition	(184)	(471)	(397)	(269)	1,905	991	424	(314)
Net impairment losses for credit risk	**(93,456)**	**(81,690)**	**(79,099)**	**(79,043)**	**(140,537)**	**(125,399)**	**(95,744)**	**(71,632)**
Net provisions for risks and charges	(4,659)	(6,346)	(20,003)	(44,645)	(57,088)	(8,298)	(4,093)	6,998
Gains (Losses) on investments	149,347	1,980	1,059	(118,176)	578	(7,924)	23,301	(74,816)
Profit (Loss) from current operations	**723,103**	**430,450**	**624,673**	**387,438**	**457,121**	**513,270**	**662,020**	**253,473**
Contributions to systemic funds	(111,822)	2,258	(10)	(2,110)	(69,530)	20,046	(125,753)	13,996
Profit (Loss) before tax	**611,281**	**432,708**	**624,663**	**385,328**	**387,591**	**533,316**	**536,267**	**267,469**
Income taxes for the year	(145,029)	(157,783)	(199,892)	(112,766)	(88,249)	(113,147)	(145,968)	174,490
Profit (Loss) for the year	**466,252**	**274,925**	**424,771**	**272,562**	**299,342**	**420,169**	**390,299**	**441,959**
Profit (Loss) for the year pertaining to minority interests	(8,976)	(8,029)	(11,908)	(6,948)	(8,667)	(6,293)	(7,780)	(9,533)
Net profit (loss) for the year pertaining to the parent company	**457,276**	**266,896**	**412,863**	**265,614**	**290,675**	**413,876**	**382,519**	**432,426**

Net interest income

"Net interest income" amounts to Euro 3,376.9 million, on the rise as compared to 31 December 2023 (Euro 3,251.8 million). The positive change was mostly impacted by the rise in market interest rates which led to an increase in both the commercial spread on customer operations (loans and direct deposits) and the average yield of the portfolio of owned securities.

The result deriving from relations with the ECB, taking account of the TLTRO III funding lines (whose last tranche came to maturity in the first quarter 2024) and the sums deposited at the Central Bank, is a positive Euro 319.8 million (Euro 230.3 million as at 31 December 2023).

In addition to recalling the dynamics of loans and interest-bearing deposits, already highlighted in paragraph 5.1 "Balance sheet aggregates", an indication of the trend in average lending/funding rates is given below for a better understanding of the trend in net interest income:
- the average interest rate for the year, based on Group lending rates to customers was 4.50%, an increase of about 41 bps compared with the previous year's average rate (4.09%);
- the average yield on the securities portfolio is 2.69%, up by 12 bps compared to the previous year;
- the average cost of direct deposits from customers was 1.16%, up by about 27 bps compared to 2023 (0.89%);
- the average cost of interest-bearing liabilities was 1.33% (vs. 1.16% as at 31 December 2023);
- the spread between loan and deposit rates of Group customer accounts is 3.34% (3.21% as at 31 December 2023);
- the overall gap between the average annual rate of return on interest-bearing assets and the average annual cost of interest-bearing liabilities amounts to 2.68%, up on last year (it was 2.50% as at 31 December 2023).

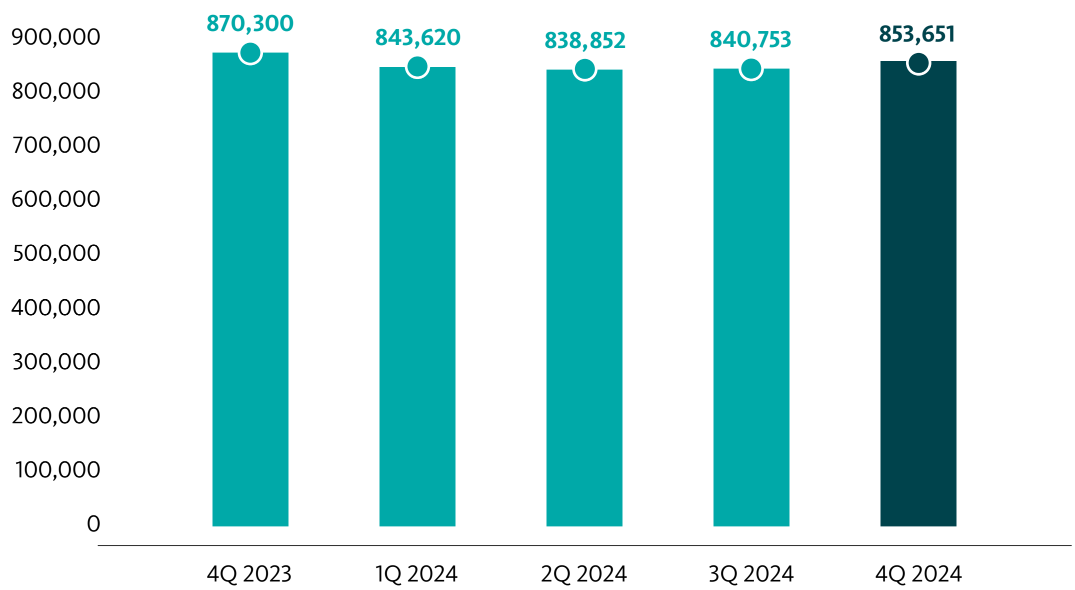
(in thousands)

Net interest income	31.12.2024	31.12.2023	Changes	% Change
1. BPER Banca s.p.a.	2,758,377	2,668,638	89,739	3.36
2. BPER Bank Luxembourg s.a.	12,339	14,189	(1,850)	-13.04
3. Bibanca s.p.a.	135,313	108,042	27,271	25.24
4. Banco di Sardegna s.p.a.	305,976	304,501	1,475	0.48
5. Banca Cesare Ponti s.p.a.	27,047	8,784	18,263	207.91
Total banks	**3,239,052**	**3,104,154**	**134,898**	**4.35**
Other companies and consolidation adjustments	137,824	147,663	(9,839)	-6.66
Total	**3,376,876**	**3,251,817**	**125,059**	**3.85**

Regarding the quarterly trend in Net Interest Income, illustrated in the following chart, the fourth quarter recorded growth of 1.5% compared to the previous quarter, mainly due to increased volumes and non-commercial activity. During the fourth quarter of the financial year, the commercial spread remained unchanged in a declining rate environment.

NET INTEREST INCOME

(amounts in thousands)



Net commission income

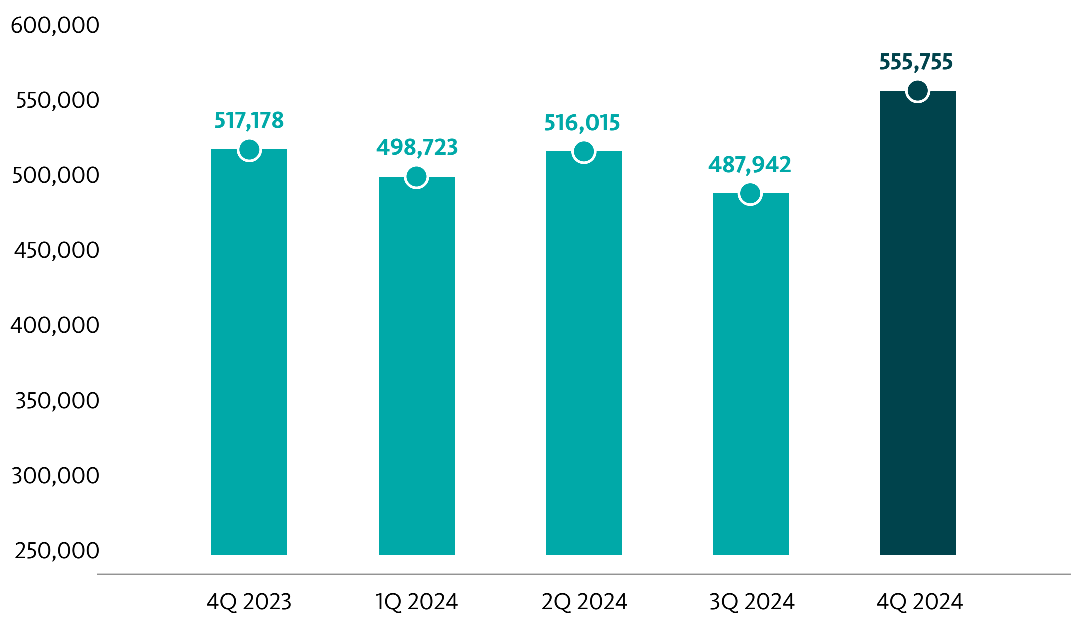
Net commission income, amounting to Euro 2,058.4 million, was +4.53% higher than at 31 December 2023 (Euro 1,969.3 million).

(in thousands)

Net commission income	31.12.2024	31.12.2023	Changes	% Change
Trading in currency/financial instruments	17,780	18,589	(809)	-4.35
Investment Services	840,877	785,087	55,790	7.11
Bancassurance non-life	128,226	98,929	29,297	29.61
Collection and payment services	657,714	666,967	(9,253)	-1.39
Loans and guarantees	331,348	325,713	5,635	1.73
Other commissions	82,490	74,001	8,489	11.47
Total net commission income	**2,058,435**	**1,969,286**	**89,149**	**4.53**

Compared to the quarterly trend in Net commission income shown in the chart, the results of the fourth quarter were positively influenced by the commission contribution of Bancassurance products (as against the achievement of the commercial targets set for 2024, Euro 31.1 million in additional commissions were recorded). The NII result was also contributed to by investment services (+9.42%) and commissions on loans and collateral (+11.55%).

NET COMMISSIONS *(amounts in thousands)*



Net income from financial activities

Net income from financial activities (including dividends of Euro 41.8 million) amounted to a positive Euro 55.3 million (Euro 130.9 million as at 31 December 2023) broken down as follows.

(in thousands)

Net income from financial activities (including dividends)	31.12.2024	31.12.2023	Changes	% Change
Dividends	41,821	30,884	10,937	35.41
Trading activities	41,050	41,833	(783)	-1.87
Hedging activities	1,773	22,386	(20,613)	-92.08
Proceeds from disposals	70,672	72,082	(1,410)	-1.96
- of which securities	*38,244*	*56,925*	*(18,681)*	*-32.82*
- of which loans	*32,428*	*15,157*	*17,271*	*113.95*
Other financial assets/liabilities measured at fair value	1,166	17,311	(16,145)	-93.26
Certificates	(101,162)	(53,570)	(47,592)	88.84
Total	**55,320**	**130,926**	**(75,606)**	**-57.75**

Other operating expense/income

The item Other operating expense/income, amounting to Euro 96.4 million (Euro 100.7 million as at 31 December 2023) includes, among its main components:

- the fair value measurement of tax receivables in the portfolio (for an extent limited to the portion that is expected to be recovered through sale to third parties) resulted in a positive change of Euro 6.2 million;
- positive net result from loss data collection activities for Euro 20.2 million, mainly due to collections deriving from favourable rulings in legal disputes;
- other net income not attributable to a specific item (e.g. Fast-track facility fee and rental income) totalling Euro 29.4 million;
- contingent assets arising from the settlement of past business combinations for an amount of Euro 6.5 million.

As a result of the dynamics illustrated above, Operating income amounted to Euro 5,574.6 million (+1.79% compared to the previous year).

Operating costs

"Operating costs" amount to Euro 3,034.2 million, essentially unchanged since 31 December 2023.

The main components of operating costs are reported below.

"Staff costs", amounting to Euro 1,915.5 million, decreased compared to the previous year (-4.29%) and include non-recurring costs of Euro 193.5 million related to: (i) Euro 173.8 million for extending the workforce optimisation manoeuvre complementing the agreement signed on 23 December 2023 (Euro 294.5 million as at 31 December 2023), and (ii) Euro 19.7 million related to regulatory changes in retirement rules, which extended the average redundancy fund membership length and clarified the scope for those participating in the manoeuvre.

"Other administrative expenses" amounted to Euro 784.2 million, down 1.68% year-on-year.

"Net adjustments to property, plant, equipment and intangible assets" totalled Euro 334.6 million (Euro 263.6 million at 31 December 2023).

Amortisation and depreciation of assets owned amounted to Euro 210.3 million (Euro 173.3 million as at 31 December 2023); net write-downs on assets owned amounted to Euro 40.4 million (compared to Euro 8.7 million as at 31 December 2023), mainly relating to impairment of software whose useful life was revised (Euro 34.3 million) and of real estate classified as inventories under IAS 2 (Euro 7 million).

The depreciation of rights of use related to leased assets amounted to Euro 82.4 million (Euro 76.2 million at 31 December 2023), while adjustments due to early termination of contracts totalled Euro 1.5 million (Euro 5,4 million at 31 December 2023).

(in thousands)

Operating costs	31.12.2024	31.12.2023	Changes	% Change
1. BPER Banca s.p.a.	2,542,684	2,626,803	(84,119)	-3.20
2. BPER Bank Luxembourg s.a.	8,421	7,147	1,274	17.83
3. Bibanca s.p.a.	65,317	55,201	10,116	18.33
4. Banco di Sardegna s.p.a.	260,709	274,170	(13,461)	-4.91
5. Banca Cesare Ponti s.p.a.	116,189	11,669	104,520	895.71
Total banks	**2,993,320**	**2,974,990**	**18,330**	**0.62**
Other companies and consolidation adjustments	40,922	61,194	(20,272)	-33.13
Total	**3,034,242**	**3,036,184**	**(1,942)**	**-0.06**

Net operating income therefore amounts to Euro 2,540.4 million (Euro 2,440.5 million at 31 December 2023).

Net impairment losses for credit risk

"Net impairment losses for credit risk" amounted to Euro 333.3 million (Euro 433.3 million at 31 December 2023). Adjustments related to financial assets measured at amortised cost in the amount of Euro 331.8 million (Euro 436.3 million as at 31 December 2023), mainly related to loans to customers, are detailed in the table below:

(in thousands)

Net impairment losses for credit risk on loans to customers	31.12.2024	31.12.2023	Changes	% Change
1. BPER Banca s.p.a.	238,159	330,711	(92,552)	-27.99
2. BPER Bank Luxembourg s.a.	402	1,778	(1,376)	-77.39
3. Bibanca s.p.a.	31,311	11,913	19,398	162.83
4. Banco di Sardegna s.p.a.	37,880	39,549	(1,669)	-4.22
5. Banca Cesare Ponti s.p.a.	150	69	81	117.39
Total banks	**307,902**	**384,020**	**(76,118)**	**-19.82**
Other companies and consolidation adjustments	14,942	41,563	(26,621)	-64.05
Total	**322,844**	**425,583**	**(102,739)**	**-24.14**

The overall cost of credit at 31 December 2024, calculated only on loans to customers, was 36 bps (48 bps at 31 December 2023).

With regard to the various components of this aggregate as at 31 December 2024, the majority of the cost of credit is attributable to the non-performing portfolio (Euro 301.7 million), as a result of an increase in the expected loss from both the workout scenario and the disposal component (the latter in connection with the recently-approved "B:Dynamic| Full Value 2027" Business Plan which revised the NPL disposal forecasts up). The disposals were partly completed by the end of 2024. Expected losses on the performing portfolio, following updates to the overall risk models (both "recurring" and "overlay" components), led to an increase in adjustments of about Euro 30 million (including adjustments to certain senior tranches of ABS securities backed by GACS in the portfolio, measured at amortised cost and classified to the non-performing portfolio as at 31 December 2024, due to underperformance in expected recoveries).

Net provisions for risks and charges

"Net provisions for risks and charges" total Euro 75.7 million (Euro 62.5 million at 31 December 2023). Net reversals on guarantees and commitments were recognised for an amount of Euro 1.4 million, whereas "Other provisions for risks and charges" amount to Euro 77.1 million and mainly refer to:
- Euro 60.9 million in ordinary allocations for disputes;
- the allocation of Euro 10.2 million, estimated with respect to operational/compliance risk connected with the tax credits acquired from customers during the period.

Gains (Losses) on investments

This item shows a positive net balance of Euro 34.2 million (it was Euro 58.9 million negative at 31 December 2023), mainly deriving from:
- Euro 30.1 million in write-downs due to the fair value measurement of properties;
- Euro 150.1 million for the transfer of control over the platform for the servicing and recovery of NPLs (Bad Loans and UTP) to Gardant;
- Euro 86.3 million in total impairment losses on equity investments.

Contributions to systemic funds

The total amount of contributions paid during the year was Euro 111.7 million (Euro 161.2 million at 31 December 2023). The amount comprises the ordinary contribution to the DGS (Deposit Guarantee Scheme) of Euro 109.6 million (Euro 111.8 million as at 31 December 2023) and the estimated initial contribution to the Guarantee Fund for life insurance of Euro 2.1 million.

For 2024, no contributions were required for the Single Resolution Fund (Euro 49.5 million as at 31 December 2023).

Net profit

Profit before tax amounted to Euro 2,054.0 million (Euro 1,724.6 million at 31 December 2023).

"Income taxes for the year" amounted to Euro -615.5 million and were determined by applying the regulations in force at 31 December 2024.

Income taxes were positively impacted by the recognition of deferred tax assets on past tax losses and surplus ACE (Allowance for Corporate Equity) carried forward from previous years, amounting to Euro 47.4 million following the five-year probability test (2025-2029).

The profit for the year after tax amounted to Euro 1,438.5 million (Euro 1,551.8 million at 31 December 2023). The profit pertaining to minority interests totalled Euro 35.9 million (Euro 32.3 million at 31 December 2023).

The profit pertaining to the Parent Company amounted to Euro 1,402.6 million (Euro 1,519.5 million at 31 December 2023).

(in thousands)

Net profit	31.12.2024	31.12.2023	Changes	% Change
1. BPER Banca s.p.a.	1,249,549	1,361,392	(111,843)	-8.22
2. BPER Bank Luxembourg s.a.	7,269	9,456	(2,187)	-23.13
3. Bibanca s.p.a.	65,186	57,499	7,687	13.37
4. Banco di Sardegna s.p.a.	239,317	140,506	98,811	70.33
5. Banca Cesare Ponti s.p.a.	56,877	2,882	53,995	--
Total banks	**1,618,198**	**1,571,735**	**46,463**	**2.96**
Other companies and consolidation adjustments	(215,549)	(52,239)	(163,310)	312.62
Total	**1,402,649**	**1,519,496**	**(116,847)**	**-7.69**

5.5 Employees

Employees	31.12.2024	31.12.2023	Changes
1. BPER Banca s.p.a.	16,525	17,622	(1,097)
2. BPER Bank Luxembourg s.a.	37	29	8
3. Bibanca s.p.a.	225	217	8
4. Banco di Sardegna s.p.a.	1,802	1,931	(129)
5. Banca Cesare Ponti s.p.a.	578	76	502
Total banks	**19,167**	**19,875**	**(708)**
Subsidiaries consolidated line-by-line	341	349	(8)
Balance sheet total	**19,508**	**20,224**	**(716)**

Figures refer to the point-in-time number of employees at 31 December 2024. The number does not include leaves of absence (24 resources).
Group employment at 31 December 2024 includes 289 persons seconded with Group companies (330 at 31 December 2023).

5.6 Geographical organisation

Branches	31.12.2024	31.12.2023	Changes
1. BPER Banca s.p.a.	1,285	1,347	(62)
2. Banco di Sardegna s.p.a.	271	286	(15)
3. Banca Cesare Ponti s.p.a.	2	2	-
Total Italian banks	**1,558**	**1,635**	**(77)**
4. BPER Bank Luxembourg s.a.	1	1	-
Total	**1,559**	**1,636**	**(77)**

The change during the year is mainly due to the rationalisation of the network of branches as part of the Business Plan.
Please refer to the "Other attachments" section of this Consolidated Report of the BPER Banca Group as at 31 December 2024 for details of the BPER Banca Group's footprint throughout the country.
112 Private Banking Centres, now part of Banca Cesare Ponti, add to the branch network.

6. MAIN RISKS AND UNCERTAINTIES

6.1 Identification of risks, underlying uncertainties and the approach to manage them

To ensure that the corporate activity is driven by criteria of sound and prudent management, the Risk Appetite Framework (RAF) is used to monitor the risk profile that the Group intends to assume in the implementation of its business strategies. The RAF is a coordinated set of methodologies, processes, policies, controls and systems that make it possible to establish, communicate and monitor the Group's risk appetite.

The Group adopts mechanisms aimed at allowing the effective integration of risk appetite with management activities. In particular, the Group consistently reconciles its RAF, business model, strategic plan, Capital, Funding and NPE Plan, ICAAP, ILAAP and budget, identifying suitable coordination mechanisms.

RAF management includes the following activities:
- identification of the risks to be evaluated that may have significant impacts on the economic, financial and equity equilibrium of the Group (Group Risk Map);
- identification of the elements through which the Group expresses its risk appetite level to achieve its strategic objectives (areas of analysis, metrics, thresholds and risks for which it is considered appropriate to define qualitative guidelines for monitoring);
- definition of threshold calibration and quantification rules;
- formalisation of RAF decisions taken as part of the Risk Appetite Statement (RAS);
- verification of trends in the actual risk values (Risk Profile) of the RAF metrics with respect to the established risk appetite and thresholds;
- definition and activation of differentiated assessment and escalation processes based on the type of threshold breached;
- preparation of periodic reporting for the Corporate Bodies of the Parent Company and Group companies, providing a quarterly summary of the development of the actual risk profile in relation to defined thresholds.

For further details, see Part E - Information on risks and related hedging policy of the Consolidated Financial Report as at 31 December 2024.

Identification of risks

The first phase in the management of the RAF involves identifying the risks that may significantly affect the Group's economic, financial and capital balance, both in a point-in-time and forward-looking perspective, based on specific materiality criteria.

The risk identification process results in the periodic updating of the "Map of Group Risks", which illustrates the relative position of the Bank with respect to Pillar I and Pillar II risks[26] and to the RAF, with both a point-in-time and forward-looking perspective. This update is carried out at least annually, or whenever necessary due to significant changes in the Group's business model, perimeter, or the market/regulatory context. The risks identified as potentially impactful for the BPER Group, both in a point-in-time and forward-looking perspective, are organised into a risk tree structure grouping various sub-risk categories into main risks. These are analysed to determine which are considered "material risks". This analysis, primarily based on the materiality of sub-risks, defines the following main risks for the BPER Group:
- Credit risk;
- Liquidity risk;
- Counterparty risk;
- Market risk;
- Operational risk;
- Reputational risk;
- Interest rate risk in the banking book;
- Credit spread risk in the Banking Book;
- Strategic/business risk.

26 Bank of Italy Circular no. 285 of 2013, Title III, Chapter 1 - Attachment D.

This activity is the result of an integrated and ongoing recognition process carried out centrally by the Parent Company, which also envisages (if deemed necessary in relation to any developments and/or changes in the business model) the involvement of the individual legal entities included in the Group's scope of consolidation, in order to enhance their role in relation to individual and specific operational features. In this regard, the Group Risk Map is viewed as having management and risk governance purposes, making it the cornerstone of the Internal Control System.

The methodology used to identify the risks to which the Group is exposed also includes an analysis of the macroeconomic environment to promptly identify potential risk factors deriving from systemic uncertainties that may affect all players in the banking industry.

Specifically, for the 2024 update, global geopolitical risk remains high due to the two "hot" war fronts in Ukraine and the Middle East, representing the greatest uncertainty for future scenarios.

Additionally, in the Eurozone, recent months have seen a sharp decline in the harmonised index of consumer prices, supported by falling energy prices and the scaling back of food and industrial goods price increases.

The structure of the Group's Risk Appetite Framework, through the definition of thresholds and monitoring of fourth-level indicators (alert indicators) tied to market or macroeconomic indicators, allows the Group to detect macroeconomic stress scenarios and manage them through escalation mechanisms that may trigger managerial actions and/or target reviews.

In line with the RAF defined by the Parent Company, for risks identified as significant, the Board of Directors of BPER Banca sets, with a special policy, the risk objectives, the related risk exposure and operational limits and the process of risk assumption and management with roles and responsibilities defined also for the Corporate Bodies.

Risk Appetite Statement (RAS)

The RAF formalises the level of risk appetite in pursuing strategic objectives and specifically outlines areas of analysis and reference metrics. For each area, the Group defines indicators and their respective meaningful levels where applicable (Risk Capacity, Risk Tolerance, Alert Thresholds, Early Warnings, Risk Appetite, Risk Limits). The RAF also identifies risks for which it is appropriate to provide qualitative guidelines for management and oversight.

The results of these activities make up the Risk Appetite Statement (RAS), approved by the corporate bodies and updated at least annually, or whenever required due to changes in the internal context (e.g. review of the organisational structure, modification of the Group's business model) or in the external context (e.g. review of the regulatory framework of reference, change in the market context).

RAF metrics are continuously monitored both at a consolidated level and at the level of individual risk-taking units to promptly manage any breaches of the defined actual risk profile thresholds. If necessary, escalation mechanisms are activated to assess appropriate corrective actions. These results are included in periodic risk reporting.

Reporting

In terms of reporting, the Group has established specific regular information flows to top management and the corporate bodies of the Parent Company, Banks, and other Group Companies concerning capital adequacy and exposure to key risks.

The findings in risk reporting are discussed within management and board committees and underpin the capital and liquidity adequacy assessments submitted to the Boards of Directors of Parent Company and Group companies.

Risk governance responsibilities

The individual risk governance policies define the roles and responsibilities of the functions in charge of taking and managing each risk, including the responsibilities of the Corporate Bodies.

In line with the "Group Policy on the Internal control system", the Corporate Bodies have a central role to play in the process of risk governance, providing for certain responsibilities with regard to the design, implementation, evaluation and external communication phases.

The Parent Company's Board of Directors therefore performs the strategic supervision function at Group level, intervening in all phases envisaged by the model and, by means of strategic directives, involving the Boards of Directors of the individual Group Banks and Companies for the activities that are their responsibility, i.e.:

- it gives the CEO adequate powers and resources to implement the strategic guidelines, the RAF and risk governance policies defined by the Board of Directors of the Parent Company in the design of the internal control system and is responsible for taking all the necessary steps to ensure that the organisation and its internal control system comply with the principles and requirements laid down in regulatory provisions, monitoring compliance on an ongoing basis;
- receives, either directly or through the CEO, the information flows required to gain full awareness of the various risk factors and the ability to govern them, so as to plan and implement interventions to ensure the compliance and adequacy of the Internal Control System.

For said purpose, the Chief Executive Officer, in relation to the Group as a whole and its members, with the help of the competent structures, implements the necessary initiatives and activities to continuously guarantee the completeness, adequacy, functionality and reliability of the internal control system.

The Boards of Statutory Auditors[27] of the Parent Company and of the Group's Banks and Companies, each to the extent of its own responsibilities, perform their assignments as foreseen by the law and the articles of association and have the responsibility of ensuring the completeness, suitability and functionality of the internal control system and of the RAF. The results are brought to the attention of the respective Boards of Directors.

The Board of Directors of each Group's Bank and Company assigns a mandate to its own corporate structures to implement, in its own corporate set-up, the decisions taken by the Parent Company.

Internal board committees and other internal committees set up by the Boards of Directors of the Parent Company and of the Group Companies, if in place, are also involved in the overall Internal Control System, whose composition and functioning are defined in the relevant regulation approved by the Board itself.

The internal board committees are dedicated to the in-depth analysis of specialist topics and have inquiry, advisory and proposal-making duties in support of the Board of Directors, while the Internal Committees provide advice and support to the Management Body.

In particular, the Risks (managerial) Committee, a body with consultative powers, assists the Chief Executive Officer in the determination and implementation of the Risk Appetite Framework, of risk governance policies and of the capital and liquidity adequacy process for the Group and Group Companies.

Decentralised at the individual Group's Banks and Companies there are people who act as "Contacts" for all of the second level control functions, in addition to the Manager Responsible for Preparing the Company's Financial Reports, for the following purposes:

- overseeing operations in line with the Parent Company's duties of guidance and coordination, taking into account specific local aspects and the type of business carried on by individual Group's Banks and Companies;
- ensuring effective operational links between the Parent Company and each Group's Banks and Companies;
- all communication flows to corporate bodies.

For more information and details on the overall control system implemented at the Banking Group level and on the tasks assigned to each control body or function identified, please refer to the information provided in the Explanatory Notes, Part E - Information on risks and related hedging policies (particularly the "Introduction" to the qualitative and quantitative information), to the Consolidated Financial Report as at 31 December 2024, the Pillar 3 Public Disclosures as at 31 December 2024, as well as to the Report on Corporate Governance and Ownership Structure as at 31 December 2024, which are available on the company's website https://group.bper.it.

27 Bank of Italy Circular no. 285 of 2013, first part, Title IV, Chapter 3 "The body with control function is responsible for monitoring the completeness, adequacy, functionality and reliability of the internal control system and the RAF".

Credit risk

The credit risk governance policy defines the principles governing the assumption and management of credit risk, including responsibilities of corporate structures and bodies.

The outcomes of credit risk measures, including internal rating system parameters, are reported in management reporting. More specifically:

- the outcome of the analyses on the credit portfolio, risk parameters and limits monitoring is included in the quarterly Risk Report, which is sent to Top Management and the Corporate Bodies of the Parent Company and of Group Banks and Companies. The information is discussed by the Risks Committee and presented by the Chief Risk Officer to the Control and Risk Committee and the Board of Directors of the Parent Company;
- a specific report is prepared for the Top Management of the Parent Company and of Group Banks and Companies on a monthly basis, including the monitoring of supervisory thresholds set for credit and concentration risk;
- a network reporting tool is prepared, characterised by different views of the loan portfolio, with different levels of data aggregation (Branch, Regional Department, General Management, Bank and Group) and hierarchical visibility cones.

For a description of the advanced credit risk measurement methodologies based on internal ratings, please refer to part E of these Notes, in the chapter that describes management, measurement and control systems.

Financial risk

The market, interest rate, liquidity, and counterparty risk governance policies define the principles governing the assumption and management of these risks, including the responsibilities of the corporate structures and bodies.

With regard to financial risk management, an analytical system is used to measure, monitor and report on market, counterparty, liquidity, interest-rate risks and Credit spread risk in the banking book (CSRBB).

The Group's policy for managing the securities portfolio, market risk, interest rate risk (CSRBB), ALM and liquidity and funding risk is defined by the Finance Committee of the Parent Company.

Operational reports are prepared on the risks profiles, with frequencies varying (from daily to monthly, depending on the characteristics of each risk that is monitored). Every quarter, the outcome of risk measurement and limits monitoring is fed into the quarterly risk report presented to the Risks Committee, the Risk Control Committee, the Board of Directors of the Parent Company and, for the areas within their remit, to the Boards of Directors of the Group's Banks and Companies.

For more information on financial risks and related controls, please refer to the Explanatory Notes to this Report, Part E, Section 2, para. 1.2 – Market risk, para. 1.3 Derivative instruments and hedging policies, para. 1.4 Liquidity risk of the Consolidated Financial Report as at and for the year ended 31 December 2024.

Operational risk

The operational, ICT and security, third party risk governance policies define the principles that govern the assumption and management of these risks, including the responsibilities of the corporate structures and bodies.

As regards the governance of operational risk, the BPER Banca Group applies the Traditional Standardised Approach (TSA) to calculate the capital requirement for operational risk[28].

The Own Funds requirement is calculated by determining the three-year average of the sum of the annual Own Funds requirement for the lines of business in which the relevant indicator was classified[29].

The model of operational risk governance and management adopted by the BPER Banca Group, designed to identify, assess, monitor, mitigate and report operational risks to the appropriate hierarchical levels, is formalised in specific internal rules. It provides for the centralised management at the Parent Company by the Risk Management Function, which relies on the support from a Contact of the Function in place at all Group banks and companies.

28 This choice was made starting from reporting of data as at 31 December 2013.

29 See CRR – Part three, Title III, Chapter 3, art. 317.

The operational risk management and measurement system adopted by the BPER Banca Group is ensured by the following processes:

- Loss Data Collection: system for collecting and filing the loss events that derive from operational risks, supported by dedicated IT tools under constant development that ensure the completeness, accuracy and quality of the data gathered;
- measurement of operating risks via the Risk Self-Assessment, in order to determine over a one-year time horizon the prospective level of exposure to operating risks and assess the adequacy of processes and line controls;
- measurement of risk by determining the level of capital absorption by operating risk from both a regulatory (own funds) and an operational standpoint (economic capital);
- system of reporting and communication to the Board of Directors and Senior Management, together with procedures to undertake appropriate mitigation actions based on the information flows sent (quarterly risk report).

Together, the analysis of Loss Data Collection and the measurement of operational risks make it possible to identify areas of vulnerability in which operating losses are more concentrated, in order to understand the underlying causes and highlight the opportunity for corrective actions, including insurance cover (external transfer of risk).

The BPER Banca Group has also adopted specific analytical frameworks for IT and third-party risk, with the aim of identifying the exposure to these types of risk and the corrective actions needed to avoid exceeding the established risk appetite threshold. Finally, a specific analysis is carried out in relation to operational and security risk related to payment services as required by the supervisory provisions in force. The results of these activities are also presented in the quarterly risk report.

Reputational risk

The framework for the management of reputational risk is aimed at monitoring, managing, mitigating and presenting in a structured manner the periodic position of the Group in relation to this risk, together with the corrective actions needed to mitigate any vulnerabilities identified[30].

The principal elements comprising the framework for the management of reputational risk are described and formalised in the “Policy on the governance of reputational risk”. This document centralises the management of this activity within the Risk Management Function of the Parent Company, and specifies the responsibilities of the Organisational Units within the Parent Company and the Group companies concerned, both under normal operating conditions and should any “critical reputational events” occur.

The system of reputational risk management adopted by the BPER Group has the following components:

- identification and assessment of risk based on Reputational Data Collection and Reputational Self-Assessment;
- monitoring of the Group’s exposure to reputational risk using a series of specific Key Risk Indicators;
- management of critical reputational events (escalation): management of particularly critical reputational events, by means of an escalation process functional for short- and long-term responses and mitigation;
- reporting: preparation of suitable reports, based on the various processes/sub-processes comprising the framework, in order to present in summary form the outcome of the risk management activities to all bodies and functions concerned.

For more qualitative information on operational risk and reputational risk and related controls, please refer to the Explanatory Notes to this Report, Part E, Section 2, para. 1.5 Operational risks of the Consolidated Financial Report as at and for the year ended 31 December 2024.

30 This choice was made with effect from the 2017 financial year.

6.2 Other evidence of risk

Business Continuity

In 2024, the annual activities aimed at the "Ordinary Management" of Business Continuity were resumed and aimed at updating the Business Continuity Plan of the Parent Company and of the Group's Banks and Companies.

In particular, Business Impact Analyses (BIAs) were carried out during the year to identify potential risks and failure points of business processes, business continuity solutions were updated to ensure effective recovery in the event of an emergency, and scheduled business continuity and disaster recovery tests were carried out to check the effectiveness of the Plan and to ensure continuous improvement.

The elements that characterised the financial year 2024 concerned:
- completion of work related to adjustments to European Regulation 2022/2554 "Digital Operational Resilience Act (DORA)";
- updating the Business Continuity Plan, introducing specific response and recovery plans for each scenario, with particular focus on procedures to address cyber threats and incidents, and updating the "Crisis communication" plan with more detail on internal/external targets and communication channels by scenario;
- running of the Cyber Resilience Stress Test as required by the ECB early in the first half of the year;
- execution of specific testing for volcanic risk and bradyseism, including participation in the Civil Protection test coordinated by CODISE in the Campi Flegrei area;
- the monitoring of Banca Cesare Ponti's business continuity after the merger and transfer of the business unit which brought about the subsequent updating of critical processes analysis;
- activities for maintenance of certification ISO 22301 for some processes of former Numera, a company which was transferred at the end of 2022;
- the monitoring of critical suppliers by checking existing contracts, continuity testing and the gathering of appropriate information to fully assess the quality of the planned continuity measures.

As part of the ESG Risk projects, physical risk mapping was further developed to monitor the degree of exposure to natural hazards (seismic risk) and climatic and environmental hazards (hydrogeological risk, landslide risk) of the buildings on which the critical processes are located, with evidence of the number of water streams in the proximity of each location and exposure to tidal flood risk

The Business Continuity Office coordinated crisis management and restoration activities for branches affected by flood events, particularly in Emilia-Romagna between September and October 2024.

The focus on operational resilience and the dissemination of a culture of business continuity within the Group, with a view to continuous improvement, continued through:
- training activities for roles involved in Business Continuity and Crisis Management within Group Companies, as well as designated Business Continuity Supplier Contacts;
- awareness initiatives through "information snippets" and the publication of articles in the company magazine.

Climate Change

Transition to a circular, low-carbon economy and its integration and management in the regulatory and prudential supervisory framework entails both risks and opportunities for the entire economic system and for financial institutions, while the physical damage caused by climate change and environmental degradation can have a significant impact on the real economy and the financial sector.

The European Central Bank identified climate and environmental risks among the main risk factors to be proactively managed under the supervisory priorities of the Single Supervisory Mechanism (SSM) for the banking sector, and starting in 2021, undertook activities aimed at verifying banks' positioning with respect to the provisions of the guidelines that the ECB issued on the subject (ECB Guide on climate-related and environmental risk).

Against this backdrop, the BPER Banca Group has structured its own sustainability process 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 was fully incorporated into the 2022-2025 Business Plan, and the commitment to ESG and sustainability issues is reiterated in the new "B:Dynamic| Full Value 2027" Business Plan.

In particular, the BPER Banca Group, through cross-cutting work groups, identified action lines in the climate-related and environmental areas to strengthen strategy, business, risk governance and regulatory compliance, approved by the Board of Directors of the Parent Company and forwarded to the European Central Bank.

Furthermore, follow-up continued in 2024 on the ECB's Thematic Review, aimed at checking compliance with the ECB Guidelines in order to further strengthen climate-environmental governance practices.

As part of the BPER Group's risk identification process, a qualitative-quantitative materiality analysis specific to ESG risk factors was updated, aiming to identify areas that require heightened attention in managing such factors within risk processes.

The analyses are carried out for each risk affected by ESG factors and, compared to previous years, the methodology was further strengthened to provide distinct results by time horizons and business lines. More specifically:
- the time horizons used for the analysis of credit, market, strategic, operational, and reputational risk (short-term: <=3 years - 2027; medium-term 5/6 years - 2030; long-term > 10 years - 2050) consistent with supervisory expectations and Net Zero Banking Alliance targets. For liquidity risk, the time horizons are different due to the type of risk and related operations (short-term within 12 months; medium- and long-term beyond 12 months);
- materiality analysis is also conducted by business line as identified by the bank.

New analyses were also introduced regarding non-climate-related environmental factors (Nature Related Risk – NRR).

In 2024, ESG risk monitoring gained greater prominence within the Risk Appetite Framework. The ICAAP exercise featured a detailed analysis of the impact of major climate risk drivers in relation to credit risk and key components of BPER's credit portfolio.

In this regard, climate stress testing was conducted from two perspectives:
- a short-term perspective, aimed at assessing the impact of specific climate risk events within a macro scenario that considers the current context;
- a long-term perspective (up to 2050) aimed at assessing, within the NGFS scenarios released in November 2023 (phase IV), how the Group may face an Orderly Transition or, conversely, a Current Policies scenario.

Following these developments, the BPER Banca Group has gradually been implementing its quarterly risk reporting, including Nature Related Risk (NRR) profile views, prospective risk views, and breakdowns by business line.

When integrating the aforementioned areas, consideration was also given to the connections and relationships with the various business processes impacted and the commitments made by the Group in this regard (e.g., Net Zero Banking Alliance - NZBA).

All of this confirms the strategic importance that the BPER Banca Group attaches to sustainability 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.

It should finally be highlighted that the BPER Banca Group will continue to consider additional areas of intervention in the next years to further develop its risk management frameworks with the aim of specifically capturing both the risk type specificities and developments in the regulatory and macro-economic frameworks.

6.3 Disclosure of exposures to sovereign debt held by listed companies

As required by CONSOB Communication DEM/11070007 of 5 August 2011 (and in the letter sent to listed Banking Issuers dated 31 October 2018), details are provided below about the holdings of bonds issued by Central and Local Governments and by Government entities, as well as about the loans granted to them.

Debt securities

Issuer	Rating	Cat.	Nominal value	Book Value	Fair Value	OCI Reserves	%
Governments(*):			**16,145,609**	**16,015,869**	**15,466,742**	**(17,837)**	**97.93%**
Italy	BBB		**11,277,824**	**11,346,332**	**11,106,564**	**(10,706)**	**69.38%**
		FVTPLT	49,817	50,445	50,445	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	1,781,030	1,796,709	1,796,709	(10,706)	
		AC	9,446,977	9,499,178	9,259,410	#	
Spain	A-		**1,011,900**	**1,013,894**	**960,820**	(1,213)	**6.20%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	91,000	86,513	86,513	(1,213)	
		AC	920,900	927,381	874,307	#	
U.S.A.	AA+		**890,000**	**846,376**	**703,012**	**-**	**5.18%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	-	-	-	-	
		AC	890,000	846,376	703,012	#	
European Union	AAA		**835,233**	**807,935**	**791,414**	**1,195**	**4.94%**
		FVTPLT	33	29	29	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	250,000	248,675	248,675	1,195	
		AC	585,200	559,231	542,710	#	
Germany	AAA		**694,501**	**648,613**	**580,278**	**(2,152)**	**3.97%**
		FVTPLT	1	2	2	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	30,000	27,271	27,271	(2,152)	
		AC	664,500	621,340	553,005	#	
European Stability	AA-		**382,000**	**366,171**	**358,666**	**(2,281)**	**2.24%**
Fund		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	178,000	167,917	167,917	(2,281)	
		AC	204,000	198,254	190,749	#	

(continued)

Issuer	Rating	Cat.	Nominal value	Book Value	Fair Value	OCI Reserves	%
France	AA-		**264,000**	**265,307**	**263,573**	**(595)**	**1.62%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	50,000	49,373	49,373	(595)	
		AC	214,000	215,934	214,200	#	
Belgium	AA-		**246,400**	**228,196**	**220,314**	**-**	**1.40%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	-	-	-	-	
		AC	246,400	228,196	220,314	#	
Other	-		**543,751**	**493,045**	**482,101**	**(2,085)**	**3.01%**
		FVTPLT	1,751	738	738	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	29,000	26,627	26,627	(2,085)	
		AC	513,000	465,680	454,736	#	
Other public entities:			**365,823**	**338,667**	**322,999**	**(3,092)**	**2.07%**
France	-		**331,399**	**305,475**	**289,662**	**(3,033)**	**1.87%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	52,000	46,910	46,910	(3,033)	
		AC	279,399	258,565	242,752	#	
Italy	-		**14,400**	**13,796**	**13,941**	**-**	**0.08%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	-	-	-	-	
		AC	14,400	13,796	13,941	#	
Other	-		**20,024**	**19,396**	**19,396**	**(59)**	**0.12%**
		FVTPLT	24	10	10	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	20,000	19,386	19,386	(59)	
		AC	-	-	-	#	
Total as at 31.12.2024			**16,511,432**	**16,354,536**	**15,789,741**	**(20,929)**	**100.00%**

(*) The individual percentages, calculated on book value, shown in the above table may not agree with the total because of roundings. Figures are expressed in thousands of Euro. The ratings indicated are those of Fitch Ratings at 31 December 2024.

Loans

Issuer	*Rating*	Cat.	Nominal value	Book Value	*Fair value*	OCI Reserves	%
Governments(*):			**2,329,408**	**2,329,408**	**2,476,478**	**-**	**80.40%**
Italy	BBB+		**2,329,408**	**2,329,408**	**2,476,478**	**-**	**80.40%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	-	-	-	-	
		AC	2,329,408	2,329,408	2,476,478	#	
Other public entities:			**567,738**	**567,738**	**590,756**	**-**	**19.60%**
Italy	-		**566,310**	**566,310**	**589,328**	**-**	**19.55%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	-	-	-	-	
		AC	566,310	566,310	589,328	#	
Algeria	-		**1,428**	**1,428**	**1,428**	**-**	**0.05%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	-	-	-	-	
		AC	1,428	1,428	1,428	#	
Total loans as at 31.12.2024			**2,897,146**	**2,897,146**	**3,067,234**	**-**	**100.00%**

(*) The individual percentages, calculated on book value, shown in the above table may not agree with the total because of roundings. Figures are expressed in thousands of Euro. The ratings indicated are those of Scope Ratings at 31 December 2024.

Based on their book value, repayment of these exposures is broken down as follows:

	on demand	up to 1 year	1 to 5 years	> 5 years	Total
Debt securities	-	1,257,842	5,358,292	9,738,402	**16,354,536**
Loans	260,330	129,265	62,929	2,444,622	**2,897,146**
Total	**260,330**	**1,387,107**	**5,421,221**	**12,183,024**	**19,251,682**

Control over the risks inherent in the portfolio is maintained by the directors who monitor the effects on profitability, liquidity and the Group's capital base, also through sensitivity analyses. No critical elements have been identified on the basis of these analyses.

6.4 Contributions to systemic funds

In 2024, no ordinary contribution was requested by the Single Resolution Board for the Single Resolution Fund (SRF), as the capital base of the Fund as at 31 December 2023 was above the minimum level of 1% of the covered deposits as at that same date. In the previous financial year, a regular contribution of Euro 49.5 million had been paid.

The Shareholders' Meeting of the FITD (Interbank Deposit Protection Fund) made some provisional amendments limited to 2024 to its statute to enable the collection of annual contributions to the Deposit Guarantee Scheme (DGS) by 3 July 2024, as required by Law.

The regular contribution to the DGS (Deposit Guarantee Scheme), paid in the first days of July, amounted to Euro 109.6 million (Euro 111.8 million as at 31 December 2023), mainly attributable to the Parent Company.

As at 31 December 2024, the estimated amount of the initial payment to the Guarantee Fund for life insurance, established by Law no. 213 of 30 December 2023, was recognised for Euro 2.1 million.

7. OTHER INFORMATION

7.1 Market positioning

The BPER Banca Group operates mainly in the traditional banking sector, i.e. loans and deposits and providing credit to customers, who are mainly represented by households and small and medium-sized corporates.

The Parent Company BPER Banca operates throughout the country, except for the Sardinia Region which is overseen by Banco di Sardegna.

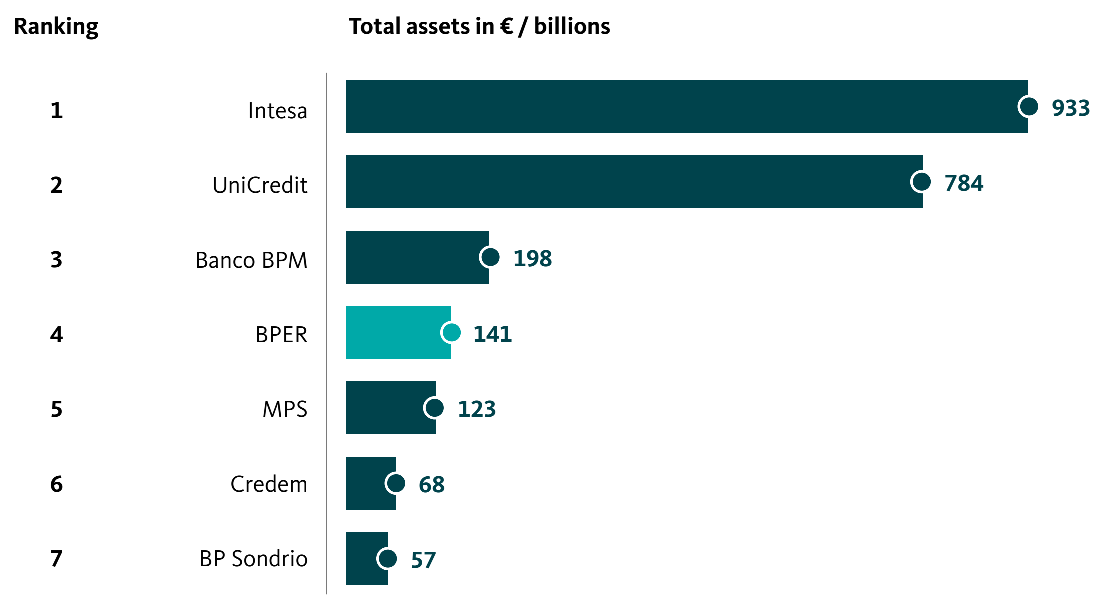
At 31 December 2024, the Group's network consists of 1,558 branches located in all Italian regions and one branch office in the Grand Duchy of Luxembourg, with a domestic market share, updated to 31 December 2024, of 7.89%. The branch network is complemented by 112 Private Banking Centres, now part of Banca Cesare Ponti, following the transfer of the Private Banking business unit by BPER Banca to its subsidiary in the first half of 2024.

On the Italian banking scene, the BPER Banca Group ranks fourth by total assets and loans (volumes as at 31 December 2024).

Positioning with respect to competitors

Figures at 31 December 2024 (total assets in Euro/billion)

POSITIONING WITH RESPECT TO COMPETITORS



Source: Management reporting and benchmarking of Banking Groups' financial statements at 31 December 2024

Within the domestic banking system, the BPER Banca Group's market share of loans to customers, excluding bad loans, was 5.27% at 31 December 2024, while its market share of deposits was 5.10%.

	Loans		Deposits	
	September 2023	September 2024	September 2023	September 2024
Producer households	8.74%	9.28%	9.68%	9.84%
Consumer households	5.74%	6.10%	4.81%	4.70%
Corporates	5.76%	5.94%	6.63%	6.17%
Total customers	**5.02%**	**5.26%**	**5.42%**	**5.18%**

7.2 Lending policies

The BPER Banca Group is operating in a context, the main dynamics of which have been illustrated in chapter 1 *"Macroeconomic context"* of this Report. The reference scenario in 2024 was characterised by an overall weak economy, with modest GDP growth, mainly supported by the positive contribution of household consumption, which benefited from the gradual recovery of disposable income. Investments, however, experienced a widespread slowdown across almost all components.

Foreign demand also showed signs of deterioration, resulting in a generally negative trend in exports during the year.

This trend was accompanied by the gradual retreat of inflation, which supported the recovery of household purchasing power and, on the financial front, the continuation of the European Central Bank's (ECB) expansionary monetary policy interventions. By the end of 2024, the ECB further reduced the cost of money, with positive effects on debt servicing charges.

The labour market confirms its latest positive trends with a gradual increase in employment. In particular, in a constantly evolving environment, the BPER Banca Group confirmed its support to domestic industry during the first half of 2024 and its attention to specific industrial micro-sectors considered as being mostly impacted by macroeconomic and industrial policy effects during the period:

Combined with this are the BPER Banca Group guidelines for attaching priority to the promotion of "green" and "technological innovation" loans, cross-cutting all sectors of the economy and capable of ensuring greater competitiveness for recipient companies. The operations connected with the achievement of the objectives defined under the National Recovery and Resilience Plan (NRRP) also add to the above.

7.3 Management and development of the Information System

Given the banking nature of the BPER Banca Group, research, development and innovation activities are mainly aimed at studying the possible application of technological innovations in customer relations, to improve and expand the range of products and services offered, and in internal company processes, to simplify them and make them more efficient.

Information Technology Area

The Chief Information Officer (CIO) area continued to work on its projects in 2024 according to the main strategic guidelines identified for Information Technology, in the following areas:
- *Application modernisation*: the definition and implementation of guidelines and strategies continued for the technological and architectural modernisation of Core Banking applications, aimed at optimising costs and accelerating the production of digital services: the release of new products and services to customers was completed during the period and key initiatives were launched to transfer applications to a new ready-to-cloud infrastructure. In particular, during the period, the following areas were impacted: Cards, Personal Data, Portfolio Management, Finance & Wealth, and the Payments Portal. Additionally, the New Cloud-Based Liquidation initiative was launched;
- *Enterprise Architecture and IT Services*: activities to feed tools within the Architecture Management and Asset Management domains were completed, aimed at ensuring synergy and simplification. Porting of Daily documents from folders to InfoArchive was finalised, along with the transfer of documents linked to the sale of branches to Banco Desio. Activities for the roll-out of the new Test Management process were also concluded, including the integration of cross-checks with the Change Management process;
- *Hybrid Cloud Infrastructure*: activities related to the development of the Data Centre network are nearing completion, while consolidation activities at the Data Centre continue, including the launch of operations at the Aruba Data Centre and the development of infrastructure for Multichannel Cloud services. Initiatives to reduce MIPS consumption, technical debt, and improve system monitoring oversight also continue, with a focus on reducing risks and increasing the quality, stability, and resilience of the information system;
- *Centralised and Agile IT Governance*: within the Financial Management and IT Vendor Governance domain, an industrialised process has been defined and implemented to support Application Maintenance tenders. This has included rationalising the supplier base, resulting in a reduction of approximately 50% (from 36 to 17 suppliers) in the relevant areas, alongside expanded oversight with a concurrent reduction in costs (savings of over 10%). The release of all upgrades related to the tool supporting the bottom-up collection of requirements for recurring expenses was also completed. In the area of IT human resources development, the technical training programme delivered to IT staff was completed, as were the second edition of the dedicated "Tech Around You" training programme focusing on emerging technologies and the "Duel" gamification initiative. In terms of processes, the annual review of the regulations governing the IT Framework was concluded, as planned.

IT Security Area

During 2024, the BPER Banca Group carried out the following key projects:

- completion of initiatives under the 2022-2024 Strategic Security Plan and the associated 2023-2024 Security Operational Plan. Key completed actions include: defining secure configurations for system infrastructures; strengthening the anti-fraud component (including behavioural in-app protection projects, a Fraud Red Team exercise to test implemented security solutions and processes); enhancing cybersecurity defences (developing a Threat Intelligence model for sharing cybersecurity information, policies, and controls to prevent misuse of the BPER brand in phishing campaigns); and expanding the standardisation of physical security controls;
- delivery of a dedicated Cybersecurity and Resilience Board Induction session to raise awareness among the strategic oversight body about evolving cyber threats and the new challenges facing the Board, posed by the Digital Operational Resilience Act (DORA);
- preparation and approval of the 2025-2027 Strategic Security Plan and related Action Plan, in line with the requirements of Bank of Italy Circular No. 285;
- completion of projects addressing gaps identified during the DORA assessment, including the development of a digital operational resilience strategy;
- updating internal security management policies by strengthening existing processes, defining new ones in line with industry best practices and regulatory requirements (including the Digital Operational Resilience Act - DORA);
- approval of the new Security and Resilience Training Plan, an awareness programme for BPER Group personnel, top management, and specialists. Delivery methods include e-learning, workshops, induction sessions, table-top exercises, and phishing campaign simulations.

Data & Analytics Area

In order to support the management and enhancement of data as a reliable engine to support business, customer and investor decisions in an ethical and sustainable manner, always in compliance with regulatory requirements, the CDO & Analytics Service has launched and plans to launch numerous initiatives as part of the strategic plan, with the following objectives: to improve, promote and disseminate the Data Governance, Data Quality and Artificial Intelligence Framework, with initiatives to ensure a common mindset and standard across the Bank.

During 2024, various initiatives were launched.

National and international regulatory requirements remain at the centre of the development of the data governance model, in particular the provisions by the Basel Committee on Banking Supervision (BCBS) issued through an international task force which lists a set of principles to strengthen banks' risk data aggregation capabilities and internal and external risk reporting practices to facilitate the resolution of banking crises.

The BCBS-239 programme, launched by the Parent Company in 2021 entered Phase II in 2022, focusing on the risk area. After completing phase II in 2023, the programme phase III was launched, at first with the aim of strengthening the data quality framework of Supervisory Reporting which has so far seen completion of the mapping of the fast closing process of financial results, the design of data and process flow diagrams, and the design of the resubmission process. The activities will continue until 30 June 2027, as established by the ECB, to achieve full compliance with the BCBS-239 principles and regulatory changes.

In May 2024, the ECB published the final version of the "Guide on effective data aggregation and risk reporting", which details the Regulator's requirements on Banks' compliance with the BCBS-239 Principles.

In line with recent requirements, the first project stream to extend the Data Governance framework to the Group's Legal Entities was completed, ensuring the mapping of relevant reports and implementation of data quality controls.

A risk-based approach was established to assess data governance and quality risks and apply an appropriate level of mitigation via a model with increasing safeguards.

To guarantee an objective and measurable approach, a calculation model has been established for the level of Maturity of the Data Governance Framework that allows for the level of completion of the framework's structure and functioning to be measured and monitored.

To enhance and support management awareness of data-related issues, a dedicated "Data & AI Reporting" report was established and is shared periodically with Top Management and the Board of Directors, also in line with external regulatory requirements (ECB Guide RDARR – Responsibilities of the Management Body).

In order to improve the management and monitoring of the Bank's information assets, work continued on the implementation of specific modules for the collection of metadata, the collection of technical and business controls and the results of the Metadata Hub tool, which is currently in production and open to users.

Regarding first-level second-instance Data Quality Controls, activities in 2024 covered several life-cycle phases of Data Products. During the change phase, monitoring activities continued related to the development and release of new products or the updating of existing ones.

In the run phase, ongoing maintenance of some in-scope Data Products and processes focused on control results, justification verification, resolution tracking, and issues to be flagged for Problem Management. Data Products managed in 2024 included management reporting, CFO-Evoco, AML monitoring, CRO-SRI, CFO-Normalizzatore 2.0, DQWeb – DRC, and CLO-LDT. Run processes managed in 2024 included monitoring DQ1 controls, assessing BPD DQ coverage levels, tracking missed DQ controls, daily deep dives on Evoco, and tracking NDW/IL table matrices covered by DQ1 controls.

Extraordinary scenarios addressed exceptional situations like mergers and acquisitions (including within the Group). Here, first-level second-instance controls focused on preserving data quality using specific methodologies.

In view of guaranteeing a sustainable data architecture, as sole point of reference for the company's data and for a greater understanding of the BPER Data Platform, initiatives were launched such as the path for the retrieval of data knowledge and the "Data Observability" tool. This system, integrated with the data governance tool and technical processing infrastructure, serves as a key instrument for:
- monitoring data flows within complex chains (e.g. prompt and accurate preparation of periodic accounting and prudential supervisory reports, management performance tracking, and detailed credit portfolio analysis);
- indicating data quality across four metrics: accuracy, timeliness, completeness, and reliability;
- supporting remediation and escalation processes for configured data flows.

In compliance with the requirements under Regulation (EU) 2016/679 on the processing of personal data for natural persons in the EU by natural persons, companies or organisations (General Data Protection Regulation - GDPR), the Parent Company carried out a Data Classification initiative (of production environments) and a Data Masking initiative (of non-production environments) on the Group's aligned information system. Furthermore, to comply with GDPR, the Data Deletion initiative was launched in 2024, with an implementation deadline of 2027. The goal is to meet the regulatory requirement of deleting personal data at the end of retention periods defined by the Bank.

Under the Artificial Intelligence Excellence programme, 12 workshops were activated in the different Areas of the Bank, engaging more than 200 colleagues who are actively involved in the implementation of AI models, both in the requesting Business structures and in the IT, Security and Control supporting functions.

To ensure Governance and compliance with the new regulations on the matter, the Group implemented a new AI Governance regulation and a monitoring framework making it possible to continuously oversee the models.

The advent of new Generative AI Models made it necessary to adapt not only the development methodologies, but also the Cloud infrastructure that, to date, guarantees the elasticity and scalability typical of Cloud systems.

In 2024, through the Hub & Spoke Model, several business functions have cooperated with the Chief Data Officer and the different IT units to implement and integrate 50 models in the Group's applications that will include Generative AI to increase process efficiency and reduce costs.

These initiatives are part of the Data Driven Bank programme, which was completed in late 2024.

The continuation of these activities is provided for in the strategic plan "Data & AI 2025-2027", presented in December 2024. Aimed at addressing contemporary challenges and promoting sustainable, balanced growth through an integrated and forward-looking approach, the Group seeks to ensure effective resource management, foster technological innovation, and enhance professional capabilities along the following lines:
- Data ready to compliance;
- Data Ready to business;
- Unleash client's value;
- Capture our latent economies of scale;
- IT Factory of the future.

7.4 Real estate business

The Real Estate Department, located within the COO Area, underwent an operational reorganisation during 2024. Within the BPER Banca Group, the Real Estate Department ensures the strategic and comprehensive management of the Group's direct and indirect real estate assets, promotes the development of strategic real estate activities in synergy with the Bank's business and fills management roles in the real estate vehicles held by the Group, in addition to managing and coordinating the Construction, Property, Building & Facility Management activities for the properties of the Parent Company and the Group Companies. It also includes the Real Estate Budgeting & Reporting Office and the Safety.

At 31 December 2024, the BPER Banca Group had the following real estate companies:
- BPER Real Estate s.p.a. (BPER RE), based in Modena and invested in by BPER Banca s.p.a. that has controlling ownership in the company, and by Banco di Sardegna s.p.a., which manages and enhances the value of the Group's property assets, some of which are in use in the banking activities. Effective 1 July 2024, the Company merged by absorption BPER REOCO s.p.a., with registered office in Milan and wholly-owned by BPER Banca s.p.a., active in the management and value enhancement of real estate assets arising from non-performing exposures of the BPER Banca Group;
- Adras s.p.a. based in Milan and wholly controlled by BPER Banca, owner of a single asset (Centro Commerciale Tanit, in Sassari);
- Sant'Anna Golf s.r.l., wholly owned by BPER Real Estate s.p.a., with registered office in Genoa, owner of the "Sant'Anna Golf Club" property complex, and active in the golf club management and development through its subsidiary St. Anna Gestione Golf SSD a r.l.;
- Annia s.p.a. based in Milan and wholly controlled by BPER Real Estate s.p.a., owner of a single asset (Centro Commerciale Adriatico 2, in Portogruaro);
- Commerciale Piccapietra s.r.l., wholly owned by BPER Banca, with registered office in Genoa, owner of a commercial licence.

During the first half of 2024, the key management activities in the real estate segment were as follows.
- Projects continued regarding the optimisation and rationalisation of workspaces (headquarters and branches) and cost-efficiency measures, by reducing occupied space per employee (project "RE Rightsizing"). Specifically, the following activities are underway:
  - Renovation of the Modena Management Centre, BPER's Park: the project covers the three buildings and involves separate redevelopment phases. At the end of the works, the complex will provide ca. 600 workstations for a total workforce of approximately 750 people. The site, consistently with the process of certification to the LEED GOLD standards, will meet the highest standards of sustainability and personal comfort. To date, the construction site on Building A is underway and the executive project for Buildings B and C continues, after which the tender phase for the beginning of the construction site can also begin for these buildings (completion expected by 2027);
  - Project for the renovation of the Regional Head Offices of Ancona and Naples: construction activities are being brought to completion in Ancona and are expected to be completed in Naples by 2025, allowing for subsequent consolidation in owned buildings and release of the leased offices. Both projects will be LEED certified;
  - renovation of the building in Rome - Via Bissolati, to be used as the Parent Company's main headquarters in the capital. It should be noted that the executive design has been defined, and the tender was completed at the end of 2024; construction work is expected to begin in early 2025. The Rome project will also obtain LEED certification;
  - consolidation of the Genoa hub by merging the two operational offices into the Via D'Annunzio property complex. Upgrade of the Via Cassa di Risparmio property is also planned;
  - rationalisation of headquarters and branches in other key locations for the Group (Bologna, Ravenna, and Avellino), with additional similar initiatives under evaluation elsewhere.
- completion of the renovation of the Sassari property – Via Padre Zirano – with a change of use from management to accommodation. Operations of the B&B facility began in the second half of the year, with the property being leased to third parties;
- following participation in a public tender, the Università Federico II of Naples confirmed that the property complex owned by BPER RE, located in the municipality of Ercolano (NA), meets the educational/laboratory requirements of the University, subject to appropriate renovation works.
  On 28 November 2024, BPER RE, with prior approval from the Parent Company, resolved to:
  - proceed with the sale of the property at the valuation deemed appropriate;
  - carry out all necessary works to meet the requirements set out in the tender notice.
- Continuation of projects to develop two prestigious historical buildings for use as museum hubs (so-called "RE 4 Culture Project") in Ferrara (Palazzo Koch) and l'Aquila (Palazzo Farinosi-Branconi) respectively. The two buildings will house "La Galleria" of BPER, where part of the Group's art collection will be exhibited.

- Further projects were developed in support of the Commercial Network ("Real Estate 4 Business" project), including the creation of spaces to implement the digital business model in six cities (Online Branches), the creation of new Business Centres and self-service retail points (EVO Distribution Models), support for the Wealth and Asset Management Hub project, enhancing the Banca Cesare Ponti brand in terms of recognition and presence in key markets.
- Implementation of the "Real Estate 4 ESG" project also commenced, aimed at modernising facilities and installing consumption monitoring systems.

With regard to the portfolio of non-functional and non-strategic assets, for which disposal was identified by the Real Estate Department as the optimal strategy, around Euro 54.2 million was transacted in 2024. The most significant transactions involved an asset previously used as a business centre in Genoa, the sale of which was finalised for a total of Euro 9.5 million, and an industrial property in Bentivoglio (Bologna) for Euro 10.3 million.

The Property & Facility Unit of the Real Estate Department guaranteed a 360° service to the Group by coordinating several activities, including: management of ca. 30,900 requests for maintenance, continuation of the property tax (IMU) renegotiation and of regularisation of the Group's real estate portfolio following due diligence, coordination and execution of the projects under the points above.

Moreover, the Unit is also in charge of interventions related to health and safety in the workplace (Legislative Decree 81/08). In this area activities were launched to strengthen control and execution of the works needed to maintain adequate environmental conditions for Group employees.

7.5 Treasury shares

In the period from 11 March 2024 to 13 March 2024 (both dates inclusive), BPER Banca purchased a total of 2,450,000 treasury shares on Euronext Milan, corresponding to 0.17% of its ordinary shares outstanding, at an average purchase price per share of Euro 3.9216, for a total consideration of Euro 9,607,805.

On 13 March 2024, upon completion of its ordinary treasury share buyback programme, BPER Banca announced the terms of the programme to the market in a press release on the same date.

The buyback was carried out under the terms approved by BPER Banca's Shareholders Meeting of 26 April 2023.

The authorisation process was initiated on 19 January 2023 with the application submitted to the European Central Bank (ECB) and was brought to completion on 17 April 2023 with the release of the relevant authorisation for the purchase and disposal of treasury shares to service the:
- payment of bonuses deriving from the application of short-term incentive systems (Management by Objectives - MBO 2023);
- to guarantee the additional availability of shares needed to cover the adjustment of the duration of the Long-Term Incentive (LTI) Plan to that of the duration of the 2022-2025 Business Plan. In this regard, it should be noted that, to ensure full consistency between the duration of the LTI vesting period and the Group's multi-year strategic planning, the latter was initially increased from 3 to 4 years, with payout being equal. The ahead-of-time closure of the BPER e-volution 2022-2025 Business Plan on 31 December 2024 has made it necessary to align the Plan length accordingly, bringing forward to 31 December 2024 the verification of the achievement of the LTI Plan results set for 31 December 2025, thus reducing the vesting period associated with the overall Plan duration to three years, with a consequent pro-rata reduction in the target bonuses for its recipients. The changes to the Long-Term Incentive Plan were approved during the Shareholders' Meeting of 3 July 2024;
- to allow for payment of any Severance due that may require the use of equity instruments.

On 19 January 2024, a further application was submitted to the ECB for authorisation to purchase and dispose of treasury shares in order to provide the funding needed to:
- the payment of bonuses deriving from the application of short-term incentive systems (Management by Objectives - MBO 2024);
- other payments to be made through financial instruments pursuant to the regulatory provisions set forth in the Remuneration Policies submitted for approval to the Shareholders' Meeting on 19 April 2024.

The BPER Banca Group obtained authorisation from the ECB on 20 March 2024.

In the period from 11 November 2024 to 14 November 2024 (both dates inclusive), BPER Banca purchased a total of 4,036,339 treasury shares on Euronext Milan, corresponding to 0.29% of its ordinary shares outstanding, at an average purchase price per share of Euro 5.9834, for a total consideration of Euro 24,151,185.

The purchases were made according to the terms authorised by the shareholders' meeting of BPER on 19 April 2024.

On 14 November 2024, upon completion of its ordinary treasury share buyback programme, BPER Banca announced the terms of the programme to the market in a press release on the same date.

On 17 January 2025, a new application was submitted to the ECB requesting authorisation to purchase and dispose of treasury shares, in order to guarantee payment of instalments due in 2026 in relation to both the 2025 short-term incentive plan ("MBO 2025") and previous instalments of existing short- and long-term incentive plans, as well as other remuneration components payable via financial instruments (e.g. severance, retention bonuses, etc.).

During the reporting period, treasury shares were also granted free of charge to employees, in line with the provisions of the Remuneration Policies (e.g. for short-term and long-term incentive and/or severance schemes).

No quotas or shares in Group companies are held through trust companies or other third parties.

The carrying amount of the Group's interest in the treasury shares held by consolidated companies, classified as a deduction from shareholders' equity item 180, is Euro 32,035 thousand, of which Euro 32,029 thousand relates to BPER Banca shares held by the Parent Company.

Shares of BPER Banca s.p.a.	Number of shares	Total par value
Total as at 31.12.2024	**6,112,499**	**32,029,433**
Total as at 31.12.2023	**678,397**	**2,243,974**

There are also 62,376 shares relating to -and held by- Bibanca s.p.a., for a total of Euro 6 thousand.

7.6 Share price performance

The year 2024 was marked by particularly strong performance in both Europe and the United States: markets experienced steady growth, considerable stability, and declining inflation. This prompted the European Central Bank and the Federal Reserve to start to gradually lower interest rates.

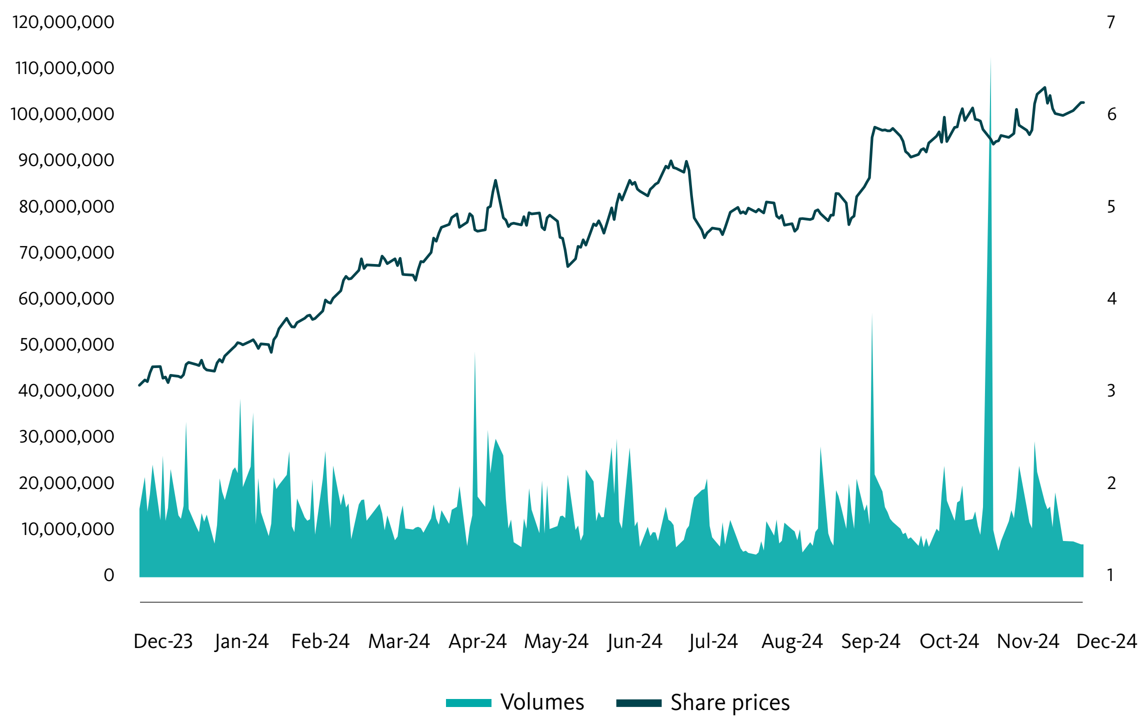
As regards the markets in the individual countries, the Italian market in particular benefited from a resilient economy.

In the United States, the US S&P500 index has risen by 23.8% since the start of the year; while the Euro Stoxx 50 has gone up +7.7% in Europe. In Italy, the financial sector was one of the best performers, with the Italian FTSE MIB stock index up +12.6% over the period, and the FTSE Italia All-Share Banks Index posting a year-to-date performance growth of 52.7%.

In this context, the official price of the BPER Banca stock recorded a positive change in the last nine months (+102.7%), from Euro 3.026 at the end of 2023 to Euro 6.134 at 30 December 2024.

The trading volumes of BPER Banca shares have stabilised at a daily average of about Euro 14.9 million shares traded on a daily basis from the beginning of the year.

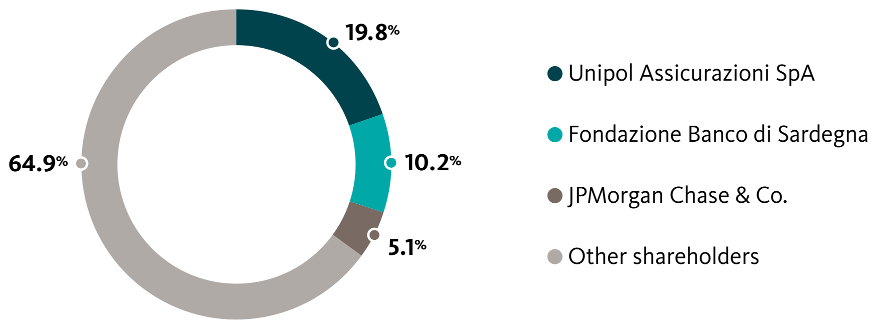
BPER SHARE PRICE AND VOLUMES



7.7 Breakdown of ownership structure

Share capital, fully subscribed and paid in, amounts to Euro 2,121,637,109.40 and is represented by 1,421,624,324 registered ordinary shares. The main shareholders of BPER Banca are: Unipolsai Assicurazioni s.p.a. (19.8%), Fondazione di Sardegna (10.2%) and JPMorgan Chase and CO (5.1%).

SHAREHOLDERS: BREAKDOWN *(values in %)*



7.8 Ratings as at 31 December 2024

Financial ratings

The rating assigned to a bank is an assessment of its trustworthiness and, more specifically, its ability to repay a loan over a given period of time. It is therefore a summary assessment of its credit risk profile, summarising the available quantitative and qualitative information.

Fitch Ratings

Fitch Ratings confirmed all ratings of BPER Banca on 21 March 2024. In particular, the Long-Term Issuer Default Rating (IDR) is affirmed as Investment Grade at 'BBB-' and the Viability Rating (VR) is confirmed at 'bbb-'. The outlook remains stable.

International Rating Agency	Latest review date	Long Term	Short Term	Outlook	Viability Rating	Subordinated debt	Senior Preferred debt	Senior non-preferred debt	LT Deposits
Fitch Ratings	21.03.2024	BBB-	F3	Stabile	bbb-	BB	BBB-	BB+	BBB

Key:
Short Term (Issuer Default Rating): Debt repayment capacity in the short term (less than 13 months) (F1: best rating – D: default).
Long Term (Issuer Default Rating): Ability to meet financial commitments in a timely manner regardless of the maturity of the individual bonds. This rating is an indicator of the issuer's probability of default (AAA: best rating – D: default).
Viability Rating: Evaluation of the bank's intrinsic financial strength, seen on the assumption that it cannot rely on extraordinary forms of external support (aaa: best rating – f: default).
Long Term Deposit: Ability to repay deposits in local currency in the long term (original maturity equal to or greater than 1 year) (AAA: best rating – D: default).
Subordinated debt: Opinion on the issuer's ability to honour subordinated debt. Fitch adds "+" or "-" to report the relative position with respect to the category.
Senior Preferred Debt: this is a measurement of the probability of default of Senior Preferred bonds expressed on a scale from AAA to D.
Senior Non-Preferred Debt: this is a measurement of the probability of default of Senior Non-Preferred bonds expressed on a scale from AAA to D.
Outlook: indicates the possible future evolution of the rating, which can be "positive", "stable" or "negative".

On 20 January 2025, Fitch Ratings upgraded the outlook on BPER Banca's long-term Issuer Default Rating (IDR) from Stable to Positive. The Long-Term Issuer Default Rating (IDR) was additionally affirmed as Investment Grade at 'BBB-' and the Viability Rating (VR) was confirmed at 'bbb-'.

International Rating Agency	Long Term	Short Term	Outlook	Viability Rating	Subordinated debt	Senior Preferred debt	Senior non-preferred debt	LT Deposits
Fitch Ratings	BBB-	F3	Positivo	bbb-	BB	BBB-	BB+	BBB

S&P Global

On 18 March 2024 the rating agency S&P Global assigned its ratings to BPER Banca. In particular, the Bank was assigned a Long-Term Issuer Credit Rating of "BBB-" and a Short-Term Issuer Credit Rating of "A-3". The outlook on all ratings is positive. The ratings on BPER Banca benefit from its well diversified and established nationwide franchise in Italy, its sound asset quality metrics and capital position, and good profitability prospects.

International Rating Agency	Latest review date	Stand Alone Credit Profile	Long-Term Issuer Credit Rating	Short-Term Issuer Credit Rating	Long-Term Resolution Counterparty Rating	Short-Term Resolution Counterparty Rating	Outlook
S&P Global	18.03.2024	BBB-	BBB-	A-3	BBB	A-2	Positivo

Key:
Stand alone credit profile: measures the stand-alone creditworthiness of a company based on the analysis of its financial fundamentals. It is expressed on a scale from AAA to D.
Long-Term Issuer Credit Rating: this is a measurement of the probability of default and expresses the bank's capacity to repay medium/long-term financial obligations. It is expressed on a scale from AAA to D.
Short-Term Issuer Credit Rating: measures the capacity of the rated organisation to repay its short-term financial obligations. The assessment scale comprises six levels (A-1; A-2; A-3;B, C and D).
Long-term Resolution Counterparty Rating: reflects S&P Global Ratings' view of the bank's creditworthiness with respect to the timely fulfilment of certain medium-to long-term financial liabilities that may be protected as part of a possible resolution process (bail-in).
It is expressed on a scale from AAA to CC.
Short-term Resolution Counterparty Rating: reflects S&P Global Ratings' view of the bank's creditworthiness with respect to the timely fulfilment of certain short-term financial liabilities that may be protected as part of a possible resolution process (bail-in). The measurement scale comprises six levels from A-1 (the best) to SD and D (the worst).
Outlook: indicates a forward-looking assessment on the possible evolution of the long-term rating assigned in a future period, usually within two years. Any changes in economic and financial conditions are taken into account when the outlook is determined.

On 13 February 2025, following the offer on Banca Popolare di Sondrio, BPER Banca announced that on the same date, S&P Global Ratings affirmed the Bank's "BBB-/A-3" long- and short-term issuer ratings, with the outlook remaining positive.

International Rating Agency	Long-Term Issuer Credit Rating	Short-Term Issuer Credit Rating	Outlook
S&P Global	BBB-	A-3	Positivo

Moody's

Moody's Ratings upgraded the Bank's key ratings on 27 May 2024. In particular, the rating agency placed the Bank's standalone Baseline Credit Assessment (BCA) from "ba1" to "baa3" investment grade, driving a similar upgrade of the issuer and senior unsecured debt ratings, both up from "Ba1" to "Baa3". The outlook was changed to stable from positive. In its ratings rationale, Moody's acknowledged BPER Banca's increased ability to generate profits, improved capitalisation, good asset quality and a robust funding and liquidity position.

International Rating Agency	Latest review date	Short Term Deposit	Long Term Deposit	Outlook (Long-term Deposit)	Long Term Issuer	Outlook (Long-term Issuer)	Baseline Credit Assessment ("BCA")	Subordinated debt
Moody's	27.05.2024	P-2	Baa1	Stabile	Baa3	Stabile	baa3	Ba1

Key:
Short Term Deposit: Ability to repay deposits in local currency in the short term (original maturity equal to or less than 13 months) (Prime-1: highest quality – Not Prime: not classifiable among the Prime categories).
Long Term Deposit: Ability to repay deposits in local currency in the long term (original maturity equal to or greater than 1 year) (Aaa: best rating – C: default).
Outlook: indicates the possible future evolution of the rating, which can be "positive", "stable", "negative" or "developing".
Long Term Issuer: Opinion on the issuer's ability to honour senior debt and bonds (Aaa: best rating – C: default).
Baseline Credit Assessment (BCA): The BCA is not a rating but an opinion on the intrinsic financial strength of the bank in the absence of external support (aaa: best rating – c: default).
Subordinated debt: Opinion on the issuer's ability to honour subordinated debt. Moody's adds 1, 2, and 3 to each generic class; 3 indicates that the issuer is positioned in the lower part of the category (Aaa: best rating – C: default).
Senior Non-Preferred Debt: this is a measurement of the probability of default of Senior Non-Preferred bonds expressed on a scale from Aaa to C (Aaa: best rating – C: default).

On 12 February 2025, Moody's affirmed the deposit and senior unsecured debt ratings of BPER Banca s.p.a., with the outlook remaining stable.

The "baa3" Baseline Credit Assessment (BCA) and Adjusted BCA were also affirmed.

The rating action was prompted by BPER's announcement on 6 February 2025 that it had launched a voluntary public exchange offer for all shares of Banca Popolare di Sondrio s.p.a.

International Rating Agency	Baseline Credit Assessment ("BCA")	Adjusted BCA	Outlook
Moody's	baa3	baa3	stabile

DBRS Morningstar

On 17 June 2024, DBRS Morningstar revised BPER Banca's Long-Term and Short-Term Issuer Ratings and Long-Term and Short-Term Senior Debt ratings to positive from stable. The positive rating action reflected the improvement in the Bank's ability to generate recurring earnings, improved operating efficiency and lower credit costs. The confirmation of all key ratings as Investment Grade reflects the Bank's well established and more diversified franchise in Italy resulting from recent integrations. The Bank's ratings continue to be sustained by its adequate capital, funding and liquidity position.

On 4 November 2024, DBRS revised the Bank's long-term rating on deposits to positive from stable.

International Rating Agency	Latest review date	Long-Term Issuer Rating	Short-Term Issuer Rating	Long-Term Senior Debt	Short-Term Debt	Long-Term Deposits	Short-Term Deposits	Senior Non-Preferred Debt	Subordinated Debt	Outlook
DBRS Morningstar	17.06.2024	BBB	R-2 (high)	BBB	R-2 (high)	BBB (high)	R-1 (low)	BBB (low)	BB (high)	Positivo

Key:
Short-Term Issuer Rating: measures the capacity of the rated organisation to repay its short-term financial obligations. The measurement scale comprises six levels (R-1; R-2; R-3; R-4; R-5 and D).
Long-Term Issuer Rating: This is a measurement of the probability of default and expresses the bank's capacity to repay medium/long-term financial obligations. It is expressed on a scale from AAA to D.
Long-Term Deposits: this is a measurement that expresses the vulnerability to default of uninsured medium/long-term deposits. It is expressed on a similar scale to the one used for the long-term rating (from AAA to D).
Short-Term Deposits: this is a measurement that expresses the vulnerability to default of uninsured short-term deposits. It is expressed on a similar scale to the one used for the short-term rating (R-1; R-2; R-3; R-4; R-5 and D).
Long-term Senior Debt: this is a measurement of the probability of default of Senior Preferred bonds expressed on a scale from AAA to D.
Short-term Debt: this is a measurement of the probability of default of short-term bonds expressed on a scale from R-1 to D.
Senior Non-Preferred Debt: this is a measurement of the probability of default of Non-Senior Preferred bonds expressed on a scale from AAA to D.
Subordinated Debt: this is a measurement of the probability of default of Subordinated Tier 2 bonds expressed on a scale from AAA to D.
Trend: indicates a forward-looking assessment on the possible evolution of the long-term rating assigned over a period of 1-2 years.

ESG rating

The ESG rating (or sustainability rating) is a synthetic evaluation that certifies the soundness of an issuer, a security or a fund in terms of environmental, social and governance performance.

As proof of the Group's commitment and ongoing improvement in this area, the ratings of BPER Banca as at 31 December 2024 are provided below.

For more information: https://group.bper.it/en/sostenibilita/rating-esg/rating-e-indici-esg.

S&P Global Sustainable1

The S&P Global Corporate Sustainability Assessment (CSA) is aimed at companies seeking to obtain an independent assessment of their performance, through a wide range of sector-specific economic, environmental and social criteria.

BPER Banca obtained 69 points (out of 100) in the 2024 S&P Global Corporate Sustainability Assessment, reflecting a 9-point improvement compared to 2023 (CSA Score as at 29 October 2024).

Finally, BPER was selected by S&P as Sustainability Yearbook Member and included in the prestigious S&P Global Sustainability Yearbook 2025.

International Rating Agency	Score	Scale (from lowest to highest score)
S&P Global Sustainable1	69	1 to 100

Standard Ethics Rating

Standard Ethics is an independent rating agency active since 2004, promoting the standard principles of sustainability and governance issued by the EU, the OECD and the United Nations.

In 2024, it should be noted that the agency also assigned a positive outlook to BPER Banca, confirming the EE+ rating.

International Rating Agency	Score	Scale (from lowest to highest score)
Standard Ethics Rating	EE+	From F to EEE

MSCI ESG Ratings

MSCI ESG Research provides an ESG rating to global public companies and some private companies based on their exposure to sector-specific ESG risks and their ability to manage these risks compared to competitors.

BPER Banca received an “AA” rating in 2024.

International Rating Agency	Score	Scale (from lowest to highest score)
MSCI ESG Ratings	AA	From CCC to AAA

ISS ESG

The Institutional Shareholder Services (“ISS”) group of companies supports investors and companies in building long-term sustainable growth by providing high-quality data, analysis and insights.

In 2024, BPER Banca’s ISS ESG Corporate rating is “C”.

International Rating Agency	Score	Scale (from lowest to highest score)
ISS ESG	C	From D- to A+

Moody’s Analytics

Moody’s Analytics provides reliable and transparent data and perspectives in many risk areas to help market operators identify opportunities and manage evolving business-related risks.

In 2024, Moody’s assessment of BPER Banca was “Advanced”. The ESG score improved from 59/100 to 63/100 in July 2024.

International Rating Agency	Score	Scale (from lowest to highest score)
Moody’s Analytics	Advanced	From Weak to Advanced

Sustainable Fitch

Sustainable Fitch’s ESG ratings provide a qualitative and quantitative assessment of an entity’s impact on environmental, social and governance issues, according to principles and guidelines published by third parties.

In 2024, BPER Banca improved its rating from “3” to “2” (range from “5” to “1”, where “1” is the best) and obtained a score of 63.

International Rating Agency	Score	Scale (from lowest to highest score)
Sustainable Fitch	2	From 5 to 1

Morningstar Sustainalytics[31]

Morningstar Sustainalytics is a leading ESG research, rating and data company that helps investors around the world develop and implement responsible investment strategies.

In 2024, BPER Banca received an ESG risk rating of 12.7, and was assessed by Morningstar Sustainalytics as at “Low risk” of incurring any significant financial impact arising from ESG factors.

International Rating Agency	Score	Scale (from lowest to highest score)
Morningstar Sustainalytics	Low	From Negl to Severe

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7.9 Inspections and audits

Note that the disclosure provided below is for information purposes only with regards to the checks carried out as part of the ordinary supervisory activity to which the BPER Banca Group is subject, as it operates in a highly regulated sector. As indicated in the Explanatory notes to this Consolidated Report, the Directors are of the opinion that the observations that emerged in the various inspection areas, for which the Group always prepares suitable action plans to implement the Supervisory Authority's recommendations as quickly as possible, will entail significant impacts in terms of income, assets and cash flows of the BPER Banca Group.

Information is provided below on the main inspections performed on the BPER Banca Group by the Supervisory Authorities for which an event occurred in the course of 2024. For matters not otherwise specified herein, please refer to the Group's Integrated Report and Consolidated Financial Report of the BPER Banca Group as at 31 December 2023.

European Central bank – ECB

Inspection (2022)

From 10 October 2022 to 3 February 2023, BPER Banca was subject to an on-site inspection regarding credit and counterparty risk with the aim of assessing compliance with and the implementation of the IFRS9 accounting standard, as well as carrying out a Credit Quality Review on selected portfolios and assessing the credit risk processes. The Final Follow up Letter summarising the findings and their recommendations and deadlines was received on 9 January 2024. In response to the recommendations made, on 08 February 2024 BPER Banca submitted an Action Plan containing the remedial actions currently being implemented.

Inspection (2023)

From 20 March 2023 to 16 June 2023, BPER Banca was subject to an on-site inspection regarding the business model and profitability, with the objective of reviewing the corporate governance and strategy management process. On 13 October 2023, the Final Report was received regarding the outcomes of the inspection and the relevant findings. The Final Follow up Letter summarising the findings and their recommendations and deadlines was received on 9 April 2024. In response to the recommendations made, on 09 May 2024 BPER Banca submitted an Action Plan containing the remedial actions currently being implemented.

Inspections (2024)

From 17 June 2024 to 13 September 2024, BPER was subject to an on-site inspection on IT risk, aimed at assessing IT governance, IT operational management and data quality management. The Bank is waiting to learn the decisions of the Supervisory Authority.

Since 4 November 2024, BPER Banca has been subject to an on-site inspection regarding credit and counterparty risk with the aim of assessing compliance with and the implementation of the IFRS9 accounting standard, as well as carrying out a Credit Quality Review on selected portfolios and assessing the credit risk processes.

Since 21 October 2024, BPER Banca has been subject to an on-site Internal Model Investigation (IMI) with the objective of evaluating internal credit risk models.

These inspections are part of the 2024 Supervisory Examination Programme (SEP) set by the ECB for the BPER Banca Group.

Bank of Italy - BoI

Inspection (2023)

From 25 September 2023 to 17 November 2023, BPER Banca was the subject of an on-site inspection targeted at verifying, in relation to consumer credit and real estate credit to consumers, the adequacy of the organisational and control structures, and policies and procedures on responsible lending, for protecting consumers in difficulty and preventing the risk of over-indebtedness. On 7 February 2024, the inspection report was received regarding the outcomes of the inspection and the relevant findings. On 7 March 2024, BPER Banca sent to the Bank of Italy its considerations on the findings made by the Supervisory Authority, together with an indication of the measures already taken, or to be taken, to resolve the findings and the related implementation timeframe.

Inspection (2024)

From 19 February 2024 to 10 May 2024, BPER Banca was subject to on-site inspections by the Bank of Italy to verify the adequacy of the Group's Anti-Money Laundering Function and the system of second-level anti-money laundering controls. On 19 September 2024, the inspection report was received regarding the outcomes of the inspection and the relevant findings. On 18 October 2024, BPER Banca sent to the Bank of Italy its considerations on the findings made by the Supervisory Authority, together with an indication of the measures already taken, or to be taken, to resolve the findings and the related implementation timeframe.

CSSF - Commission de Surveillance du Secteur Financier

Inspections (2022)

From 30 November 2022 to 7 November 2023, BPER Bank Luxembourg has been the subject of an on-site anti-money laundering inspection by the Commission de Surveillance du Secteur Financier (CSSF). On 5 June 2024, the inspection report was received summarising the outcomes of the on-site inspection. The Bank responded to this report by the deadlines indicated by the Supervisory Authorities, providing its observations and the Action Plan containing the corrective actions to be implemented to address the recommendations.

Italian Revenue Agency

On 12 June 2024, following notification of the tax audit report, the tax inspection for financial years 2018-2019-2020 was concluded at Banco di Sardegna, having been started in February by the Regional Directorate of the Italian Revenue Agency.

The audit focused on verifying:
- the tax treatment of fast-track facility fees (CIV) for IRAP purposes;
- the calculation and use of the tax credit for DTAs in 2020;
- the tax impact of property impairment, also in 2020.

Only one finding was raised regarding the IRAP treatment of CIVs in 2018 and 2019. The same issue had already been raised for 2017 following a previous inspection. No other findings were made for the financial years under audit.

Following the report, the IRAP assessment notice for 2018 was issued at year-end. An appeal was filed with the first-instance Tax Court of Justice (*Corte di Giustizia Tributaria* - CGT).

After the end of the 2024 financial year, the IRAP assessment notice for 2019 was also issued and will be appealed.

The Bank's appeal seeking to overturn the judgement in whichBanco di Sardegna was unsuccessful – regarding the taxation of CIVs for IRAP purposes for the 2017 tax year – is still pending.

A specific provision of Euro 1.4 million has been set aside to cover any costs (taxes, penalties, interest) that may arise in the event of a final unfavourable outcome. The finding could potentially be extended to subsequent years.

Banco di Sardegna is not involved in any tax disputes that could affect the economic, financial and capital position of the Bank.

7.10 Information on intercompany and related-party transactions

Relations with the Companies included in the scope of consolidation and with the Associates and related parties, pursuant to IAS 24, as well as Article 2497-bis of the Italian Civil Code and CONSOB Communication DEM 6064293 of 28 July 2006, are disclosed in Part H of the Consolidated Explanatory Notes.

In accordance with the Regulation on transactions with related parties adopted by CONSOB with resolution n. 17221/2010 (and subsequent amendments), the BPER Banca Group has adopted specific internal rules to ensure transparency and substantive and procedural correctness of transactions with related parties.

In this context, the Parent Company BPER Banca adopted the "Policy for the governance of non-compliance risk concerning conflicts of interest with Relevant Persons and risk activities with Associated Persons", which was also implemented by the banks and other companies of the Group. This Policy also complies with the Bank of Italy's requirements in terms of "Risk activities and conflict of interest with associated persons" as contained in Circular 285 dated 17 December 2013 - 34th update dated 22 September 2020.

The document is published on BPER Banca's website (https://group.bper.it/en/, in the Governance / Governance Documents section) and on the websites of the other Group Banks.

Without prejudice to the disclosure requirements of IAS 24 (explained in the aforementioned Part H of the consolidated explanatory Notes, in relation to the scope of application of the international accounting standard), the following is a summary of transactions with related parties, for which information is provided under CONSOB Regulation 17221/2010.

At 31 December 2024, the only company belonging to the BPER Banca Group issuing listed shares is BPER Banca.

a) most significant individual transactions concluded during the reporting period

No.	Company that initiated the transaction	Name of the counterparty	Nature of the relationship with the counterparty	Object of the transaction	Consideration for each transaction completed (Euro/000)	Other information
1	BPER Banca s.p.a.	Banca Cesare Ponti s.p.a.	Direct subsidiary	Treasury transaction	827,398	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221
2	BPER Banca s.p.a.	Banca Cesare Ponti s.p.a.	Direct subsidiary	Treasury transaction	730,000	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221
3	BPER Banca s.p.a.	BiBanca s.p.a.	Direct subsidiary	Credit line	550,000	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221
4	BPER Banca s.p.a.	BiBanca s.p.a.	Direct subsidiary	Credit line	3,100,000	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221
5	BPER Banca s.p.a.	Finitalia s.p.a.	Direct subsidiary	Credit line	619,800	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221
6	BPER Banca s.p.a.	BPER Factor s.p.a.	Direct subsidiary	Credit line	2,750,000	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221
7	BPER Banca s.p.a.	Sardaleasing s.p.a.	Direct subsidiary	Credit line	1,200,000	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221

b) other individual transactions with related parties, entered into in the reporting period, that have materially impacted the financial position and results of the company

As required by CONSOB Regulation 17221/2010 with regard to other transactions with related parties, it is confirmed that no transactions have had a significant effect on the balance sheet or results of the Bank.

c) changes or developments in related-party transactions disclosed in the last Annual report that have had a material effect on the financial position or results of the companies during the period

It should be noted that, during the period in question, there were no changes or developments concerning related-party transactions described in the last Annual report having a material effect on the Companies' financial position or results and additional to the content that has already been commented on in this consolidated Directors' Report on Operations or in the consolidated Explanatory Notes.

7.11 Information on atypical, unusual or non-recurring transactions

In the course of 2024 there were no atypical or unusual transactions, as defined by CONSOB Communication DEM 6064293 dated 28 July 2006.

It should also be noted that there were no transactions defined as non-recurring during the year.

7.12 Remuneration policies

As required by current legislation, remuneration policies have been prepared covering the entire BPER Banca Group. In particular, in an increasingly sophisticated regulatory environment, the Group adjusts its policies to the new rules on staff remuneration.

In confirming and consolidating the pillars of its policy, the Group has followed the evolution of the remuneration systems to ensure consistency with the Company's strategies and priorities in both the short and long term, also with reference to 2024.

Pursuant to art. 123-ter of Legislative Decree No. 58 of 24 February 1998 and art. 84-quater of CONSOB Issuers' Regulation, for detailed information, please refer to the document "2025 Report on remuneration policy and compensation paid", published on the Bank's website www.bper.it – Homepage › Governance › Documents.

7.13 Corporate events involving the Parent Company BPER Banca

For corporate events that occurred in 2024 relating to BPER Banca, please refer to the Parent Company's Report on Operations in the chapter "Other information" - corporate events.

8. OUTLOOK FOR OPERATIONS

8.1 Outlook for operations

With regard to the macroeconomic context, despite some signs of stagnation in advanced economies, 2024 continued toward a global economic expansion, albeit with varying trends across regions.

In the United States, although the fourth quarter saw a slight slowdown at +2.3% (from 3.1%), the economy closed the year with a growth of +2.8%, accelerating with respect to 2023. According to the International Monetary Fund (IMF), 2025 will see a modest slowdown to +2.7%, followed by a further decline in 2026, while remaining above 2%. In the United Kingdom and Japan, GDP growth slowed, due to weakened domestic and external demand, respectively.

China, which grew by +5.4% year-on-year in the fourth quarter of 2024, reached its annual growth target of 5%. However, sluggish consumption and the ongoing crisis in the real estate sector persist.

In the Eurozone, economic growth weakened towards the end of 2024, due to prolonged geopolitical tensions and a downturn in manufacturing. Although GDP grew by only +0.2% quarter-on-quarter in the fourth quarter of 2024, the Eurozone ended the year stronger than in 2023 at +0.9% (up from +0.4%). According to the IMF, Eurozone GDP will grow by +1% in 2025, with further acceleration to +1.4% in 2026 and +1.3% in 2027, although trends will vary across countries. Germany, Europe's now-stalled locomotive, recorded four consecutive quarters of negative growth, with the last at -0.2% quarter-on-quarter (from -0.3%). The country closed its second consecutive year in recession (-0.2%), impacted by industrial slowdown – particularly in the automotive sector – and high energy prices. Berlin's situation may only partly improve in 2025 at +0.3% according to IMF, followed by a sharp recovery in 2026. At the time of writing, future Chancellor Friedrich Merz appears inclined to remove the debt ceiling to unlock spending for defence and infrastructure – the most significant economic stimulus since the fall of the Berlin Wall. Spain, thanks to a stable fourth quarter of 2024 growth rate of +0.8% quarter-on-quarter, closed the year at +3.2% (up from +2.8%), the highest among advanced economies. France, despite political turmoil and deficit issues, also outperformed 2023, with GDP growth at +1.2% (up from +0.9%). However, the IMF predicts a slight slowdown in 2026.

Italy, despite a modest fourth quarter growth of +0.1% quarter-on-quarter (from 0%), recorded a GDP increase of +0.7% for 2024 (from 0.9%). The IMF forecasts stable growth in 2025. Further implementation of the NRRP (National Recovery and Resilience Plan), as evidenced by accelerating non-residential investment throughout the year, could provide an additional boost to economic growth.

What is certain is that the protectionist policies of the USA could have a significant impact on exports; but the reorganisation of export flows to new emerging economies, both of semi-finished products and consumer goods, could limit the impact of the tariffs policy. This shift is already under way, with double-digit export growth to emerging markets (e.g. Turkey, Vietnam, UAE).

Geopolitical tensions will continue to weigh on the macroeconomic scenario as will the emerging risks associated with US protectionist policies in the form of a new wave of tariffs, that could distort trade flows, disrupt the related global supply chains and raise concerns over possible inflationary impacts[32]. In the Eurozone, a remodelling of export flows to new emerging economies could be implemented, both for semi-finished products and consumer goods, which could limit the impacts of the tariff policy.

On 6 March 2025, the Governing Council of the European Central Bank (ECB) decided to reduce the reference interest rates by 25 bps, marking the sixth cut since June, bringing the deposit rate to 2.50%. The decision was based on the latest inflation projections, the dynamics of core inflation and the strength of monetary policy transmission. Global uncertainty and trade tensions could impact growth and inflation. The ECB stands ready to adapt its tools to ensure price stability.

Within this context, thanks to its high capital strength, the Bank will continue to make pragmatic management choices in 2025 with the aim of sustaining the economic growth; net profit is expected to be slightly above 2024.

Modena, 12 March 2025

The Board of Directors
The Chair
Fabio Cerchiai

32 IMF, World Economic Outlook, update, January 2025.

Part 2

CONSOLIDATED SUSTAINABILITY STATEMENT

1. GENERAL INFORMATION

1.1 General disclosures (ESRS 2)

1.1.1 Methodological note

The disclosure requirements of the European Sustainability Reporting Standard (ESRS) are outlined within the document as follows:

Abbreviation	Description of the disclosure requirement
BP	Basis for Preparation: disclosures defining the general criteria for drafting the document.
GOV	GOVernance: disclosure requirements related to governance processes, controls and procedures used to monitor, manage and control material impacts, risks and opportunities.
SBM	Strategy and Business Model: disclosure requirements related to how the corporate strategy and business model interact with material impacts, risks and opportunities, including how the company addresses those impacts, risks and opportunities.
IRO	Impact, Risk and Opportunity: disclosure requirements related to the processes by which the company identifies impacts, risks and opportunities, assesses their materiality and manages material sustainability matters through policies and actions.
MDR	Minimum Disclosure Requirement: minimum disclosure requirements that must be included when a company discloses information regarding Policies (MDR-P), Actions (MDR-A), Metrics (MDR-M), Targets (MDR-T) aimed at preventing, mitigating and correcting actual and potential material impacts, addressing material risks and/or pursuing material opportunities.
ESRS 2	"General Disclosures" standard: establishes disclosure requirements for information to be provided by the company at a general level for all sustainability matters related to the governance of reporting areas, strategy, management of impacts, risks and opportunities, and metrics and targets.
E1, E2, E3, E4, E5	Standards addressing Environmental matters.
S1, S2, S3, S4	Standards addressing Social matters.
G1	Standard related to Governance matters.

General basis for preparation of sustainability statements (BP-1)

This document constitutes the Consolidated Sustainability Statement (hereinafter also "Sustainability Statement" or " Statement") of the BPER Banca Group (hereinafter also "Group" or "BPER Group") for the year 2024, prepared pursuant to Italian Legislative Decree 125/2024, which implements the Corporate Sustainability Reporting Directive, hereinafter "CSRD".
The scope of the Sustainability Statement includes, in addition to the Parent Company BPER Banca s.p.a. (hereinafter and in the remainder of this document also "BPER", "Bank", "Parent Company") all its subsidiaries[33], regardless of the consolidation method used for the purposes of preparing IAS/IFRS financial reporting.
With respect to the scope of consolidation, the entities excluded from the scope of Sustainability Statement and the relative reasons are listed below:

- Commerciale Piccapietra s.r.l., as the company is not operational;
- BPER trust Company s.p.a., as it has not issued any financial liabilities nor does it hold any financial assets, with the exception of a bank account for cash held with the Parent Company BPER Banca s.p.a. and receivables from customers for management fees accrued for services rendered; it has no employees; the assets administered through the individual trusts on behalf of customers mainly consist of asset management; it does not own any real estate nor does it have any leases on real estate; the supply relationships with parties other than BPER Banca s.p.a. set up for the performance of its business can be considered immaterial within the supply chain of the BPER Banca Group as a whole;
- Securitisation Vehicles (Carige Covered Bond s.r.l., Estense Covered Bond s.r.l., Estense CPT Covered Bond s.r.l., Lanterna Finance s.r.l. and Lanterna Mortgage s.r.l.) as they relate to what is called self-securitisation transactions whose originator banks are the Parent Company BPER Banca s.p.a. and/or banks controlled by the same. Considering their nature as self-securitisation transactions, in accordance with the provisions of IFRS 9, the loans sold were not derecognised in the respective financial statements of the originator banks. Therefore, these self-securitisation vehicles can be excluded from the scope, as the related managed loans are already included with the contribution of the originator banks.

Lastly, it should be noted that the company St. Anna Gestione Golf Società Sportiva Dilettantistica s.r.l., a subsidiary of BPER Real Estate s.p.a. through St. Anna Golf s.r.l., was excluded from the scope of consolidation of the Sustainability Statement, as its environmental and social impacts were assessed as not material. With regard, on the other hand, to jointly controlled companies

33 For the list of Group subsidiaries, please see the Explanatory Notes to the Consolidated Financial Report Part A - Section 3 - Scope of Consolidation and Methodology and the Directors' Report on Group Operations Part 1 - section 4.1 Composition of the Group as at 31 December 2024.

and associated companies[34], the concept of operational control was aligned with the definition of accounting control for the purpose of defining the scope of reporting, and the applicability of their inclusion in the value chain was analysed.
At the end of this analysis, the following companies were found to belong to the value chain:

- Alba Leasing s.p.a. (downstream) for existing material loan agreements;
- Gardant Bridge Servicing s.p.a. (upstream) as a strategic supplier for the management of non-performing loans.

With regard to the latter, BPER Banca s.p.a. has reported the Scope 3 greenhouse gas emissions (GHG) in the Consolidated Sustainability Statement 2024.

Pursuant to art. 7, paragraph 1 of Italian Legislative Decree 125/2024, Banco di Sardegna is exempted from preparing its own individual sustainability statement pursuant to Art. 3 of the Decree, as it is included in the Consolidated Sustainability Statement of its Parent Company (BPER Banca).

The information provided in the Consolidated Sustainability Statement 2024 includes information on material impacts, risks and opportunities related to the BPER Group through its direct and indirect business relationships in the upstream and downstream value chain, based on the results of the double materiality analysis process, in accordance with specific value chain obligations. In particular, upstream information was included on suppliers (main, strategic), shareholders (material, based on communications made pursuant to Article 120 of the Consolidated Law on Finance), subscribers of bonds issued, subscribers of capital instruments issued and customers with direct and indirect funding instruments. The downstream information instead relates to customers for financing transactions and Product Companies.
Details on the extent to which policies, actions, targets and metrics cover or contain value chain data are clearly highlighted within the thematic chapters. Lastly, as far as quantitative metrics are concerned, with reference to the value chain, only Scope 3 emissions are reported.

The Group did not make use of the option to omit specific information corresponding to intellectual property, know-how or innovation results.
With reference to the information on OPEX and CAPEX, it should be noted that they are not material in relation to the total investments made and total costs incurred in 2024 and are therefore not reported in this document.
The Group did not make use of the option not to disclose information concerning upcoming developments or matters subject to negotiation pursuant to Articles 19a, paragraph 3 and 29a, paragraph 3 of Directive 2013/34/EU.

Disclosures in relation to specific circumstances (BP-2)

Time horizons

With reference to the risk materiality assessment (see E1-IRO-1), scenario analysis for physical and transition risk assessment (see E1-IRO-1) and resilience analysis (see E1 SBM-3), the following definitions of time horizons are applied:

- short-term means a time horizon extending from zero to three years, consistent with the 2024-2027 Business Plan;
- medium-term means a time horizon extending, consistent with the first Net-Zero targets, to 2030:
  - between five and six years for the risk materiality assessment;
  - seven years for the scenario and resilience analyses;
- long-term means a time horizon extending up to 2050, in line with the set decarbonisation targets:
  - over eight years for the scenario and resilience analyses;
  - over ten for the risk materiality assessment.

Value chain estimation

To calculate the categories reported within Scope 3, the Group used estimates deriving from indirect sources; for more details, please see disclosure requirement "Gross Scopes 1, 2, 3 and Total GHG emissions" (E1-6). In order to improve the accuracy of value chain metrics, the Group is committed to strengthening the collection process of information mainly from customers and suppliers, as well as to adjusting its approaches from time to time in line with evolving standards.

Sources of estimation and outcome uncertainty

With reference to the areas for which estimates were used, the main causes of uncertainty are predominantly related to two aspects, namely the number of relationships within the upstream and downstream value chain, also considering the significant size of the BPER Group, as well as the current limited availability of directly accessible timely and public information, with the consequent need to make use of data derived from sectoral studies and/or infoproviders.

34 For the list of affiliated Group companies, see the Directors' Report on Group Operations Part 1 - section 4.1 Composition of the Group as at 31 December 2024.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements
The Group provides this disclosure in accordance with the European Sustainability Reporting Standards (ESRS); within the Consolidated Sustainability Statement, relevant information prescribed by Regulation (EU) 2020/852 - EU Taxonomy Regulation and its Delegated Acts is also disclosed. No further principles or frameworks are expected to be applied.

Incorporation by reference
The following information is incorporated by reference to other parts of the Directors' Report on Group Operations:

- ESRS 2 Strategy, business model and value chain (SBM-1), with reference to what is described in the Directors' Report on Group Operations - Part 1, Chapter 3 "Significant events and strategic transactions" and Chapter 2 "Highligts".

1.1.2 Governance

The role of the administrative, management and supervisory bodies (GOV-1)

Disclosure on the composition and diversity of the members of the administrative, management and supervisory bodies

Gender composition and diversity	31.12.2024				
	Men	Women	Other	Not reported	Total
Members of administrative, management and supervisory bodies	9	6	-	-	15
Executive members	1	-	-	-	1
Non-executive members	8	6	-	-	14
Independent Board members	5	6	-	-	11

The Board of Directors of BPER Banca (hereinafter also "BoD") consists of 60% men, 40% women, 73% independent directors within the meaning of the Consolidated Law of Finance, the Corporate Governance Code and the Consolidated Law on Banking, and 27% non-independent directors.

The representation of employees and other workers is not envisaged within the Articles of Association of BPER Banca.
In particular, the Bank does not implement employee share ownership plans that envisage special mechanisms for exercising voting rights, nor does it implement mechanisms for representing employees and other workers within corporate bodies.

Each of the Group's areas of operations appears, on the whole, to be adequately covered with specific professional skills to ensure effective and knowledgeable management.
All members of the corporate bodies meet the requirements of professionalism and competence set out by the applicable legislation. In particular, the Board members and Statutory Auditors have, on the whole, acquired adequate experience in listed and unlisted companies operating in the credit, financial or insurance sector.
The BoD and the Board of Statutory Auditors therefore possess a combination of knowledge, skills and experience that enables the members to understand the main business areas, the characteristics of the areas where the Bank and the Group operate and the risks to which the Bank and the Group are exposed, including those related to business management.

The members of the Group's Board of Directors draw on their expertise in sustainability, acquired through the experience they have gained during their professional careers and through participation in special training sessions.
In this regard, it should be noted that with the aim of strengthening the skills of the members of the BoD and the Board of Statutory Auditors on ESG matters, a training session was held in 2024 on risk management, and focused in particular on the management of climate and environmental risks.
In addition, following the establishment of the Board of Directors appointed by the Shareholders' Meeting of 19 April 2024, a training plan was prepared with the support of a leading consulting firm.
Lasting approximately one year, the programme consists of three modules: (i) governance, supervision and controls and succession plans; (ii) risk management (identification, assessment, monitoring, control and mitigation of the BPER Group's main types of risks); (iii) Supervised Entity business models, strategic planning, accounting and financial statements, Risk Appetite Framework, ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process). Participation in the training programme is open to all Directors and Statutory Auditors in order to improve their skills on the topics mentioned above, thus fostering an increasingly in-depth and direct discussion in the meetings of the Corporate Bodies.
As part of this plan, the topics of integrating ESG factors into the credit risk assessment process and supervisory expectations on climate and environmental risks and the new European Sustainability Reporting Standards were discussed in depth, among others.

In addition, a further specific internal training session was dedicated to examining the contents of the CSRD and in particular its impact on Sustainability Statement.

The BPER Group's Governance over sustainability-related matters is assigned to the following corporate bodies: the Board of Directors, the Chief Executive Officer, the Sustainability Committee. and the Control and Risk Committee, both Internal Board Committees.
The BoD defines Group guidelines and strategies relating to sustainability issues. The BoD is responsible for approving the Consolidated Sustainability Statement, the Business Plan, the Risk Appetite Framework and the risk governance policies, incorporating ESG and climate elements over time.
The Chief Executive Officer implements, within the scope of his powers, the strategic guidelines and the Plan by overseeing operational activities, actions to be implemented and monitored relating to sustainability with the support of the ESG Strategy Function and the ESG Management Committee.

The Board of Directors and the Board of Statutory Auditors exercise, respectively, a role of strategic supervision and control also with respect to matters related to corporate conduct. In particular, the "Code of Ethics" is the general source governing the Group's conduct, and is periodically updated by the Board of Directors. To this end, as the highest body guaranteeing the ethical conduct and integrity of the Group, the Board of Directors receives adequate training and information on business conduct. In particular, it receives specific training any time the 231 Model is revised. Moreover, the Board is responsible for approving the Policies indicated and described in disclosure requirement "Business conduct policies and corporate culture" (G1-1).

Sustainability Committee
The Internal Board Sustainability Committee (hereinafter also "Sustainability Committee") performs support functions in the field of sustainability, with an impact on all the processes, structures and corporate controls through which the Bank guarantees the pursuit of sustainable development, with 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 competent international bodies.
In particular, at least once a year the Committee examines and evaluates:
- the contents of the "Group's ESG Policy" as well as its ability to ensure, through constant dialogue with all stakeholders, the achievement of sustainable development objectives;
- ESG-related regulatory documents, final reports and disclosures including the Sustainability Statement pursuant to the CSRD;
- 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.

The Sustainability Committee also has a strategic role with regard to ESG 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; it also evaluates technological, environmental, social, economic, political and geopolitical scenarios and macro-trends, as well as the initiatives aimed at analysing these scenarios. Lastly, it reports at least once a year to the BoD on the overall activities carried out.
In order to carry out its functions, the Committee:
- collaborates with the other Internal Board Committees;
- is supported by the competent Corporate Functions;
- has, through its Chair, the right to access the corporate information needed;
- has access to adequate resources as determined by the Board of Directors;
- may use the services of experts, inclusive of external experts.

Control and Risks Committee
The Internal Board Control and Risk Committee supports the Board of Directors in assessing the ESG elements emphasised in the internal control S, identifying risks ("Group Risk Map"), risk objectives ("Risk Appetite"), tolerance thresholds ("Risk Tolerance") and strategies for capital and liquidity management, as well as on all relevant risks of the Bank and the BPER 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 issues on a regular basis and among its various activities assesses the individual risk management policies and the quarterly reporting on risks which includes discussions specifically focusing on ESG risks.

ESG Managerial Committee
The aforementioned Sustainability Committee is an addition to a further ESG Management Committee established by the BoD. This Committee consists of the Chief Financial Officer (CFO), its chair, and all the Chiefs of the Parent Company, as well as the Manager responsible for preparing the company's financial reports, the Head of Management and Planning & Control, the Head of Organisation Department and the Head of the ESG Strategy Office. The latter, together with the CFO, coordinates the activities and meetings of the Committee. The ESG Management Committee facilitates the coordination of Corporate and Group Departments with regard to sustainability issues and supports the Chief Executive Officer in the management of ESG and sustainability issues at both Parent Company and Group level. In addition, the Committee monitors

the BPER Group's positioning in terms of sustainability and the 17 goals of the UN's Agenda 2030 for sustainable development (SDGs) and promotes and manages the ESG strategy and sustainability issues, in line with what is defined in the Business Plan which is integrating the sustainability issues, with the support of the ESG Strategy Office. The Regulations of this Committee were updated in 2024, integrating additional controls on gender equality, environmental and energy issues and the related Integrated Environmental and Energy Management System (EMS) therein.
It should also be noted that the Group has a Risk Committee (management) chaired by the Chief Executive Officer, of which the Chief Risk Officer is the secretary.
The Committee has consultative powers and supports the Chief Executive Officer in the activities connected with the definition and implementation of the Risk Appetite Framework, of the risk governance policies (including ESG risks) and of the capital adequacy process of the Group and of the Companies that are a part of it.

ESG Strategy Office
As at 31 December 2024, the ESG Strategy Office has 14 resources selected for their specific expertise in sustainability and climate matters. The Office supports the ESG Management Committee in the operational management of sustainability and climate matters in accordance with the provisions of the Business Plan and the Sustainability Plan. Furthermore, it acts across-the-board at Group level on sustainability and climate issues, directly managing strategic planning and supporting the relevant corporate structures in achieving sustainable development goals.
A summary of the activities carried out by the ESG Strategy Service is provided below:
- ESG reporting;
- management of ESG ratings;
- strategic ESG planning;
- coordination and monitoring of ESG projects/activities;
- acquisition and management of ESG data;
- management of strategic environmental and social sustainability issues;
- Mobility & Energy Management;
- certification management and environmental due diligence;
- coordination of dialogue with supervisory bodies and stakeholders;
- support Committees and other corporate functions.

ESG Manager
The key figure of ESG Managers was created, defined within the departments that handle ESG issues and within which they represent pivotal figures, as they are responsible for the following functions:
- 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.

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 were 35 ESG Managers - as at 31 December 2024 - also present in the Legal Entities of Sardaleasing, Bibanca, Banco di Sardegna, Finitalia and BPER Factor.

In addition to the ESG Managers, other additional across-the-board support Functions within the Bank have been identified with specific knowledge on ESG issues, such as, by way of example: the Risk and ESG Integration Office, the ESG Credit Adequacy Office, the Financial & Sustainability Reporting Supervision Unit, the Protection and ESG Modelling Office, the Audit Risk Governance, ESG & Proprietary Office.
In particular, the Financial & Sustainability Reporting Supervision Unit - in the role of Manager responsible for preparing the Company's financial reports - ensures the preparation of an adequate Sustainability Statement process and the related assessment of its adequacy and effective application; it ensures the assessment of the drafting and disclosure rules applied to Sustainability Statement, as well as the related compliance with the new reporting standards (ESRS). For more details on controls over Sustainability Statement, see the disclosure requirement "Risk management and internal controls over sustainability reporting" (GOV-5).
The Chief Financial Officer oversees the implementation of sustainable strategies with the support of the ESG Strategy Office. The latter, which is responsible for the preparation of the Sustainability Reporting and the coordination of ESG activities, provides the various bodies involved, including the Sustainability Committee and the ESG Management Committee, with analyses and assessments.

ESG Policy

In 2022, BPER Banca's BoD approved the "ESG Policy" with which governance on ESG issues for the pursuit of sustainable success was further strengthened, within which the main roles and responsibilities related to ESG are outlined on the basis of the current governance structure.
More specifically:

- the BoD defines the Group strategy applied to sustainability and climate-related issues;
- the Chief Executive Officer, within the context of sustainability, implements the strategic lines and the Plan and oversees the related measures;
- the Internal Board Control and Risk Committee within the BoD supports the Board in the supervision of climate risks and in the process of integrating them into the Group's risk map, in activities related to the definition and implementation of the Risk Appetite Framework, risk governance policies (including ESG risks) and the capital adequacy process of the Group and its member companies;
- the Internal Board Sustainability Committee within the BoD supports the Board in sustainability matters, ensuring the pursuit of sustainable development.

The ESG-related responsibilities of the Risk and Control Committee and the Sustainability Committee are set out in the relevant documents governing their respective operating rules.

Following the changes introduced in 2024 by Italian Legislative Decree 125/2024, and in application of the ESRS standards, the Group has updated the regulations related to the process of preparing the Consolidated Sustainability Statement, governed by a special internal regulation and detailed internal rules, in order to adapt the tasks and responsibilities envisaged and ensure they are aligned with the updated process of preparing this document, drafted in accordance with current regulations and in application of the ESRS standards.
In particular, the double materiality analysis approved by the BoD is provided in advance through the Chief Financial Officer's office, as disclosure to the Control and Risk Committee and the Sustainability Committee for their evaluation, and upon request to the Board of Statutory Auditors, as disclosure.

In relation to the management of impacts, risks and opportunities, each organisational unit is competent for specific thematic areas and responsible for the proper management thereof, as well as for the relevant line controls within its own processes, also in relation to the double materiality analysis.
In addition to these controls, additional ones are carried out by the second- and third-level control functions, according to the methods and tools defined in the regulations and the internal control system.

The BPER Group has organised a pathway to sustainability by adopting an integrated strategy that can combine the growth of the business and financial solidity with social and environmental sustainability, creating long-term shared values. As a confirmation of this, the Group has always shown great attention to ESG issues, and over the course of the years it has been preparing Business Plans with sustainability-related objectives. In fact, the latter was already fully integrated in the old business plan "BPER e-volution" and confirmed in the new 2024-2027 Business Plan "B:Dynamic|Full Value 2027".
To consolidate this process, in January 2024 the Regulations governing the Business Plan, Annual Budget and Funding Plan were updated in order to integrate the climate-related KPIs, thus enabling a complete integration of ESG factors into the company's strategy.
Following the early termination of the 2022-2025 Business Plan on 31 December 2024, in light of the early achievement of the main economic-financial targets envisaged therein, the BPER Group's Board of Directors, aided and abetted by the relevant Committees and Offices, presented the new 2024-2027 Business Plan on 10 October 2024.
The new Business Plan is consistent with the Group's modernisation path and continues the integration of ESG factors into business processes, with the aim of remaining a leader in the management of ESG issues in order to continue to create shared value for all stakeholders and to be a credible partner for customers in their transition path.
The Business Plan is monitored periodically: in particular, projects with ESG impact are monitored quarterly and submitted to the Sustainability Committee. With reference to risks, moreover, the BPER Group identifies the Risk Appetite Framework (RAF) as a tool for monitoring the risk profile that the Group intends to assume in the implementation of its corporate strategies; within the Risk Appetite Statement (RAS), the cardinal principles of the RAF include, among other strategic objectives, support for sustainable development through careful and responsible corporate management in ESG issues, in order to favour the creation of value for the Group and its stakeholders.
The BPER Group identified action lines in the social and environmental area to strengthen strategy, business, risk governance and regulatory compliance.

The ESG Strategy Office fosters the dissemination of sustainability culture among colleagues also with the support of the ESG Managers. It has launched an internal newsletter, "ESG Regulation News", which is organised in six key areas of interest: European regulatory developments, guidelines from European Supervisory Authorities, Italian regulatory developments, Italian Supervisory Authorities, Intergovernmental Organisations, evolving sustainability.

The newsletter is a tool that provides a monthly overview of developments in the legal, regulatory and key international frameworks.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

The Board of Directors has the right to access, through its Chair, the necessary company information; has adequate resources according to the determinations of the Board of Directors; may use the services of experts, inclusive of external experts. The Committees and BoD generally hold monthly meetings at which ESG issues are submitted by the relevant C-level if necessary, during which evidence of the implementation of the duty of due diligence is also provided across the board.

As the outcome of the double materiality analysis aimed at identifying the issues on which to focus its efforts in terms of sustainability reporting and planning, the material Impacts, Risks and Opportunities ("IROs") were presented to the Control and Risk Committee for an opinion and to the Board of Statutory Auditors for information purposes on 16 December 2024, to the Sustainability Committee for an opinion on 17 December 2024, and then approved by the Board of Directors on 18 December 2024.

During the year, topics related to material sustainability matters for the Group were presented to the bodies at:

- 17 out of 19 meetings of the BoD;
- all 14 meetings of the Board of Statutory Auditors;
- 15 out of 17 meetings of the Control and Risk Committee;
- 2 out of 15 meetings of the Nominations and Corporate Governance Committee;
- all 10 meetings of the Sustainability Committee;
- 9 out of 14 meetings of the Remuneration Committee.

The BoD approves the Business Plan, one of the purposes of which is to define and formalise the strategic guidelines, business model and medium-long term objectives of the Group, business areas, central structures and the Group's Banks/Companies, consistent with the long-term strategic guidelines (Strategic Manifesto), the risk profile (Risk Appetite Framework) and ESG targets.

Following the Business Plan's approval by the Board of Directors, the following is activated:

- monitoring the progress of transformation programmes/projects;
- possible escalation processes for critical issues/delays;
- progress reporting to the Management Board and the BoD.

In particular, the 2024-2027 Business Plan "B:Dynamic|Full Value 2027" identifies concrete targets and actions on the main drivers to maintain BPER's leading position in ESG ratings.

In fact, the Business Plan monitoring includes a section dedicated to reporting on the progress of ESG targets, broken down into a set of KPIs. For the actions of the Plan and the criteria for measuring the Group's impact, see the description that follows in disclosure requirement "Strategy, business model and value chain' (SBM-1).

Integration of sustainability-related performance in incentive schemes (GOV-3)

The 2024 Remuneration Policy is strongly related to the strategic guidelines of the Business Plan ended 31 December 2024 and crafted with the objective of creating value for shareholders, employees, customers and all stakeholders in order to ensure close correlation and consistency between remuneration, the results achieved, the expected development guidelines, the sustainability of the initiatives implemented and sound and prudent risk management as well as compliance with the regulatory provisions. Developing its people and creating value for the entire ecosystem in which the BPER Group operates are at the heart of the Group's ESG policy and, therefore, also of the systems designed to incentivise the achievement of short-term and long-term results in a sustainable manner by also taking into account the working conditions of all employees. Consistent with the above, the performance and reward policies were brought closer into line with the Group's sustainability strategies. In this direction, the integration of ESG priorities into the annual and long-term incentive plans is noteworthy, with a specific focus on creating value for all stakeholders.

More specifically:

- The short-term incentive plan (MBO - Management By Objectives) intended for Material Risk Takers (hereinafter also referred to as "MRT"[35]) has an annual time horizon and includes targets that articulate ESG priorities in individual scorecards. It follows from what is known as the "Strategic Scorecard", which represents the base element of the MBO system and the subsequent articulation of objectives for the different perimeters of the corporate population - assigned to the Chief Executive Officer[36], pro rata temporis, which is structured in quantitative and qualitative objectives consistent with the role held and the responsibilities assumed. The 2024 MBO confirmed a significant recognition of the weight of ESG components among the objectives (20%). In continuity with 2023, the strategy sheet includes specific ESG targets linked to the Business Plan (called ESG meta KPIs) alongside the economic and financial targets. The ESG meta KPI is, moreover, included in the 2024 MBO scorecards of all C-Level Managers, in order to ensure an overall climate of sharing and make management accountable for the Company's priorities in this area;
- the Long-Term Incentive Plan "2022-2024 LTI Plan"[37] intended for the Chief Executive Officer and the persons considered key in achieving the Group Bank's results aligns the interests of the managerial figures with the creation of long-term value for shareholders and all stakeholders, incorporating in its targets not only profitability, operational efficiency and credit quality objectives, but also those related to sustainability (with a weight of 15%). In particular, these ESG objectives, which envisage reporting on 31 December 2024, include four fundamental guidelines:
  - Sustainable Finance - Green Finance Ceiling (weight 25%);
  - Energy Transition - Reducing CO_2 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%).

As described above, the Remuneration Policies also support the achievement of objectives related to environmental and social sustainability through the inclusion of specific KPIs in both short-term and long-term incentive plans.
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 projects deemed strategic:

- Sustainable Assets under Management: growth in the percentage weight of sustainable assets under management in relation to total assets under management;
- Green Loan Amount: loans specifically dedicated to sustainability (ESG);
- Net Zero Banking Alliance (hereinafter "NZBA"): disclosure of at least two more decarbonisation targets by 2030 and by 2050 for high-emission sectors and definition of business strategies for the "Oil and Gas" and "Power generation" sectors by the Net-Zero Banking Alliance deadline;
- implementation of BEMS (Building Energy Management System) technology: increased coverage over the Bank's branches and Management Centres; centralised platform pilot project to run BEMS through an Artificial Intelligence (AI) algorithm;
- progress in diversity, equity and inclusion: achievement of incremental targets with respect to the Gender Plan in the categories of middle managers and Executives;
- ESG rating: maintaining the current evaluation[38] (level identified by the Business Plan) of Moody's Analytics, CSA (Corporate Sustainability Assessment) S&P[39], CDP, Sustainalytics (Morningstar) ratings.

The short term incentive system (MBO 2024) calls for the allocation of ESG incentives to essentially all relevant personnel (MRT) with different methods depending on whether they are C-Level Managers or less with a weighting of between 10% and 15%, possibly in combination with specific ESG objectives attributable to their area of responsibility or with the objectives of the a.k.a. "managerial assessment".

The Remuneration and Incentive Policies are also aimed at other categories of personnel not included in those just described. The remuneration of BPER Banca's corporate Bodies is defined by the Shareholders' Meeting, which establishes the amount of the remuneration due to the members of the Board of Directors, in compliance with the law and the relevant regulations. The Shareholders' Meeting also fixes the annual remuneration of the members of the Board of Statutory Auditors for the entire duration of its mandate. Therefore, with the exception of the Chief Executive Officer as mentioned above, they are not recipients of incentive schemes linked to performance KPIs that may take sustainability issues into account.

35 The MRTs are resources that can have a substantial impact on the risk profile of the entity on the basis of the criteria foreseen by current legislation.

36 These rules also apply to the outgoing Chief Executive Officer, who also held the position of General Manager, whose office ended at the Shareholders' Meeting in April 2024, subject to the application of the pro rata temporis criterion.

37 It should be noted that the "BPER E-volution 2022-2025" Business Plan was closed before 31 December 2024 by resolution of the Board of Directors on 30 May 2024, as disclosed to the market on the same date. As a consequence, the Long-Term Incentive Plan (LTI Plan), initially covering a four-year period, was likewise shortened by one year (with unaltered targets being therefore measured as at 31 December 2024). This amendment was submitted for approval to the Shareholders' Meeting of 3 July 2024, which voted in favour of the 2024 Remuneration Policy Report and the Share-based Compensation Plan Explanatory Document - 2022-2024 LTI Plan.

38 With the data available time to time and with the same evaluation methodology.

39 Maintaining ratings within the ranges defined by the BoD.

The logic and metrics described above are included in the Report on Remuneration Policy and Compensation Paid in accordance with the criteria and details required by applicable regulations as well as industry best practices.

The BPER Group has established a governance process to regulate the definition, implementation and management of its remuneration policies. This process will involve various control bodies and Corporate Functions at different levels, according to their sphere of competence. Specifically, at the level of corporate bodies, the Shareholders' Meeting:

- establishes the remuneration due to the bodies appointed by it;
- approves the Remuneration and Incentive Policies;
- approves any remuneration plans based on financial instruments;
- resolves on any proposal by the BoD to set a limit on the ratio between the variable and fixed components of individual remuneration greater than 1:1;
- approves the criteria for determining any amounts to be granted in the event of early termination of office of all personnel.

With reference to remuneration issues, the Board of Directors of BPER, in exercising its role as the body with strategic supervisory functions, draws up the Group's remuneration policies, submits them to the Shareholders' Meeting of the Parent Company and reviews them at least once a year, and is responsible for their actual implementation. In carrying out these activities, the Board relies in particular on the support of the Remuneration Committee and the relevant Corporate Functions, which are involved as appropriate in order to effectively contribute to defining the Policies.
The Internal Board Committees involved in the process include, in particular:

- the Remuneration Committee which, in accordance with the principles set out in the Supervisory Provisions and the Corporate Governance Code, performs advisory, preliminary and propositional functions in support of the Board of Directors' activities;
- the Control and Risk Committee which, in terms of remuneration, performs certain tasks outlined from time to time in the relevant Rules of Operation approved by the Board of Directors. Without prejudice to the responsibilities of the Remuneration Committee and ensuring adequate coordination with the latter, ensures that the incentives underlying the Bank's and the Group's remuneration and incentive system are consistent with the RAF and verifies the consistency of the remuneration of the heads of the corporate control functions with the Remuneration Policy.

The Sustainability Committee may also be involved, which performs support functions in favour of the Board's activities with reference to environmental, social and governance (ESG) issues and with an impact on all the processes through which BPER guarantees the pursuit of sustainable development, including those related to remuneration and incentive schemes, and the Nominations and Corporate Governance Committee, which supports the Board of Directors, also by formulating opinions and proposals in the adoption, updating, implementation and monitoring of diversity policies (also considering possible reflections of the latter in the remuneration and incentive schemes).

Statement on due diligence (GOV-4)

The due diligence process, although not currently an autonomous and formalised procedure, is integrated into the BPER Group's strategic framework and business model. With reference to the ESG thematic areas with respect to which actual or potential negative impacts could occur, the following table highlights the application of the main aspects and steps of the due diligence process, indicating how and where they are addressed within the Consolidated Sustainability Statement.

Information on due diligence

Core elements of due diligence	Paragraphs in the Consolidated Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	• ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies; • ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes; • ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model.
b) Engaging with affected stakeholders in all key steps of the due diligence	• ESRS 2 SBM-2: Interests and views of stakeholders; • ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities; • ESRS S1-1: Policies related to own workforce; • ESRS S1-2: Processes for engaging with own workforce and workers' representatives about impacts; • ESRS S2-1: Policies related to value chain workers; • ESRS E1-2: Policies related to climate change mitigation and adaptation; • ESRS S4-1: Policies related to consumers and end-users.
c) Identifying and assessing adverse impacts	• ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities; • ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model.
d) Taking actions to address those adverse impacts	• ESRS S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns; • ESRS S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions; • ESRS S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions; • ESRS E1-3: Actions and resources in relation to climate change policies; • ESRS S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions.
e) Tracking the effectiveness of these efforts and communicating	• ESRS S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions; • ESRS S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities; • ESRS E1-4: Targets related to climate change mitigation and adaptation; • ESRS E1-5: Energy consumption and mix; • ESRS S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions.

Risk management and internal controls over sustainability reporting (GOV-5)

The Group Internal Control System (hereinafter also "System" or "ICS") consists of rules, functions, structures, resources, processes and procedures aimed at ensuring that the activities carried out by the Banks and the Legal Entities of the BPER Group and by the Group as a whole are in line with the defined internal practices, sector standards and external regulations. The BoD defines the criteria for the design, execution and assessment of the System, as well as the roles of the Bodies and Organisational Structures involved. The implementation of the System complies with the criteria of: (i) proportionality; (ii) gradual transition to progressively more advanced methodologies and processes for measuring risks; (iii) consistency in the definition of the approaches used by the Group's Organisational Structures; (iv) effectiveness and efficiency in risk management.

Control functions

In line with the regulatory provisions, the Group's Internal Control System is structured into three lines of defence:

- First-level controls: line controls embedded in processes and procedures and carried out by operating and business units;
- second-level controls (Risk and compliance controls) assigned to the following Functions:
  - Compliance (which includes the Data Protection Officer – DPO);
  - Risk Management;
  - Ratification;
  - Anti-money laundering;
- third-level controls: Internal Audit Function.

The System also includes the Manager responsible for preparing the Company's financial reports pursuant to Italian Law 262/2005 and the Financial & Sustainability Reporting Supervision Unit (FSRS Unit), which the former uses to carry out its tasks.

With reference to the above-mentioned control functions, those involved in the Sustainability Statement control process are explained below.

Manager responsible for preparing the Company's financial reports

As defined in the "BPER Group Governance Policy", the Manager responsible for preparing the Company's financial reports oversees the rules of preparation and disclosure of the financial statements, of compliance with the international accounting standards (IAS/IFRS) for all Group Legal Entities and for the other Companies included in the scope of consolidation as regards the

production of the periodic consolidated and individual financial report. Following the new regulations, the range of certification tasks of the delegated Administrative Bodies and the Manager responsible for preparing the Company's financial reports has been significantly expanded, since the text of Italian Legislative Decree 125 of 6 September 2024 implements Directive (EU) 2022/2464 CSRD in Italy and amends the provisions of paragraph 5 of Article 154-bis of the Consolidated Law on Finance, extending the certification obligation to Sustainability Statement. The BPER Group has deemed it appropriate to also assign the certification of the Sustainability Statement to the Manager responsible for preparing the Company's financial reports, in line with the highest standards of transparency and compliance and consistent with the ESRS.
In order to perform his/her mission and assigned responsibilities, the Parent Company's Manager responsible for preparing the Company's financial reports makes use of the following:

- the FSRS Unit, which hierarchically depends on the same Manager responsible for preparing the Company's financial reports, a structure that is correctly sized in relation to the complexity of the Company and the Group, as well as independent of the functions responsible for preparing economic, financial and sustainability reporting;
- a Contact Person for the Manager responsible for preparing the Company's financial reports, identified in the perimeter companies, who functionally reports to the same Manager.

Financial & Sustainability Reporting Supervision Unit
The FSRS Unit has been included among the Control Functions and is responsible for defining, reinforcing and updating the "Financial and Sustainability Reporting Control Model" to be applied to the Parent Company and, with reference to the procedures for preparing the Consolidated Financial and Sustainability Statement, to the Banks and Companies in both perimeters. In order to perform its duties related to sustainability reporting issues, the FSRS Unit works with the ESG Contact. This figure is identified annually by the competent structure of the Parent Company on the basis of the list of companies included in the perimeter; in this regard, the Contact supports the Parent Company and coordinates the collection of information and data useful for drafting the Sustainability Statement, verifying its completeness.
The FSRS Unit is responsible for managing the risk of unintentional errors and fraud in financial disclosures. With the introduction of the new legislation, its tasks have been expanded to also include monitoring the Sustainability Statement. In particular, the Unit verifies the compliance of reporting with the standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2023 and Italian Legislative Decree 125 of 6 September 2024, as well as the specifications adopted pursuant to Article 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.
Specifically, the Unit has adopted a gradual approach to extending the Sustainability Reporting Control Model based on three important pillars:

- before publication to the market. The verifications concern the completeness of the methodological assumptions adopted to define the reporting perimeter, double materiality and the material Impacts, Risks and Opportunities detected, as well as compliance with current regulations (ESRS and Taxonomy Regulation) and the consistency of certain elaborated information in the reporting, selected on the basis of significance and importance criteria;
- after publication to the market. Verifications in this area concern the adequacy and effective implementation of the Sustainability Statement process, including sample checks on the main contributing Group companies;
- running. Constantly adjusting the process for producing the Sustainability Statement.

Internal Audit Function
With reference to the third-level controls, Internal Audit carries out an independent and objective assurance and consulting activity aimed at increasing and protecting the value of BPER Group Banks and Companies by providing objective services through a systematic and structured professional approach.
With regard to ESG matters, Internal Audit also takes into account projects and ESG risk factors in general in its risk assessment, inspired by risk-based principles. Consistent with the Audit Plan approved by the BoD, Internal Audit therefore also conducts assurance activities on ESG matters. Prospectively, the Internal Audit Function will also pay attention in its control processes within the Bank's continuous adaptation to the new regulatory requirements in force from time to time, including the CSRD. The results of the activities carried out by Internal Audit are reported to the Corporate Bodies quarterly, together with any findings addressed and monitored in accordance with the Process to Remedy Finding (PRF).

Coordination between Control Functions
BPER has established the Control Functions Coordination Committee, which promotes the interaction and proper functioning of the Internal Control System and the continuous dissemination of the culture of risks and controls.
The Group Banks and Companies structure their Internal Control Systems in accordance with the Group's strategies and policies on risks and controls determined by the Parent Company and in compliance with the rules applicable to each on an individual basis. Each one ensures the correct performance of typical operations also through the execution of line controls and sending of information flows to its own Corporate Bodies and those of the Parent Company.

The Risk Map constitutes one of the cornerstones of the Internal Control System.
In order to regulate the activities that characterise the components indicated above with reference to the risks associated with financial and sustainability reporting present in the administrative and accounting processes in the BPER Group, the Parent

Company has defined a “Financial and Sustainability Reporting Control Model”, which is based on the adoption of the main reference frameworks recognised at national and international level (Internal Control Integrated Framework or “CoSo Report”) in terms of the development of adequate Internal Control Systems.
The Manager responsible for preparing the Company’s financial reports governs the “Financial and Sustainability Reporting Control Model”, understood as the set of requirements to be met for proper management and control of the risks of unintentional errors and fraud in financial reporting, as well as risk factors related to the preparation of the Sustainability Statement. With specific reference to the risk of unintentional errors and fraud in financial and sustainability reporting, two factors are to be assessed:

- risk appetite - the risk of unintentional errors and fraud in financial reporting is a pure risk that is difficult to measure; therefore, the risk appetite is zero. The Group adopts specific governance arrangements that require this risk to be identified, assessed, monitored on an ongoing basis, mitigated and reported at the appropriate company levels;
- risk tolerance - consistent with the Risk Appetite Statement, the overall risk tolerance related to the risk of unintentional errors and fraud in the Group’s financial and sustainability reporting is not nil and is categorised within the first two levels of the grading scale of the overall model for the adequacy and effective application of the accounting and administrative procedures (graded as positive or partially positive).

These risks are prioritised, for the purposes of achieving the company’s objectives and ensuring business continuity, based primarily on two factors, namely the significance of the disclosure and the use of estimates. The model thus defined will be subject to gradual refinement over time, also in the light of future regulatory developments.
The risk of unintentional errors and fraud in financial reports - which also includes ESG risk factors - is not deliberately taken on by the Bank, but is a consequence of decisions made in relation thereto, to which it is intrinsically linked.

The mitigation strategy is strongly linked to the management of the risk itself, which is set out in a specific Operating Model. This Model is divided into a cycle of activities aimed at:

- achieving a complete design of the administrative-accounting processes, including the Sustainability Statement process prepared according to the requirements of Italian Legislative Decree 125/2024;
- assessing the adequacy and functionality of the related controls, through tests of controls;
- certifying/declaring the company accounting and sustainability disclosure in accordance with legislative and regulatory provisions with awareness of the existence/adequacy of the processes and the actual execution of controls.

The main risk associated with reporting is the risk of unintentional errors and fraud in financial and sustainability reporting, as well as, but not limited to, non-compliance of reporting with regulatory requirements and incomplete, inaccurate and inappropriate data in individual data points. In fact, in the ESG sphere, the new regulations have extended the tasks of the FSRS Unit, and the management also envisages the activity of assessing and effectively applying the process of forming the Consolidated Sustainability Statement, as well as performing specific quality assurance controls on the data and information contained therein, with specific reference to connectivity in view of the high degree of interconnection between other reporting frameworks (i.e. Financial Statements, Public Disclosure Document - Pillar 3, Remuneration Policies).

Every six months, the FSRS Unit carries out an overall assessment of the adequacy and effective application of the administrative and accounting procedures, which includes the Sustainability Statement process; in this regard, it should be noted that this assessment is based on the analysis of the results of the activities carried out by the FSRS Unit, as well as by the other Control Functions.
The combination of the outcomes of the two activities leads to the identification of the following areas:

- positive area;
- partially positive area;
- partially negative area;
- negative area.

Consistent with the Risk Appetite Statement, the overall risk tolerance threshold for this risk is therefore not nil, being positioned within the first two levels on the rating scale of the overall model of the adequacy and effective application of the administrative-accounting procedures (within the area defined as positive or partially positive).
The Board of Directors:

- approves annually – after consulting with the Board of Statutory Auditors, the Control and Risk Committee and the Chief Executive Officer – the Audit Plan on Sustainability Statement of the FSRS Unit;
- receives, either directly or through the CEO, the information flows required to gain full awareness of the various risk factors and the ability to govern them, so as to plan and implement interventions to ensure the compliance and adequacy of the Internal Control System;

- is the recipient, together with the Board of Statutory Auditors, the Control and Risks Committee and the Chief Executive Officer, of reports drawn up by the Control Functions in relation to Sustainability Statement, envisaged by the applicable regulations or requested by the Supervisory Authority on specific issues.

The processes relating to the control of Sustainability Statement are integrated within this ordinary flow of information to the Board of Directors.
The Board of Directors, with the support of the Control and Risk Committee annually supervises, through the examination of the report on the activities carried out by the FSRS Unit, that the Manager responsible for preparing the Company's financial reports has adequate powers and means to perform the assigned tasks, including the power to access, without restrictions, all Corporate Functions, as well as the possibility of having financial autonomy and adequate personnel in terms of numbers and technical and professional skills.
Finally, the Parent Company's Board of Directors periodically assesses, with the support of the Control and Risks Committee, the adequacy and efficiency of the Group's Internal Control System, identifying possible improvements and defining the steps needed to correct any weaknesses.
If the tolerance threshold set out in the "Financial and Sustainability Reporting Control Model" is exceeded, the Chief Executive Officer: (i) promptly notifies the Control and Risk Committee, the Board of Directors and the Board of Statutory Auditors; (ii) also with the support of the Control and Risk Committee and in cooperation with the Organisation Department, undertakes the necessary actions, to an increasing extent if the situation deteriorates, to quickly restore the risk level to the established tolerance level.

1.1.3 Strategy

Strategy, business model and value chain (SBM-1)

The BPER Group has 19,495 employees in Italy, as well as 37 employees in Luxembourg. The BPER Group has been integrating ESG principles into its strategy for some time now, consequently developing products and services in line with sustainable development goals, aimed at both companies and private individuals. In the last Business Plans, the lines of development in the ESG area were outlined with a view to creating shared value, with concrete actions and objectives for all the Plan's lines of action.
In assessing the current or expected benefits for customers, investors and local communities in the territories where the BPER Group operates, particular importance is given to products with environmental purposes, designed to support climate change mitigation and adaptation.
At the same time, the Group is committed to offering products and services with a social purpose, distinguishing between products dedicated to private individuals, such as loans aimed at the most fragile or vulnerable categories (e.g., Mortgages for young people under 36 or "Senza Barriere" loans), and products aimed at companies and Third Sector entities. Lastly, the integration of sustainability criteria within the customer consultancy service provision processes continued during the year, to manage customer sustainability preferences. With reference to the significant groups of products and/or services offered and the significant groups of customers and/or markets, please see the Directors' Report on Group Operations, Chapter 3 "Significant events and strategic transactions" and Chapter 2 "Highligts", as well as the specific discussion contained within the thematic chapters Climate Change (E1) and Consumers and End-users (S4).

The new 2024-2027 Business Plan "B:Dynamic|Full Value 2027", which has been operational since the end of 2024 and will go into full swing as early as the first half of 2025, is based on three main pillars: unlocking full customer value; capturing latent economies of scale; and leveraging the strength of the Group's Balance Sheet. The effective and smooth execution of implemented projects is ensured through three main enabling factors, namely:

- technology, security and artificial intelligence;
- ESG and sustainability commitment;
- organisation and people.

With specific reference to the commitment to sustainability issues, in parallel with the modernisation of the Group, the integration of ESG factors into business processes will enable BPER to continue its role as a leader in the sector.
The new Plan identifies concrete actions and objectives to be achieved on all the lines of action described below:

Environmental

- full integration of ESG criteria into the Bank's credit assessment process;
- support for the "just transition" of companies and families by improving the offer to customers also through the definition of a ceiling of over Euro 7 billion for ESG Corporate and Retail products; the increase in the proposition of ESG investments (45% of ESG AuM) and the issue of Green Bonds for at least Euro 1 billion;
- direct emissions reduction target of -35% to 2027 (with 2021 baseline) through the energy efficiency activities contained in the Energy Plan and the reduction of financed emissions in line with the commitments made following endorsement of the NZBA.

Social

- strong community orientation with the allocation of around Euro 20 million for community and territorial support and financial inclusion projects;
- attracting and developing talent and valuing diversity (e.g. through gender equality projects and targets, including increasing the number of women in senior positions to at least 30%);
- actions to foster ESG skills enhancement through employee engagement and training activities (at least 60% of employees trained on ESG issues per year) and work-life rebalance;
- ~30% of FTEs covered by the up-skilling programme (dedicated to people and enhancing top talent).

Governance

- full Integration of ESG criteria into management and strategic processes (e.g. Risk Management; Strategic Planning and Supplier Relationship Management) supported by the evolution of the ESG Data Model;
- strengthening of ESG governance and promotion of ESG culture;
- integration of ESG targets into management's short, medium and long-term incentive system;
- maintaining leadership position in the main ESG ratings.

The BPER Group features a multi-specialist and capital-light business model capable of enhancing the Group's national scale, its product Companies and specialised distribution channels, also thanks to a profound technological and digital transformation.
The Group's value chain encompasses all the activities, resources and relationships related to the business model and the external context in which it operates. In order to identify its business relations, the BPER Group considers not only its direct contractual relations, but also its indirect business relations beyond the first level, and its participation in joint ventures or investments. Starting from the activities of the value chain and referring to the Group's most important processes, its main actors are:

- shareholders, relevant on the basis of the communications made pursuant to Article 120 of the Consolidated Law on Finance;
- subscribers of issued capital instruments;
- subscribers of issued bonds;
- customers with both direct and indirect funding instruments;
- suppliers (main, strategic);
- Product companies;
- customers for financing operations;
- workforce.

In order to determine its value chain, the Group analysed, in particular, data on its direct and indirect funding, as well as on its suppliers. The Group collected value chain data useful for analysing the reference context for the preparation of the double materiality analysis, as well as for collecting quantitative data related to Scope 3 emissions, detailed in disclosure requirement "Gross Scopes 1, 2, 3 and Total GHG emissions" (E1-6).

Interests and views of stakeholders (SBM-2)

The BPER Group has mapped its stakeholders, periodically monitoring and updating the map, also with a view to defining the most appropriate modes of interaction. The map of stakeholders includes the following categories: customers, employees, financial market, shareholders, suppliers, footprint areas and community, environment and Public Administration.
The Group defines its strategies around the needs and expectations of the various stakeholders; to this end, it implements a structured stakeholder engagement process with the aim of intercepting their needs, understanding their expectations with regard to the Group's operations and anticipating any risks so as to transform them into opportunities. This process is based on a stakeholder analysis and segmentation activity that makes it possible to group multiple and differentiated interests (economic, social, environmental). Therefore, various listening paths have been set up over the years which, thanks to a variety of tools and channels of dialogue with the various stakeholders, have been able to summarise different demands. The information gathered through these listening channels is used to improve management strategies, refine processes and strengthen relations with all stakeholders.
At the same time, the BPER Group analyses the interests and opinions of the main internal and external stakeholders, including through the engagement process aimed at identifying material sustainability matters, as part of the double materiality analysis. The engagement of stakeholders such as shareholders, customers and financial market participants takes place in accordance with the priorities resulting from the stakeholder prioritisation exercise carried out periodically. The evidence of the stakeholder engagement activity and the consequent results are presented, in the context of illustrating the results of the double materiality analysis, to the Board of Directors for approval, to the Board of Statutory Auditors for information, and to the Sustainability Committee and Control and Risk Committee for an opinion.

Own workers

The BPER Group considers people to be at the centre of its business project; therefore, the attention paid to human resources has remained constantly high during the changes that have affected the Group's organisation in recent years. Listening to employees is based on standards that include the definition and management of structured models and tools for engaging the company's population, as well as feeding the management strategies and gathering evidence to improve processes.

To this end, the management interviews are also important: more than 12,000 interviews were carried out in 2024 (an increase compared to 2023, when 11,000 were carried out). Added to the more than 15,000 interviews carried out in the previous two years, these totals bring the Group to more than 38,000 total interviews carried out in the last four years.

The "People Survey 2024 | Where listening begins, the future begins" was also carried out in 2024. It is a detailed survey on the internal organisational climate that is addressed to the entire company population and aimed at mapping employee well-being, stimulating timely feedback, intercepting any critical issues related to the working environment and proposing improvement action plans. The results of the survey highlighted strengths and areas for improvement, which resulted in proposals for Group-wide Action Plans. For more details on the approach taken to establish ongoing, constructive dialogue with employees, see the disclosure requirement "Processes for engaging with own workforce and workers' representatives about impacts" (S1-2).

Customers

One of the most strategic listening tools for BPER Banca is Customer Satisfaction, through which the quality of the services offered to and perceived by Private and Corporate customers is monitored. In the context of Retail customers, the chosen metric is the Net Promoter Score (NPS), an indicator that measures the difference between the percentage of "promoters" (customers who recommend the Bank) and the percentage of "detractors". The "Voice of Customer" listening project also includes "on the spot" customer experience detection processes, activated following specific incidents. Every year, Customer Satisfaction surveys are also carried out in two waves for Private and Corporate customers by telephone: the first in June and the second in November.

Finally, a Customer Satisfaction survey was also conducted in 2024 on Large Corporate customers.

The results of the analyses are made available to the entire network and the central functions, including through the dissemination of specific reports, to support the decision-making process of the central structures.

The branded community "La Piazza" has also been online since 2017, with the aim of having an active listening solution to give voice to the suggestions and ideas of its customers and thus build an increasingly customer-centric relationship. "La Piazza" has more than 5,700 "active" customers, mainly Family customers and a smaller number of Personal customers. The community is a quick and efficient tool to engage directly with customers, with an average redemption per survey of around 25%. In 2024, "La Piazza" was used for both qualitative and quantitative surveys with insights into the needs of a particular service model and the effects of branch closures on customers.

Another crucial tool for maintaining strong customer relations is complaint management. It allows the Group to identify areas for improvement in products and services, turning critical issues into opportunities for loyalty. For more details, please see the disclosure requirement "Processes for engaging with consumers and end-users about impacts" (S4-2).

Workers in the value chain

Over time, the BPER Group's activities have ensured solid and growing support for Italian industry as a whole, with particular attention to small and medium-sized enterprises, the backbone of the entire national production system.

The overall economic development level of the entrepreneurial fabric is generally also correlated to the conditions of greater well-being of employees and, in this sense, banking - as part of its overall credit strategy to support financially robust and deserving companies, allowing and enhancing greater stability and employment continuity, with positive social impacts also on the quality of life of the employees of client companies. To date, the BPER Group has not implemented processes to directly engage employees of funded undertakings. Nonetheless, the Group carries out analysis of the macroeconomic and sectoral context also in order to orient its overall strategy, with reference to sustainability aspects, within its lending activities.

Affected communities

BPER Banca has two main listening tools for engaging the community and territory:

- the Sponsorship Management (SPM) portal through which organisations and associations can apply for contributions for their activities (bottom-up listening);
- a self-certification system to assess the impacts of the contributions made. Data from the 2023 self-certification impact models were collected in 2024, and the data contained therein - together with the Communication Plan, the Business Plan, and the historicity and value of the initiatives for the social fabric and customers - guided the Group's sponsorship strategies.

For more details on community engagement initiatives and methods, please see the contents of disclosure requirement "Processes for engaging with affected communities" (S3-2).

Furthermore, in 2024 the Organisational Unit BPER Bene Comune - dedicated to the Third Sector, Social Economy and Public Administration - implemented the project "Listening: BPER Bene Comune in Dialogue with the Third Sector", with the aim of understanding its needs and identifying the areas in which the BPER Group can qualify its support in terms of direct intervention (e.g. credit, guarantee funds, risk coverage, etc.) and in terms of "indirect" support (e.g. partnerships with the PA and other

entities in the territories, consultancy and training, etc.) in order to ensure its development and growth, thereby benefiting people and the community. The steps of the listening plan carried out throughout Italy involved 221 Third Sector actors.
Lastly, as regards listening to the community, activities were developed following the first edition in 2023 of B-education, the national financial education project devised by BPER Banca for university students. In 2024, in fact, the students of the winning groups were involved in order to give life, also starting from the projects ranked in the top three, to new projects for both financial education and digital proposition, activating a virtuous process of collaboration and exchange of reciprocal experiences and knowledge that confirmed BPER's approach to creating new channels of contact to intercept needs, stimuli and opportunities for developing relations with its stakeholders.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Through the double materiality process, which is described in the following disclosure requirement "Description of the processes to identify and assess material impacts, risks and opportunities" (IRO-1), the following material impacts, risks and opportunities (IRO) emerged for the BPER Group's own operations and along the value chain.

In particular, the following emerged from the impact materiality.

Material impacts for the BPER Group

Topic	Sub-topic	Sub-sub-topic	Impact	Commercial	Type	Time horizon
Climate change	Climate change adaptation		Contribution to climate change adaptation of corporate customers through the provision of adequate financing	Positive	Potential	Long-term
Climate change	Climate change adaptation		Financial support related to the effects of extreme weather events by offering loans to support customers (companies and individuals) or granting moratoria on existing loans to customers who have suffered damage	Positive	Actual	Medium-term
Climate change	Climate change mitigation		Indirect GHG emissions (Scope 3) related to the securities and loans portfolio, corporate travel, purchases of goods and services and customer asset management	Negative	Actual	Short-term
Climate change	Climate change mitigation		Generation of direct and indirect GHG emissions (Scope 1 and 2)	Negative	Actual	Short-term
Climate change	Climate change mitigation		Supporting the transition of companies through funding aimed at reducing the carbon footprint of counterparties	Positive	Actual	Medium-term
Climate change	Climate change mitigation		Supporting sustainable development through green bond investment in the financial market	Positive	Actual	Long-term
Climate change	- Climate change mitigation - Energy		Reduced emissions financed through the provision of loans for the purchase and renovation of buildings with high performance energy classes	Positive	Actual	Long-term
Climate change	Energy		Consumption of energy from renewable and non-renewable sources, resulting in negative impacts on the environment and reduction of the energy stock	Negative	Actual	Medium-term
Own workforce	Working conditions	Secure employment	Employment security for employees thanks to almost exclusively permanent contracts	Positive	Actual	Long-term
Own workforce	Working conditions	Working time	Improvement of employees' quality of life through the introduction of flexibility in the management of working time	Positive	Actual	Long-term
Own workforce	Working conditions	Adequate wages	Economic security for employees by guaranteeing adequate wages	Positive	Actual	Medium-term

Topic	Sub-topic	Sub-sub-topic	Impact	Commercial	Type	Time horizon
Own workforce	Working conditions	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Conflicts with trade unions and failure to respect the right to free association	Negative	Potential	Short-term
Own workforce	Working conditions	Collective bargaining, including rate of workers covered by collective agreements	Security and stability of employees through guaranteed coverage by collective agreements	Positive	Actual	Medium-term
Own workforce	Working conditions	Work-life balance	Improving employee work-life balance through the introduction of benefits that allow to increase work-life balance	Positive	Actual	Medium-term
Own workforce	Working conditions	Work-life balance	Improved employee psycho-physical well-being resulting from optimal workplace and working conditions	Positive	Potential	Medium-term
Own workforce	Working conditions	Health and Safety	Occupational accidents and illnesses resulting from ineffective application of procedures and preventive actions	Negative	Actual	Short-term
Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Contribution to a better quality of life for employees through higher levels of inclusiveness and merit in the work place	Positive	Potential	Medium-term
Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Discrimination in remuneration due to differential treatment conditioned by factors such as gender, sexual orientation, religion, ethnicity, language	Negative	Potential	Medium-term
Own workforce	Equal treatment and opportunities for all	Training and skills development	Staff capacity building through successful development programmes	Positive	Potential	Medium-term
Own workforce	Equal treatment and opportunities for all	Employment and inclusion of people with disabilities	Creation of inconveniences for the disabled due to inadequate inclusion practices	Negative	Potential	Short-term
Own workforce	Equal treatment and opportunities for all	- Diversity - Measures against violence and harassment in the workplace	Incidents of discrimination within the Group	Negative	Actual	Short-term
Own workforce	Other work-related rights	Privacy	Incidents of employee data loss due to non-compliance with the highest security requirements	Negative	Actual	Medium-term
Workers in the value chain	Working conditions	Health and Safety	Occupational accidents and illnesses in value chain workers (funded undertakings)	Negative	Potential	Short-term
Affected communities	Communities' economic, social and cultural rights	Adequate housing	Improving housing in the territories by granting loans for the purchase of real estate, structured finance operations and financial support to housing entities	Positive	Actual	Long-term
Affected communities	Communities' economic, social and cultural rights	Water and sanitation	Protecting the health of communities through project financing for the healthcare/hospital sector	Positive	Potential	Long-term
Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Contribution to the socio-economic development of the territory	Positive	Actual	Long-term
Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Contribution to financial education through community-based initiatives	Positive	Potential	Medium-term

Topic	Sub-topic	Sub-sub-topic	Impact	Commercial	Type	Time horizon
Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Loss of customer data due to inefficient data protection systems and non-compliance with privacy rules and protocols	Negative	Actual	Short-term
Consumers and end-users	Information-related impacts for consumers and/or end-users	Freedom of expression	Ensuring customers' freedom of expression by setting up systems for reporting inefficiencies or problems with products/services offered	Positive	Actual	Short-term
Consumers and end-users	Information-related impacts for consumers and/or end-users	Access to (quality) information	Customer satisfaction in terms of needs, expectations, benefits, adequate service and timely responses and introduction of alternative solutions	Positive	Actual	Short-term
Consumers and end-users	Personal safety of consumers and/or end-users	Security of a person	Impacts on customer safety due to inadequate branch security level	Negative	Potential	Short-term
Consumers and end-users	Social Inclusion of consumers and/or end-users	Non-discrimination	Provision of products and services for all customer categories, including the most vulnerable ones	Positive	Actual	Short-term
Consumers and end-users	Social Inclusion of consumers and/or end-users	Access to products and services	Reducing inequalities in access to credit through successful financial inclusion and financial education initiatives	Positive	Potential	Medium-term
Consumers and end-users	Social Inclusion of consumers and/or end-users	Access to products and services	Increased financing for specific target customers through microcredit, social credit and other products for vulnerable groups	Positive	Actual	Medium-term
Consumers and end-users	Social Inclusion of consumers and/or end-users	Access to products and services	Development of the country's entrepreneurship, with a focus on SMEs and female entrepreneurship, also through the development of credit policies that are attentive to the needs of value chains at national level	Positive	Actual	Medium-term
Consumers and end-users	Social Inclusion of consumers and/or end-users	Responsible marketing practices	Customer satisfaction through responsible, fair and transparent marketing practices	Positive	Actual	Short-term
Consumers and end-users	Social Inclusion of consumers and/or end-users	Responsible marketing practices	Improving offer quality and usability thanks to the increasing availability of products, services and information on digital channels and the implementation of omnichannel strategies	Positive	Actual	Short-term
Business conduct	Corporate culture		Spreading a culture of fairness and ethics	Positive	Actual	Medium-term
Business conduct	Protection of whistleblowers		Protecting stakeholders by setting up safe and effective whistleblowing channels	Positive	Actual	Short-term
Business conduct	Management of relationships with suppliers, including payment practices		Failure to comply with payment schedules and contractual terms with suppliers with consequences on their economic stability	Negative	Potential	Medium-term
Business conduct	Corruption and bribery	Prevention and detection including training	Prevention of any corruption involving staff or partners through the establishment of effective policies and procedures	Positive	Actual	Short-term

The following financial materiality risks and opportunities emerged.

Material risks and opportunities for the BPER Group

Topic	Sub-topic	Sub-sub-topic	Risk	Time horizon
Climate change	- Climate change mitigation - Climate change adaptation	-	The Probability of Default (PD) and Loss Given Default (LGD) risk parameters are directly impacted by the probability of extreme weather events occurring and/or the effectiveness of energy transition policies implemented by portfolio counterparties. As a complement, collateral valuations could also be revised in light of physical risk exposure based on geographical location	Short-term
Climate change	- Climate change mitigation - Climate change adaptation	-	In the presence of strong transition policies and the increase in the frequency and intensity of acute and chronic physical events in certain geographical areas, a failure to promptly react and adjust to contextual changes could jeopardize the viability and sustainability of the business model	Short-term
Climate change	- Climate change mitigation - Energy	-	The national and European policies that tend towards a low carbon emission economy, featuring greater energy efficiency, could cause major adaptation costs and less profitability, especially for economic sectors/areas with high direct and indirect GHG emissions. Therefore, depending on the level of exposure of the Group in these sectors, there is a possibility that the risk profile of the counterparties could worsen, in terms of increased default and migration risk with a direct impact on impairment policies	Short-term
Climate change	- Climate change mitigation - Climate change adaptation	-	Possible impact on the liquidity and funding profile if, following adverse climate events or to cover costs resulting from the climate transition, the Group's customers ended up needing liquidity by accessing their current and deposit accounts and/or the credit lines granted.	Medium/long-term
Climate change	Climate change adaptation	-	Operational losses due to damage to the bank's infrastructure/paper documentation caused by natural events (for example earthquakes, floods, etc.) and resulting interruption of operations	Short-term
Climate change	Climate change adaptation	-	Operational losses due to damage to the bank/company's infrastructure caused by natural events (for example earthquakes, floods, etc.)	Short-term
Own workforce	Other work-related rights	Privacy	Detection of a serious cybersecurity incident (e.g. cyber crime)	Short-term
Own workforce	Working conditions	- Adequate wages - Social dialogue - Health and safety	High number of legal claims/disputes initiated by employees and/or detection of particular relevant cases (e.g., published in the media, other)	Short-term
Own workforce	- Working conditions - Equal treatment and opportunities for all	- Working time - Secure employment - Adequate wages - Collective bargaining, including rate of workers covered by collective agreements - Freedom of association, the existence of works councils and the information, consultation and participation rights of workers - Social dialogue - Work-life balance - Health and safety - Employment and inclusion of people with disabilities	Operational risk losses attributable to disputes filed by personnel related to issues concerning remuneration, indemnities and employment relations (dismissals, unfair transfers, death, illness, etc.)	Short-term

Topic	Sub-topic	Sub-sub-topic	Risk	Time horizon
Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Operational loss risk due to unauthorised access to customer data (data breach) by personnel external to the Bank/Company	Short-term
Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Operational loss risk attributable to inadequate management and/or protection of customers' / potential customers' personal data within the context of the transactions performed by the Bank / Company (for example current account management, credit granting, finance)	Short-term
Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Detection of a serious cybersecurity incident (e.g. cyber crime)	Short-term
Consumers and end-users	Information-related impacts for consumers and/or end-users	Freedom of expression	Relevant complaints received from customers (e.g. published in the media, etc.)	Short-term

Topic	Sub-topic	Sub-sub-topic	Opportunities	Time horizon
Climate change	- Climate change adaptation - Climate change mitigation		Improved financial performance through effective pursuit of climate strategy and support of customers' green transition	Medium-term
Climate change	Energy		Reducing operating costs by adopting more efficient technologies that reduce emissions and promote the energy transition to a more sustainable model	Medium-term
Own workforce	Equal treatment and opportunities for all	Training and skills development	Increased productivity and optimised talent management, significantly improving the skills and capabilities of employees in new strategic areas, proactively managing employee redeployment and providing opportunities for professional development	Medium-term
Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Strengthening relations and positioning in the territory through donations and sponsorships within the territories	Long-term
Consumers and end-users	Social Inclusion of consumers and/or end-users	Access to products and services	Improved attraction of existing customers and prospects through significant investments in digitisation and automation aimed at developing a new, more usable omnichannel service model	Medium-term

The summary representation of the double materiality analysis highlights the material issues for the BPER Group and illustrates the stages of the value chain where IROs are generated.

BPER Group Double Materiality: Summary Results

	IMPACT MATERIALITY	FINANCIAL MATERIALITY		DOUBLE MATERIALITY	
	Impacts	Risks	Opportunities	Overall materiality	Value Chain
E1 Climate change	●	●	●	●	Upstream, Own Operations, Downstream
E2 Pollution	○	○	○	○	
E3 Water and marine resources	○	○	○	○	
E4 Biodiversity and ecosystems	○	○	○	○	
E5 Resource use and circular economy	○	○	○	○	
S1 Own workforce	●	●	●	●	Own Operations
S2 Workers in the value chain	●	○	○	●	Downstream
S3 Affected communities	●	○	●	●	Own Operations, Downstream
S4 Consumers and end-users	●	●	●	●	Upstream, Own Operations, Downstream
G1 Business conduct	●	○	○	●	Upstream, Own Operations

● Material topics ○ Non-material topics Stages of the Value Chain in which IRO is material: Upstream Own Operations Downstream

Material impacts, risks and opportunities, position within the value chain and interaction with strategy and business model

Material impacts, risks and opportunities are related to the strategic choices and policies implemented by the Group, and the issues with which they are associated are part of strategic planning, precisely due to the effects and consequences they generate. This is confirmed by the new 2024-2027 Business Plan "B:Dynamic|Full Value 2027", which gives ecological transition, social support and the promotion of ESG culture a central role.

For example, the financial strategy and credit granting give rise to GHG emissions. Working conditions and inclusiveness depend directly on strategic choices and internal policies for human resources management. Similarly, impacts on communities and customers arise from strategic decisions concerning the products offered, the management of the territorial network and the implementation of the Business Plan, aimed at ensuring sustainability and economic and social development. For more details on the nature of the business relationships considered, see disclosure requirement "Strategy, business model and value chain" (SBM-1). The BPER Group's material IROs influence both short-term and medium- to long-term business decisions. As previously mentioned, these factors are linked to the strategy and business model and therefore already consider elements to ensure and strengthen its resilience in dealing with IROs.

In line with this, the Group has long been on a path to define its own transition plan for climate change mitigation, starting with its membership in the NZBA in 2022. As part of this process, the Group Banks conduct an annual resilience analysis with reference to the physical and transition risks to which the business may be exposed. For more details related to the analysis carried out in 2024, please see disclosure requirement "Description of the processes to identify and assess material impacts, risks and opportunities" (IRO-1), in particular the section "Description of the processes to identify and assess climate-related material impacts, risks and opportunities".

In the double materiality analysis conducted, the topic "Climate change" was found material with reference to all the sub-topics included therein, as per ESRS 1, Appendix A, RA 16, such as "Climate change adaptation", "Climate change mitigation" and "Energy". The related impacts are concentrated both in the company's own operations and along the value chain. The material risks and opportunities, referring to all sub-topics of "Climate change" are not only found in the upstream and downstream activities of the organisation, but also in its own operations.

The impacts generated by the BPER Group, whether positive or negative, can have a direct influence on people and the environment. For example, direct and indirect greenhouse gas emissions have a negative impact on the environment by contributing to climate change. At the same time, the Group supports the transition to climate change mitigation by developing specific actions, products and services.

In fact, climate change is one of the main challenges, also in view of the increasing attention of national and international supervisory authorities. In particular, the European Central Bank identified climate and environmental risks among the main risk factors to be proactively managed under the supervisory priorities of the Single Supervisory Mechanism (SSM) for the banking sector, and starting in 2021, undertook activities aimed at verifying banks' positioning with respect to the provisions of the Guidelines that the ECB issued on the subject (ECB Guide on climate-related and environmental risk). Against this backdrop, the BPER Banca Group has been consolidating its own sustainability process over the years 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. More specifically, the Group has noted effects on the offer and portfolio of its products and services. The main expected effects include the increased ability to respond to market and regulatory requirements and evolution, through the development of a product and service offering designed to meet the needs of the ecological transition and to accompany and support customers on the path to sustainable transition.

With reference to the impacts generated by the Group through its value chain activities, the negative - downstream - impact related to the health and safety of workers in the value chain emerged as material. In more detail, this impact relates to the Group's lending to companies.

As far as the Group's own workforce is concerned in terms of working conditions, equal treatment and equal opportunities for all, as well as with regard to employees' right to privacy, the material impacts that emerged from the analysis are intrinsically related to the Group's own operations, with reference to its human resources. The materiality of the own workforce topic also refers to the risks and opportunities related to own operations.
As far as risks are concerned, the sub-topics found to be material are "Working conditions", "Equal treatment and opportunities for all" and "Other work-related rights" (with particular reference to privacy), while material opportunities refer to the development and training of the organisation's employees.
On a social level, the BPER Group is strongly rooted in the national territory, providing employment for many workers and development opportunities for the territories and its customers. In particular, the positive impacts related to working conditions and equal treatment represent a significant contribution to improving the quality of life and well-being of the Group's employees. The Group is also committed to monitoring possible negative impacts, adopting policies and management methods to ensure both individual and collective well-being.
Human capital is placed at the centre of the Group's strategic priorities; one of the main expected effects is the strengthening of internal up-skilling programmes: the new Business Plan devotes special attention to enhancing employees' skills and fostering greater adaptability to market developments and increasing productivity.

With regard to affected communities, the material sub-topics are "Land-related impacts", "Adequate housing" and "Water and sanitation". Specifically, the material impacts are mainly concentrated in the downstream phase of the Group's value chain, with the exception of those arising from financial education initiatives, which directly affect the Group's operations and also extend to the territory and communities in which the Group operates. The material opportunities also take into account donations and sponsorships within the territories where Group activities are located (the relevant sub-topic is "Land-related impacts").
The Group consolidates its presence in the communities and territories where it operates by focusing on initiatives that contribute to their socio-economic development and financial education. This commitment is also confirmed by the willingness to continue to play an important role in supporting local communities with financial contributions, as stated in the new Business Plan.

With regard to the topic of "Consumers and end-users", the impacts that emerged as material relate to all sub-topics covered under ESRS 1, Appendix A, RA 16, namely "Information-related impacts for consumers and/or end-users", "Personal safety of consumers and/or end-users" and "Social inclusion of consumers and/or end-users", and relate to upstream and downstream activities of the Group.
Material risks, on the other hand, referring to the sub-topic "Information-related impacts for consumers and/or end-users", and in particular related to the privacy of customer data and the management of complaints, relate to the organisation's own operations. Material opportunities relate to the sub-topic "Social inclusion of consumers and/or end-users", in terms of upstream and downstream activities of the Group.
The material IROs identified in the materiality analysis mainly concern inclusiveness, the accessibility of products and services and customer satisfaction levels.
The Group is committed to ensuring maximum social inclusion for its customers through a wide range of products, in line with the needs expressed. Furthermore, the Group operates with the utmost information transparency and fairness in its business practices in order to protect customers, and strives to reduce any possible impact on the privacy of its customers' data. This is also ensured through business conduct oriented towards the highest integrity, honesty, fairness and loyalty towards the market, suppliers and all stakeholders.

Finally, the topic "Business conduct" was also found material (solely from the point of view of impact materiality), with reference to upstream activities and the Group's own operations.

The material impacts, risks and opportunities compared to the previous reporting period derive from the double materiality analysis update carried out in 2024, which incorporates the changes introduced by the new Italian Legislative Decree 125/2024. The BPER Group has adopted a double materiality analysis process in compliance with the requirements of the new regulations, taking into account the indications contained in the new ESRS reporting standards. The methodological approach followed complements the guidance provided by EFRAG IG 1: Materiality Assessment Implementation Guidance and EFRAG IG 2: Value Chain Implementation Guidance. The main changes relate to the integration of the value chain concept within the double materiality analysis, which thus takes into account not only own activities but also the upstream and downstream stages of

these activities. In addition, compared to last year, ESG risk and opportunity analyses were developed and evolved to meet the requirements of the ESRS standards. The Group has not identified IROs related to entity-specific issues for 2024.
The time horizons within which the effects of the material impacts are expected to occur are divided into short, medium and long term, in line with the time horizons defined by ESRS 1 and indicated above.
With regard to risks and in keeping with the different methodologies applied for each type of risk, it should be noted that an impact analysis (capital/liquidity) is inherent in the assessments of those of a financial nature; whereas, with regard to risks of a non-financial nature, such as reputational risks, no financial impact analysis is carried out.
As far as opportunities are concerned, no current financial effects are foreseen, since they were identified and assessed from the organisation's strategic planning, with particular reference to the 2024-2027 Business Plan.

1.1.4 Impact, risk and opportunity management

Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

The material impacts, risks and opportunities derive from the double materiality analysis, which incorporates the changes introduced by the new Italian Legislative Decree 125/2024, according to the aforementioned methodological approach that integrates the indications provided by EFRAG in the Implementation Guidance (IGMA 1) published. The double materiality analysis carried out in 2024 was different than the analysis carried out in 2023, in order to be consistent and in line with the regulatory and methodological changes introduced by the new Italian Legislative Decree 125/2024.
In particular, the methodological approach used consists of three phases:

- phase A) understanding the context;
- phase B) identification of actual and potential impacts, risks and opportunities;
- phase C) assessment and determination of material IROs related to sustainability matters.

First an analysis was conducted to understand the Group's internal and external context using both a qualitative and quantitative approach. Specifically, the BPER Group examined its value chain and the actors involved, using documentary sources and conducting an analysis of key related data. In particular, the economic actors involved were analysed with reference to: size, sectors or nature of their activities, geographical location and processes, with a view to the subsequent identification of IROs (impacts, risks and opportunities).

A prioritisation of stakeholder categories was carried out, using a judgemental approach based on the valuation of the parameters provided by the standard AA1000SES. Following this analysis, a list of positive and negative impacts was drawn up, associating the phases and actors in the value chain with each of these. Each impact was linked to the ESRS topics (topic, sub-topic and sub-sub-topic) presented by ESRS 1 in Appendix A, RA 16. The impact assessment was carried out by engaging the most material stakeholders, both internal and external, in line with the prioritisation carried out previously. The stakeholder categories involved were:

- shareholders;
- employees;
- customers;
- financial market.

With regard to employees, one-to-one interviews were conducted with representatives of the relevant Departments, Services and Offices using an impact assessment roadmap, which were evaluated according to the parameters of likelihood and severity (scale, scope and irremediable character), as indicated in the ESRS standards. For external stakeholders, the process included one-to-one interviews aimed at validating the results obtained, where interviewees could confirm or revise the impact assessment obtained from internal engagement activities, reconsidering impact assessments according to specific parameters set by EFRAG. The results were then weighted taking into account the materiality and number of stakeholders engaged and the depth of the listening process.

The materiality of impacts on people or the environment in the short, medium or long term was assessed according to the parameters described below, depending on whether they were negative or positive, actual or potential. Specifically, with regard to actual negative impacts, materiality was assessed according to the severity of the impact, while for potential negative impacts, severity and likelihood of the impact were taken into account. Severity is based on the following factors: a) scale; b) scope; c) irremediable character of the impact. For positive impacts, materiality was assessed according to the following factors: a) the scale and scope of the impact with regard to actual impacts; b) the scale, scope and likelihood of the impact with regard to potential impacts.
For each negative impact, it was also assessed whether human rights violations could be involved: if so, severity took precedence over the likelihood of occurrence.
Then, in order to determine the materiality of the impacts subjected to assessment, a quantitative threshold of materiality was defined, taking into account the following elements:

- the distribution of the values obtained from the assessment, with particular reference to the average of the impact materiality scores from the internal and external engagement activity;
- the alignment with the provisions of ESRS 1 and IGMA 1 Guidance, which give companies the possibility to set appropriate qualitative or quantitative materiality thresholds, without, however, prescribing specific elements to be taken into account in determining value. The IGMA 1 Guidance also states that the company may apply the logic used in Enterprise Risk Management (ERM) as reference; in this regard, the threshold adopted for this exercise is intended to ensure approximation and consistency with the methodology adopted by the Risk Management function for determining the materiality threshold applied to risks.

Impacts with a materiality score of 3 or more (on a scale of one to five) were considered relevant. This led to the identification of 41 material impacts.

As with the identification of impacts, the list in Appendix A RA 16 of ESRS 1 was taken as a reference for risks and opportunities:
- with regard to risks, starting from this list and in coordination with the Risk Management Function, existing mappings and assessments within the professional risk family were enhanced where possible;
- with reference to opportunities, elements in the list such as targets, lines of action, activities and projects were examined in order to identify opportunities related to ESRS topics using the greatest possible degree of granularity.

This phase led to the identification of a long list of 96 risks and 37 opportunities attributable to ESRS topics, sub-topics and sub-sub-topics.
Sustainability risks and opportunities were assessed according to their likelihood of occurrence and the potential scale of their financial effects in the short, medium and long term.
As far as risks are concerned, the evaluations are separated according to the type of risk (operational, reputational, strategic, market, liquidity, credit), which are then placed on a single scale. Furthermore, it should be noted that the risks covered by the BPER Group's ERM (Enterprise Risk Management) refer to the prudential supervisory perimeter. Consequently, the risks associated with entities not included in this perimeter are considered as not material from a financial point of view. Each risk was analysed in relation to different aspects:
- main time horizon;
- its source;
- the reference perimeter;
- classification by risk type;
- methodology used for risk assessment, i.e. qualitative, quantitative or qualitative/quantitative;
- risk assessment according to Enterprise Risk Management;
- materiality or immateriality of the risk under consideration.

This analysis led to the determination of 13 material risks, linked to specific ESRS topics. It is also specified that in order to ensure consistency between various assessment processes related to heterogeneous types of risk events, a transcoding activity was carried out which served to create homogeneous and common scales for all the risk types examined. It was thereby possible to bring the various risk assessments under a single scale for each of the two parameters of the ESRS, namely potential scale and likelihood (both on a ranking of 1 to 4). For each of the four levels, the table groups the relevant classifications and considerations pertaining to each of the risk categories.
The materiality threshold was identified as "Medium-High" based on a transcoding matrix valid for all types of risk considered.
The analysis of opportunities was instead carried out by examining internal sources such as the 2024-2027 Business Plan and the BPER Banca Group's Reports for the year 2023. Meetings were organised with the relevant Functions to gather input on the opportunities and then carry out the assessment to determine their materiality, based on the parameters set forth in ESRS 1, such as the potential scale of the possible financial effects and the likelihood of their occurrence. It should be noted that the evaluations related to potential scale were carried out according to qualitative criteria and that, in order to report the results obtained on a homogeneous scale with that used for financial materiality, the scores were ranked from 1 to 4.
A materiality threshold corresponding to the "Medium-High" range was also set for opportunities in order to enhance the elements interconnected with the Group's strategic planning and ensure consistency with the risk assessment. Five opportunities emerged as material from this analysis.

The analysis of risks and opportunities also considered the impacts generated and the possible detection of the organisation's dependencies on elements such as ecosystem services, human and intellectual capital or the stability of relations with target communities.
The Group determined the material risks and opportunities to be reported. This was based on a combination of i) likelihood of occurrence and ii) potential magnitude of financial effects determined on the basis of appropriate thresholds, as described above. It should be noted that in order to ensure maximum consistency between what is already present in relation to ERM and what has been produced in relation to the materiality assessment, the assessments associated with each risk were borrowed from the methodological frameworks already present in ERM, with evidence of the assessment according to the parameters

required by the ESRS. Even for risks that are not covered by existing ERM taxonomies, but have been identified to cover subject areas not covered by ERM assets, the same methodology was applied, in accordance with ESRS 1.
It should also be noted that this process envisaged the continuous engagement of the internal structures responsible for risk detection and management. The materiality threshold was determined taking into account the specific types of risks addressed, in order to ensure the highest degree of consistency with what was produced in ERM.

The integration and management of ESG risks into the regulatory and prudential supervisory framework is a relevant issue for European Supervisory Authorities: as also indicated in the ECB "Guide on climate-related and environmental risks" (C&E risk), the ECB considers the process leading towards ecological transition as involving both risks and opportunities for the entire economic system and financial institutions, while the physical damage induced by climate change and environmental degradation can have a very significant impact on the real economy and the financial sector.
This is confirmed by both the 2024-2026 and the 2025-2027 supervisory priorities.
Against this backdrop, the BPER Banca Group has structured its own sustainability process 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 topics present in the 2022-2025 Business Plan have also been reiterated in the new 2024-2027 Business Plan.
Regarding the inclusion of climate and environmental factors in risk management processes, during 2024, in line with plans and communications to the Supervisory Authority, the incorporation of ESG issues within the Group Risk Management set-up continued, including the strengthening of the materiality analysis of these risk factors within the context of the risk identification process, the evolution of the Risk Appetite Framework (RAF) and of the ICAAP by identifying specific Key Risk Indicators and the introduction of special analyses, the updating of risk management processes and the integration of risk reporting.
When integrating the aforementioned areas, consideration was also given to the connections and relationships with the various business processes impacted and the commitments made by the Group in this regard (e.g. NZBA).
All of this confirms the strategic importance that the BPER Banca Group attaches to sustainability 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 Corporate Functions.

In order to make the Board and Governing Bodies aware of the exposure to C&E risks and to allow them to make fully-informed decisions regarding sustainability issues, the BPER Banca Group, in line with the Risk Appetite Framework, has strengthened quarterly reporting on risks with some indicators and analyses relating to climate and environmental risk factors, which is submitted to the Board of Directors' Control and Risk Committee.
In particular, the Group periodically monitors ESG risk factors in the areas of credit, market, operational, reputational, strategic and liquidity risk; it also provides evidence of the performance of the RAF metrics in order to promptly monitor any breaches of the tolerance thresholds identified and/or the assigned risk limits included in the individual Risk Governance Policies and, where appropriate, direct the necessary communications to the Corporate Bodies and the consequent actions to be taken in line with the Group's escalation process.

The risk materiality analysis was conducted so as to ensure maximum integration with the Group's overall risk management system, and therefore carried out based on the methodologies and findings established within the Enterprise Risk Management framework, which already consider ESG factors as components of the system itself.
The process of identifying, assessing and managing opportunities is integrated into the Group's multi-year planning process, as the BPER Group has integrated ESG objectives into its Business Plan and budget process.
For this year, the activity was based on a scenario analysis mainly focused on industry trends and an analysis of peers and competitors, useful to understand industry trends, as well as on internal analyses conducted through the evaluation of Group products and Credit and Investment Portfolio analyses.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities (ESRS 2 – IRO-1)

Identification and assessment of climate-related impacts, risks and opportunities

The process of identifying and assessing climate change impacts is part of the broader double materiality process carried out by the BPER Group.
In particular, through discussions with the main Corporate Functions involved, corporate activities were reviewed and, given the peculiar nature of the Group's business, climate impacts were traced back to direct and indirect greenhouse gas emissions generated by corporate operations (Scope 1 and Scope 2) and by the entire value chain (Scope 3), including the areas of lending and asset management.
In addition, some positive impacts on both climate change mitigation and adaptation activities have been identified and assessed in the context of lending. These impacts were assessed (and reported below) through the calculation of its carbon footprint.

With regard to the identification and assessment of climate change-related risks, the mapping and assessment campaigns carried out within the ERM framework with reference to physical and transition climate risks were used, which were subsequently reconciled with the list in Appendix RA 16 of ESRS 1, in order to ensure consistency between the double materiality analysis and the Group's ERM framework.
Please see the disclosure requirement "Description of the processes to identify and assess material climate-related impacts, risks and opportunities" (E1 - IRO-1), for more details on the methodologies for identifying and managing climate-related risks.

With regard to the identification and assessment of climate change opportunities, please see the financial materiality process described above and the assessment integrated into disclosure requirement "Material impacts, risks and opportunities and their interaction with strategy and business model" (SBM-3) discussed in the chapter "Climate Change" (E1).

Description of the processes to identify and assess environment-related impacts, risks and opportunities

Specifically, for the identification of impacts, risks and opportunities related to the topics Pollution (E2), Water and marine resources (E3), Biodiversity and ecosystems (E4), Resource use and circular economy (E5), the Group considered its own activities as well as those related to upstream and downstream activities, i.e. those indirectly financed and invested in. In order to make the analysis as comprehensive as possible, analysis tools were used to reflect the composition of the supplier base, the investment and securities portfolio, internal data and monitoring systems, as well as public databases and authoritative sources to estimate possible direct and indirect effects related to the issues at hand. For the purpose of identifying material risks, as described above, the risk catalogue defined in the Group's ERM was adopted.

In particular, the assessment of potential impacts was carried out by engaging internal experts deemed competent with respect to the assessment of impacts related to funded activities.

With reference to the topic "Biodiversity and ecosystems", it should be noted that the Group's offices and branches are not located within or near biodiversity-sensitive areas. Consequently, the activities carried out in these locations are not likely to have any negative effects, nor cause the deterioration of natural habitats and habitats of species, nor disturb the species for which protected areas have been designated. Therefore, the Group did not consider it necessary to take any biodiversity mitigation measures.

Description of the processes to identify and assess material business conduct-related impacts, risks, opportunities

With regard to topic "G1 - Business Conduct", it should be noted that the topic's materiality refers to the dimension of impact materiality. In particular, the following elements were considered for the most comprehensive assessment possible:

- geographical and socio-economic context;
- activities and direct operations of the companies included in the perimeter, as well as those subject to financing and investment.

Disclosure requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)

The information covered in this document was determined by the BPER Group first and foremost using the results of the double materiality assessment process. Indeed, the materiality assessment is the starting point for sustainability reporting within the ESRS (see Appendix E "Flowchart for determining disclosures to be included"). Therefore, the Statement discloses information on the policies adopted, actions undertaken and/or planned, metrics and targets concerning the management of impacts, risks and opportunities that, at the conclusion of the double materiality analysis, obtained a quantitative score above the set materiality thresholds. These disclosures are made in accordance with the disclosure requirements and related disclosure elements of the topical ESRS standards, as well as the information pertaining to the double materiality analysis process itself, in accordance with ESRS 2, IRO-1, IRO-2 and SBM-3.
In relation to the outcomes of the double materiality analysis, i.e. the material IROs, the Group identified the disclosure requirements and related disclosure elements for each topical ESRS. In particular, the Group discloses the information required as part of a disclosure requirement, including information deemed relevant, on the basis of a qualitative assessment of the meaningfulness of the information and its ability to meet the information and decision-making needs of the Sustainability Statement's users.
Pursuant to the guidance provided by ESRS 1, Section 3.2., regardless of the outcome of the materiality assessment, the Statement also contains the information required by ESRS 2 "General Disclosures" and the disclosure requirements (including related disclosure elements) in the topical ESRSs related to disclosure requirement IRO-1 "Description of the processes to identify and assess material impacts, risks and opportunities" listed in ESRS 2, Appendix C, Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures.

IRO-2 - Table of Contents

CHAPTER	DISCLOSURE REQUIREMENT	SECTION
ESRS 2 – General Disclosures	BP-1 – General basis for preparation of sustainability statements	General basis for preparation of sustainability statements (BP-1)
	BP-2 – Disclosures in relation to specific circumstances	Disclosures in relation to specific circumstances (BP-2)
	GOV-1 – The role of the administrative, management and supervisory bodies	The role of the administrative, management and supervisory bodies (GOV-1)
	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)
	GOV-3 – Integration of sustainability-related performance in incentive schemes	Integration of sustainability-related performance in incentive schemes (GOV-3)
	GOV-4 – Statement on due diligence	Statement on due diligence (GOV-4)
	GOV-5 – Risk management and internal controls over sustainability reporting	Risk management and internal controls over sustainability reporting (GOV-5)
	SBM-1 – Strategy, business model and value chain	Strategy, business model and value chain (SBM-1)
	SBM-2 – Interests and views of stakeholders	Interests and views of stakeholders (SBM-2)
	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
	IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)
	IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Disclosure requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)
ESRS E1 – Climate Change	ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	Integration of sustainability-related performance in incentive schemes (GOV-3)
	E1-1 – Transition plan for climate change mitigation	2.2.1 Towards the transition plan for climate change mitigation (E1-1)
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
	ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Description of the processes to identify and assess material climate-related impacts, risks and opportunities (ESRS 2 – IRO-1) Description of the processes to identify and assess material climate-related impacts, risks and opportunities (E1 – IRO-1)
	E1-2 – Policies related to climate change mitigation and adaptation	Policies related to climate change mitigation and adaptation (E1-2)
	E1-3 – Actions and resources in relation to climate change policies	Actions and resources in relation to climate change policies (E1-3)
	E1-4 – Targets related to climate change mitigation and adaptation	Targets related to climate change mitigation and adaptation (E1-4)
	E1-5 – Energy consumption and mix	Energy consumption and mix (E1-5)
	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Gross Scopes 1, 2, 3 and total greenhouse gas emissions (E1-6)
	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	Greenhouse gas removals and mitigation projects financed through carbon credits (E1-7)
ESRS E2 – Pollution	ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Description of the processes to identify and assess environment-related impacts, risks and opportunities
ESRS E3 – Water and Marine Resources	ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Description of the processes to identify and assess environment-related impacts, risks and opportunities
ESRS E4 – Biodiversity and Ecosystems	ESRS 2 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	Description of the processes to identify and assess environment-related impacts, risks and opportunities

CHAPTER	DISCLOSURE REQUIREMENT	SECTION
ESRS E5 – Circular Economy	ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Description of the processes to identify and assess environment-related impacts, risks and opportunities
ESRS S1 – Own workforce	ESRS 2 SBM-2 – Interests and views of stakeholders	Interests and views of stakeholders (SBM-2)
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
	S1-1– Policies related to own workforce	Relevant human rights policy commitments related to own workforce (S1-1) Policies related to own workforce (S1-1)
	S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	Processes for engaging with own workforce and workers' representatives about impacts (S1-2)
	S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)
	S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)
	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)
	S1-6 – Characteristics of the undertaking's employees	Characteristics of the undertaking's employees (S1-6)
	S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	Characteristics of non-employee workers in the undertaking's own workforce (S1-7)
	S1-8 – Collective bargaining coverage and social dialogue	Collective bargaining coverage and social dialogue (S1-8)
	S1-9 - Diversity metrics	Diversity metrics (S1-9)
	S1-10 - Adequate wages	Adequate wages (S1-10)
	S1-11 - Social protection	Social protection (S1-11)
	S1-12 - Persons with disabilities	Persons with disabilities (S1-12)
	S1-13 – Training and skills development metrics	Training and skills development metrics (S1-13)
	S1-14 – Health and safety metrics	Health and safety metrics (S1-14)
	S1-15 – Work-life balance metrics	Work-life balance metrics (S1-15)
	S1-16 – Remuneration metrics (pay gap and total remuneration)	Remuneration metrics (pay gap and total remuneration) (S1-16)
	S1-17 – Incidents, complaints and severe human rights impacts	Incidents, complaints and severe human rights impacts (S1-17)
ESRS S2 – Workers in the value chain	SBM-2 – Interests and views of stakeholders	Interests and views of stakeholders (SBM-2)
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
	S2-1 – Policies related to value chain workers	Policies related to value chain workers (S2-1)
	S2-2 – Processes for engaging with value chain workers about impacts	Processes for engaging with value chain workers about impacts (S2-2)
	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)
	S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions (S2-4)
	S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5)

CHAPTER	DISCLOSURE REQUIREMENT	SECTION
ESRS S3 – Affected communities	ESRS 2 SBM-2 – Interests and views of stakeholders	Interests and views of stakeholders (SBM-2)
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
	S3-1 – Policies related to affected communities	Policies related to affected communities (S3-1)
	S3-2 – Processes for engaging with affected communities about impacts	Processes for engaging with affected communities about impacts (S3-2)
	S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)
	S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4)
	S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5)
ESRS S4 – Consumers and end-users	ESRS 2 SBM-2 – Interests and views of stakeholders	Interests and views of stakeholders (SBM-2)
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Impacts, risks and opportunities related to consumers/end-users and their interaction with business strategy (SBM-3)
	S4-1 – Policies related to consumers and end-users	Policies related to consumers and end-users (S4-1)
	S4-2 – Processes for engaging with consumers and end-users about impacts	Processes for engaging with consumers and end-users about impacts (S4-2)
	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)
	S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)
	S4-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)
ESRS G1 – Business conduct	ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	The role of the administrative, management and supervisory bodies (GOV-1)
	ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	Description of the processes to identify and assess material business conduct-related impacts, risks, opportunities
	G1-1 – Business conduct policies and corporate culture	Business conduct policies and corporate culture (G1-1)
	G1-2 – Management of relationships with suppliers	Management of relationships with suppliers (G1-2)
	G1-3 – Prevention and detection of corruption and bribery	Prevention and detection of corruption and bribery (G1-3)
	G1-4 – Confirmed incidents of corruption or bribery	Confirmed incidents of corruption or bribery (G1-4)
	G1-6 – Payment practices	Payment practices (G1-6)

Datapoints derived from other EU legislation

Disclosure requirement and related datapoint	Materiality	Section
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)		The role of the administrative, management and supervisory bodies (GOV-1)
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)		The role of the administrative, management and supervisory bodies (GOV-1)
ESRS 2 GOV-4 Statement on due diligence paragraph 30		Statement on due diligence (GOV-4)
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14		Transition plan for climate change mitigation (E1-1)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Transition plan for climate change mitigation (E1-1)
ESRS E1-4 GHG emission reduction targets paragraph 34		Targets related to climate change mitigation and adaptation (E1-4)
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38		Energy consumption and mix (E1-5)
ESRS E1-5 Energy consumption and mix paragraph 37		Energy consumption and mix (E1-5)
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43		Energy consumption and mix (E1-5)
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44		Gross Scopes 1, 2, 3 and total greenhouse gas emissions (E1-6)
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55		Gross Scopes 1, 2, 3 and total greenhouse gas emissions (E1-6)
ESRS E1-7 GHG removals and carbon credits paragraph 56		Greenhouse gas removals and mitigation projects financed through carbon credits (E1-7)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66		subject to phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		subject to phase-in
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		subject to phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		subject to phase-in
ESRS E1-9 | Degree of exposure of the portfolio to climate- related opportunities paragraph 69		subject to phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	Not material	
ESRS E3-1 Water and marine resources paragraph 9	Not material	
ESRS E3-1 Dedicated policy paragraph 13	Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Not material	
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Not material	
ESRS 2- IRO-1 – E4 paragraph 16 (a) i		Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities (ESRS 2 – IRO-1)
ESRS 2 IRO-1 – E4 paragraph 16 (b)		Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities (ESRS 2 – IRO-1)
ESRS 2 IRO-1 – E4 paragraph 16 (c)		Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities (ESRS 2 – IRO-1)
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	Not material	
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	Not material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Not material	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Not material	
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)		Material impacts, risks and opportunities and their interaction with strategy and business model (S1 - SBM-3)

Disclosure requirement and related datapoint	Materiality	Section
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)		Material impacts, risks and opportunities and their interaction with strategy and business model (S1 - SBM-3)
ESRS S1-1 Human rights policy commitments paragraph 20		Relevant human rights policy commitments related to own workforce (S1-1)
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 paragraph 21		Relevant human rights policy commitments related to own workforce (S1-1)
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22		Relevant human rights policy commitments related to own workforce (S1-1)
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23		Policies related to own workforce (S1-1)
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)		Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)		Health and safety metrics (S1-14)
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)		Health and safety metrics (S1-14)
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)		Remuneration metrics (pay gap and total remuneration) (S1-16)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)		Remuneration metrics (pay gap and total remuneration) (S1-16)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)		Incidents, complaints and severe human rights impacts (S1-17)
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)		Incidents, complaints and severe human rights impacts (S1-17)
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)		Material impacts, risks and opportunities and their interaction with strategy and business model (S2-SBM-3)
ESRS S2-1 Human rights policy commitments paragraph 17		Policies related to value chain workers (S2-1)
ESRS S2-1 Policies related to value chain workers paragraph 18		Policies related to value chain workers (S2-1)
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19		Policies related to value chain workers (S2-1)
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19		Policies related to value chain workers (S2-1)
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36		Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions (S2-4)
ESRS S3-1 Human rights policy commitments paragraph 16		Policies related to affected communities (S3-1)
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17		Policies related to affected communities (S3-1)
ESRS S3-4 Human rights issues and incidents paragraph 36		Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4)
ESRS S4-1 Policies related to consumers and end-users paragraph 16		Policies related to consumers and end-users (S4-1)
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17		Policies related to consumers and end-users (S4-1)
ESRS S4-4 Human rights issues and incidents, paragraph 35		Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)		Business conduct policies and corporate culture (G1-1)
ESRS G1-1 Protection of whistleblowers, paragraph 10 (d)		Business conduct policies and corporate culture (G1-1)
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)		Confirmed incidents of corruption or bribery (G1-4)
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 (b)		Confirmed incidents of corruption or bribery (G1-4)

2. ENVIRONMENTAL INFORMATION

2.1 Disclosure pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation)

Regulatory framework

The European Taxonomy, as defined by Regulation (EU) 852/2020 (EU Taxonomy Regulation) and related Delegated Acts, establishes a classification system of economic activities to be considered environmentally sustainable from a climate and environmental point of view, setting specific technical screening criteria that define the conditions under which a given activity substantially contributes to the achievement of sustainability objectives.
The classification tool is intended to create a common language for companies and investors with the aim of mobilising the flow of capital towards sustainable investments, thus supporting the orientation of public and private strategies towards the achievement of community environmental objectives, namely:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

The EU Taxonomy establishes that economic activities can be considered:

- eligible or non eligible for the Taxonomy, based on the presence or otherwise of the description of such activities within the Delegated Regulations that integrate the Taxonomy Regulation;
- environmentally sustainable, i.e. aligned with the Taxonomy, if they are able to generate a substantial contribution to at least one of the six environmental objectives while also meeting the criteria of “Do Not Significantly Harm” (DNSH) and minimum safeguards as described in Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2023/2485[40].

Article 8 of the EU Taxonomy Regulation introduced, as of 1 January 2022, a disclosure obligation for companies and financial market participants that are subject to the sustainability reporting obligation, as established in the CSRD Directive, indicating how and to what extent the company’s activities are associated with economic activities considered environmentally sustainable. Details of the methodology and indicators to be used for the reporting required under the Taxonomy Regulation are set out in Delegated Regulation (EU) 2021/2178.
Starting in financial year 2023, credit institutions have used the information made available by counterparties to publish EU Taxonomy alignment disclosure as regards the first two objectives covered by the legislation, i.e. climate change mitigation and climate change adaptation. Based on the information made available by their non-financial counterparties, credit institutions are also required to report, in relation to financial year 2024, on the four additional objectives set out in the legislation: sustainable use and protection of water and marine resources (WTR), transition to a circular economy (CE), pollution prevention and control (PPC), and protection and restoration of biodiversity and ecosystems (BIO).

Article 4 of Delegated Regulation (EU) 2021/2178 establishes that credit institutions must report on the basis of what is specified in Annex V and that the information must be presented in tabular format using the templates referred to in Annex VI of the aforementioned Regulation.

40 This Regulation introduces the criteria for the remaining four environmental objectives (sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems) in addition to the first two objectives (climate change mitigation and climate change adaptation) whose criteria have been defined through the Delegated Regulation (EU) 2021/2139.

The Key Performance Indicators (KPIs) which the legislation requires to be published are:

- the Green Asset Ratio (GAR): this is the ratio between the entity's assets that finance economic activities aligned with the Taxonomy or that are invested in such activities and the total assets covered[41];
- KPIs for off-balance sheet exposures[42]: this is the share of economic activities aligned with the Taxonomy in relation to off-balance sheet exposures that institutions manage and which direct or contribute to directing towards environmentally sustainable economic activities. The information relating to off-balance sheet exposures is divided based on:
  - financial guarantees to support loans and advances and other debt instruments towards businesses (Financial Guarantee KPI - FinGuar KPI);
  - financial assets managed (Asset Under Management KPI – AuM KPI).

As provided for in Annex V of Delegated Regulation 2021/2178, the BPER Group has carried out an analysis of its assets based on the conservative consolidation scope, in line with the relevant legislation[43], considering:

- for the purposes of calculating the GAR and the KPI for off-balance sheet exposures relating to financial guarantees: the total gross carrying amount of the assets on the balance sheet as of 31 December 2024;
- for the purposes of calculating the KPI for off-balance sheet exposures referring to the Asset under Management: management data referring to the assets subject to collective and individual management by the BPER Legal Entities as of 31 December 2024.

Main outcome

With reference to the 2024 financial year, the legislation requires credit institutions to represent the fundamental performance indicators in tabular format, using the templates set out in Annex VI of Delegated Regulation (EU) 2021/2178, namely:

- Template 0: Summary of the KPIs reported by financial undertakings pursuant to article 8 of the Taxonomy Regulation;
- Template 1 Assets for the calculation of GAR: containing evidence of the equivalent values in Euro of total, eligible and aligned on-balance sheet exposures as at 31 December 2024, together with exposures as at 31 December 2023 (already reported with reference to 2023);
- Template 2 GAR sector information: containing evidence of exposures (overall and aligned) towards non-financial undertakings subject to CSRD based on the prevailing NACE code thereof;
- Template 3 GAR KPI stock: containing evidence of the values relating to the GAR regarding the stock of eligible and aligned on-balance sheet exposures, calculated starting from the information referred to in Template 1. Template 3, like Template 1, presents data for the financial year 2023 as well as for the financial year 2024;
- Template 4 GAR KPI flow: containing evidence of the values relating to the GAR on the flow of on-balance sheet exposures which are eligible and aligned with the Taxonomy;
- Template 5 KPI off-balance sheet exposures: containing evidence of Taxonomy-eligible and Taxonomy-aligned values for the FinGuar KPI and the AuM KPI calculated in terms of stock and flow of off-balance sheet exposures[44].

The tabular templates provided for reporting by credit institutions can be found in the section "Disclosure pursuant to Annex VI of Delegated Regulation 2021/2178".

The relevant legislation also requires financial undertakings to provide information regarding their possible exposures towards certain specific sectors of economic activity linked to nuclear energy and fossil gases, in compliance with Delegated Regulation (EU) 2022/1214 of 9 March 2022, which amends Delegated Regulation (EU) 2021/2139 regarding economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 regarding public information specific to such economic activities. The information is reported in the section "Information pursuant to Annex XII of the Delegated Regulation 2021/2178".

Each disclosure template, in Annex VI and XII as described above, is published in two versions: using CapEx, and then Turnover, as weighting factors for eligible and aligned exposures to financial and non-financial undertakings.

41 As required by the relevant legislation, the value of the Group's covered assets is used as the GAR denominator, calculated starting from the total assets on the Group's balance sheet net of exposures to central governments, central banks and supranational issuers as well as exposures attributable to the trading book.

42 As of 1 January 2026, credit institutions will be required to report two additional indicators related to off-balance sheet exposures: the Fees and Commissions KPI and the GAR for the trading portfolio.

43 In accordance with Title II, Chapter 2, Section 2 of Regulation (EU) 575/2013.

44 With reference to the Assets Under Management flow data, it should be noted that for the year 2023 the BPER Group had not reported this information due to the interpretative doubts that emerged when compiling the information; this figure was instead calculated for the year 2024. Specifically, the value of Asset Under Management flows for the year 2024 was identified as the sum of the gross values of the assets managed by the Group during the year.

Below are the main results for the BPER Group's share of taxonomy-aligned business exposures in terms of stock and flow as at 31 December 2024[45]:

Template 0. Summary of KPIs

		Total environmentally sustainable assets (in Euro million)		Turnover-based KPIs	Capex-based KPIs	% coverage (over total assets)[2]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)[3]	% of assets excluded from the numerator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)[4]
		Turnover	Capex					
Main KPI	Green asset ratio (GAR) stock	3,233.60	3,455.57	2.82%	3.01%	80.50%	49.08%	19.50%

		Total environmentally sustainable assets (in Euro million)		Turnover-based KPIs	Capex-based KPIs	% coverage (over total assets)[2]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)[5]	% of assets excluded from the numerator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)[4]
		Turnover	Capex					
Additional KPIs	GAR (flow)	1,188.32	1,253.42	1.04%	1.09%	80.50%	76.05%	19.50%
	Trading book[1]							
	Financial guarantees	2.15	25.20	0.27%	3.14 %			
	Assets under management	1,313.62	2,122.75	3.55%	5.74%			
	Fees and commissions income[1]							

Template 0 "Summary of KPIs" provided for in Annex VI to the Delegated Regulation (EU) 2021/2178, is composed of a single column relating to the "Total environmentally sustainable assets": the Group has decided to report separately, in the same column, the value in millions of Euro referring to environmentally sustainable assets based on Turnover and based on Capex, in order to provide the information used for the purposes of calculating KPIs. The KPIs reported, as specified in the detailed Template, were calculated using the Turnover and Capex shares published by them as weighting factors for exposures to companies.

1 The additional KPIs relating to the trading book and Fees and commissions income will be published, in accordance with the provisions of the law, starting from 2026.

2 The data, both with reference to the stock GAR and flow GAR, is calculated as the ratio between the Total covered assets (see Template 1, Row 48 "Total GAR assets") and the Total assets on the balance sheet (see Template 1, Row 53 "Total assets").

3 The data is calculated as the ratio between the assets excluded from the numerator of the GAR (see Template 1, Row 32 "Assets excluded from the numerator for GAR calculation (covered in the denominator)" and the Total assets on the balance sheet (see Template 1, Row 53 "Total assets").

4 The data, both with reference to the stock GAR and flow GAR, is calculated as the ratio between the assets excluded from the denominator of the GAR (see Template 1, Row 49 "Assets not covered for GAR calculation") and the Total of the assets on the balance sheet (see Template 1, Row 53 "Total assets").

5 The data is calculated as the ratio between the assets excluded from the numerator of the flow GAR (calculated starting from the total of the Total Assets covered and excluding the total gross carrying amount of the exposures that contribute to the calculation of the numerator of the flow GAR) and the Total of assets on the balance sheet (see Template 1, Row 53 "Total assets").

The Green Asset Ratio (GAR) in terms of stock for the 2024 financial year corresponds:

- to 2.82% (about 3,234 million) considering the respective Turnover KPIs as the weighting factor for exposures to companies subject to CSRD;
- to 3.01% (about 3,456 million) considering the respective CapEx KPIs as the weighting factor for exposures to companies subject to CSRD.

The GAR increased compared to the previous reporting of FY 2023 and 30 June 2024 (reported in the BPER Group's Pillar 3 disclosures and equal to 1.86% based on the counterparty undertakings' Turnover KPIs) due to several factors, summarised below:

- reduction in the value of covered assets (denominator of the KPI) due to the combined effect of the lesser total value of the BPER Group's balance sheet assets and the increase in the value of assets not included in the GAR calculation, mainly exposures to central governments and supranational issuers;
- increase in the value of exposures in the numerator of the KPI, including:
  - debt and equity instruments to financial undertakings subject to CSRD, the alignment data of which are included in the numerator of the KPI as of this reporting;
  - exposures to non-financial undertakings subject to CSRD, for which taxonomic KPIs related to the additional four environmental objectives are available as of this reporting;
  - loans collateralised by Taxonomy-aligned residential immovable property to households, on which the BPER Group carried out specific commercial activities during the last half of 2024, as well as streamlining its Taxonomy-alignment detection process, directly from the appraisal of the property as collateral.

45 As required by Template 0, Annex V, Delegated Regulation (EU) 2021/2178.

However, with reference to off-balance sheet assets, the KPIs in terms of stock for FY 2024 are:

- for the KPI relating to assets under management (AuM KPI):
  - 3.55% (about 1,314 million) considering the respective Turnover KPIs as the weighting factor for exposures to companies subject to CSRD;
  - 5.74% (about 2,123 million) considering the respective CapEx KPIs as the weighting factor for exposures to companies subject to CSRD.
- for the KPI relating to Financial Guarantees (FinGuar KPI):
  - 0.27% (about 2.2 million) considering the respective Turnover KPIs as the weighting factor for exposures to companies subject to CSRD;
  - 3.14% (about 25.2 million) considering the respective CapEx KPIs as the weighting factor for exposures to companies subject to CSRD.

The KPIs on off-balance sheet assets also increased, which is related to the reasons explained with reference to the Green Asset Ratio. In addition, the exclusion of exposures to central governments, central banks and supranational issuers from the denominator, as required by regulations (Article 7 of Delegated Regulation (EU) 2021/2178), also contributes to the increase in the KPI on financial assets under management (AuM KPI).

Description of the strategy and business activities related to the Green Asset Ratio

The reference regulation also requires credit institutions to provide, as part of the accompanying information supporting quantitative KPIs, a description of compliance with the Taxonomy Regulation in relation to the company's business strategy, product design processes and engagement with clients and counterparties[46].
In order to ensure that its business strategy and processes are consistent with the provisions of the EU Taxonomy, the BPER Group has undertaken a series of actions to support its customers in aligning with the sustainability criteria identified by the EU. In particular, the following deserve special mention:

- initiatives to simplify the financing processes for green buildings:
  - appraisals of residential real estate securing loan transactions are conducted according to a "Taxonomy" process, which allows the Bank to acquire the elements necessary to identify with certainty whether the real estate, depending on its purpose, meets the alignment requirements of the EU Taxonomy;
  - within the Bank's catalogue, a specific financing product called "Immobiliare Green Corporate" was introduced for companies operating in the real estate sector with characteristics aligned with the European Taxonomy;
- the implementation of a specific Taxonomy Alignment Tool (TAT), dedicated to assessing in detail the requirements of the EU Taxonomy of credit exposures.

The BPER Banca Group's commitment to ensuring consistency between its strategy and the objectives set out in the Taxonomy Regulation is also formalised in the targets of the Group's 2024 - 2027 Business Plan "B:Dynamic|Full Value 2027", under which the Bank has committed to new ESG loan disbursements of over Euro 7 billion, part of which will come from products eligible for and/or aligned with the objectives set out in the EU Taxonomy.

Scope of the activities analysed and information on data sources

In order to prepare the disclosure in accordance with the EU Taxonomy, the BPER Group used precise data from the Group's accounting and management systems. Precise information on the eligibility and alignment portions of companies required to publish Sustainability Reporting, as declared by the counterparties themselves in the context of their own Reporting for the year 2023, was obtained through primary market info providers used by the Group.

With particular reference to exposures to companies with no known purpose (so called General Purpose), the values of the exposures included in the numerator of the key performance indicators were calculated as follows:

- for exposures to non-financial undertakings: the exposures were weighted by the eligible and aligned Turnover and capital expenditure (CapEx) ratios declared by the counterparties with reference to climate change mitigation (CCM), climate change adaptation (CCA), sustainable use and protection of water and marine resources (WTR), transition to a circular economy (CE), pollution prevention and control (PPC) and protection and restoration of biodiversity and ecosystems (BIO), respectively;
- for exposures to financial undertakings: the exposures were weighted, respectively, by the portions of turnover and the portions of capital expenditure (CapEx) eligible and aligned declared by the counterparties with reference to the objectives of climate change mitigation (CCM) and climate change adaptation (CCA)[47].

46 See Delegated Regulation (EU) 2021/2178, Annex XI, sub-point 3. Additional information required under Annex XI (e.g. contextual information in support of the quantitative indicators, information on data sources) is provided within the chapter with reference to the specific asset classes/types analysed.

47 For financial undertakings, the eligibility and alignment related to the further four environmental objectives will be available from subsequent reporting, in line with regulatory requirements.

Exposures to undertakings that are not obliged to publish non-financial information have been identified as the sum of exposures to counterparties which, based on what is indicated by the relevant info-provider, have not published Sustainability Reporting for FY 2023 or do not fall within financial/non-financial conglomerates subject to reporting obligations.
With reference to the additional exposures that contribute to the calculation of the Taxonomic KPIs of the BPER Group, the detail regarding the methodology adopted by the Group for verifying eligibility/alignment is reported below.

Loans to household customers aimed at the purchase of residential properties

This category of exposures includes loans collateralised by residential immovable property, aimed at the purchase and/or renovation of residential immovable properties.

The BPER Group has considered such financing eligible under the EU Taxonomy for the purposes of the climate change mitigation objective; furthermore, the Bank has obtained the timely information necessary through the reference info-provider to verify the taxonomic alignment of the properties, in particular:

- for the criteria of substantial contribution to the Climate change mitigation objective[48]: only the properties were identified whose energy performance is in line with the provisions of the reference legislation, also taking into account the square footage and the year of construction. Starting in 2023, the BPER Group equipped itself with a proprietary tool for reading the energy performance certificates (EPC) of financed properties, at the same time integrating the mortgage disbursement process and allowing an evaluation of the technical screening criteria based on timely data, by virtue of the energy performance thresholds, divided by climate band, as defined by the Italian Thermotechnical Committee (Comitato Termotecnico Italiano - CTI);
- to verify the Do Not Significantly Harm criterion, i.e., to verify not causing any significant harm with respect to the climate change adaptation objective, the Bank assesses the real estate as collateral for the loans granted by means of a synthetic physical risk score that evaluates the climate risks (chronic and acute) as stipulated by the regulations[49].

Building renovation loans

Building renovation loans were considered fully eligible for the EU Taxonomy's climate change mitigation objective[50].
The Bank does not have sufficient information with reference to these exposures to carry out the alignment assessment as required by the relevant legislation: also in view of the next reporting exercises, the opportunity of finding the data useful for the verification of taxonomic assessment will also be assessed with reference to these exposures.

Motor vehicle loans

Loans intended for the purchase of motor vehicles by BPER Group retail customers were considered entirely eligible for the purposes of the climate change mitigation objective provided for by the EU Taxonomy[51].
The Bank does not have sufficient information with reference to these exposures to carry out the alignment assessment as required by the relevant legislation: also in view of the next reporting exercises, the opportunity of finding the data useful for the verification of taxonomic assessment will also be assessed with reference to these exposures.

48 See the provisions of Delegated Regulation (EU) 2021/2139, Annex I, Activity 7.1 "Construction of new buildings" and 7.7 "Acquisition and ownership of buildings".

49 See Delegated Regulation (EU) 2021/2139, Annex I, Appendix A. The score described is used for the first time with reference to the financial year 2024. The reporting for the financial year 2023 envisaged the use of a physical risk score, which was also used as part of the risk assessment processes within the scope of the disclosures provided pursuant to Pillar 3.

50 See the provisions of Delegated Regulation (EU) 2021/2139, Annex I, Activity 7.2: "Renovation of existing buildings".

51 See the provisions of Delegated Regulation (EU) 2021/2139, Annex I, Activity 6.5: "Transport by motorbikes, passenger cars and light commercial vehicles".

2.1.1 Disclosure pursuant to Annex VI of Delegated Regulation 2021/2178

Below is the information, prepared on the basis of the Template referred to in Annex VI of Delegated Regulation 2021/2178, referring to the shares of on-balance sheet and off-balance sheet assets aligned with the Taxonomy.
For all the disclosure Templates below, the values (in millions of Euro and as a percentage) referring to the 2024 reporting year and, exclusively for Template 1 "Assets for the calculation of GAR" and Template 3 "GAR KPI stock", also the information referring to the 2023 reporting year[52], in accordance with the templates in Annex VI of Delegated Regulation (EU) 2021/2178, are shown.

The notes at the bottom of the Templates calculated by weighting relative to the CapEx KPIs are also valid for the respective Templates calculated by weighting relative to the Turnover KPIs. Within the disclosure Templates, the row and column headings for companies subject to the NFRD[53] (Non-Financial Reporting Directive), as amended by the CSRD, have been left in order to maintain consistency with the provisions of Annex VI of Delegated Regulation (EU) 2021/2178.
Due to rounding off, the sum of some separate itemised amounts may differ from their respective aggregate amounts.

52 The disclosure Templates of the previous year also exclusively report the columns referring to the objectives of climate change mitigation - CCM and climate change adaptation - CCA (in addition to the Total column), as these are the only objectives for which counterparty undertakings are required to report their share of environmentally sustainable assets with reference to the financial year 2023.

53 European Union Directive (2014/95/EU) establishing non-financial reporting requirements for certain large companies.

Template 1. Assets for the calculation of GAR [CapEx - FY 2024]

	In millions of Euro	a	b	c	d	e	f	g	h	i	j
		31.12.2024									
		(Gross) carrying amount total	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy-relevant sectors (Taxonomy-eligible)					Of which towards taxonomy-relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**44,756.41**	**37,734.36**	**3,285.99**	**2,293.57**	**34.15**	**537.85**	**80.82**	**42.85**	**-**	**24.27**
2	**Financial undertakings**	**6,632.77**	**1,689.46**	**289.13**	**-**	**18.24**	**120.45**	**13.69**	**4.31**	**-**	**0.19**
3	Credit institutions	5,546.60	1,467.41	175.07	-	14.01	49.17	6.18	2.65	-	0.15
4	Loans and advances	402.30	116.19	6.83	-	0.39	1.05	0.06	0.02	-	0.00
5	Debt securities, including UoP	5,139.52	1,351.08	168.21	-	13.61	48.11	6.12	2.64	-	0.15
6	Equity instruments	4.78	0.13	0.02		0.01	0.00	0.00	0.00		-
7	Other financial corporations [1]	1,086.17	222.06	114.06	-	4.23	71.29	7.51	1.66	-	0.04
8	of which investment firms	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-
12	of which management companies	88.32	19.41	7.14	-	0.64	2.42	1.34	0.63	-	0.04
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments [2]	88.32	19.41	7.14		0.64	2.42	1.34	0.63		0.04
16	of which insurance undertakings	15.89	7.95	0.49	-	0.00	0.05	0.00	0.00	-	-
17	Loans and advances	2.68	0.64	0.09	-	0.00	0.02	0.00	0.00	-	-
18	Debt securities, including UoP	13.20	7.32	0.40	-	0.00	0.03	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-
20	**Non-financial undertakings**	**2,837.92**	**936.10**	**703.28**	**-**	**15.91**	**417.39**	**67.13**	**38.54**	**-**	**24.08**
21	Loans and advances	2,203.76	670.64	516.69	-	9.41	316.15	11.21	0.59	-	0.00
22	Debt securities, including UoP	631.52	264.28	185.55	-	6.50	100.65	55.46	37.76	-	24.08
23	Equity instruments	2.65	1.19	1.05		-	0.60	0.46	0.18		0.00
24	**Households [3]**	**35,108.80**	**35,108.80**	**2,293.57**	**2,293.57**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property [4]	33,706.63	33,706.63	2,293.57	2,293.57	-	-	-	-	-	-
26	of which building renovation loans	1,386.94	1,386.94	-	-	-	-	-	-	-	-
27	of which motor vehicle loans [5]	15.23	15.23	-	-	-	-				
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**176.92**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**69,914.91**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	Financial and non-financial undertakings [6]	39,599.13									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	37,609.99									
35	Loans and advances	37,429.13									
36	of which loans collateralised by commercial immovable property	5,841.71									
37	of which building renovation loans	455.98									
38	Debt securities	65.17									
39	Equity instruments	115.69									
40	Non-Eu country counterparties not subject to NFRD disclosure obligations	1,989.14									
41	Loans and advances	567.81									
42	Debt securities	1,386.34									
43	Equity instruments	34.99									
44	Derivatives	649.44									
45	On-demand interbank loans	408.80									
46	Cash and cash-related assets	824.91									
47	Other categories of assets (e.g. goodwill, commodities, etc.)	28,432.63									
48	**Total GAR assets**	**114,671.32**	**37,734.36**	**3,285.99**	**2,293.57**	**34.15**	**537.85**	**80.82**	**42.85**	**-**	**24.27**
49	**Assets not covered for GAR calculation**	**27,786.17**									
50	Central governments and Supranational issuers	19,209.51									
51	Central banks exposure	7,912.04									
52	Trading book	664.63									
53	**Total assets**	**142,457.50**									
	OFF-BALANCE SHEET EXPOSURES - Undertakings subject to NFRD disclosure obligations										
54	**Financial guarantees**	**170.43**	**25.20**	**25.20**	**-**	**9.36**	**1.56**	**-**	**-**	**-**	**-**
55	**Assets under management [7]**	**14,113.53**	**4,659.46**	**1,975.52**	**-**	**717.28**	**292.28**	**224.12**	**91.74**	**-**	**31.32**
56	Of which debt securities	9,085.50	3,284.53	1,365.18	-	525.41	147.52	148.29	62.84	-	18.20
57	Of which equity instruments	2,472.35	709.73	339.14	-	172.45	31.15	48.29	17.73	-	9.73

	In millions of Euro	k	l	m	n	o	p	q	r	s	t	u	v
		31.12.2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**53.01**	**47.93**	**-**	**19.89**	**98.05**	**27.57**	**-**	**19.87**	**38.93**	**30.64**	**-**	**20.85**
2	**Financial undertakings**	**0.39**	**-**	**-**	**-**	**45.91**	**0.02**	**-**	**-**	**0.15**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	0.02	0.02	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	0.02	0.02	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-	-	-		-
7	Other financial corporations [1]	0.39	-	-	-	45.89	-	-	-	0.15	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-		-
12	of which management companies	0.39	-	-	-	0.56	-	-	-	0.15	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments [2]	0.39	-		-	0.56	-		-	0.15	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-		-
20	**Non-financial undertakings**	**52.62**	**47.93**	**-**	**19.89**	**52.14**	**27.55**	**-**	**19.87**	**38.78**	**30.64**	**-**	**20.85**
21	Loans and advances	25.86	24.49	-	-	14.66	0.90	-	-	9.07	2.76	-	-
22	Debt securities, including UoP	26.77	23.44	-	19.89	37.46	26.65	-	19.87	29.71	27.87	-	20.85
23	Equity instruments	-	-		-	0.03	-		-	-	-		-
24	**Households** [3]					**-**	**-**	**-**	**-**				
25	of which loans collateralised by residential immovable property [4]					-	-	-	-				
26	of which building renovation loans					-	-	-	-				
27	of which motor vehicle loans [5]												
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	Financial and non-financial undertakings [6]												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations												
35	Loans and advances												
36	of which loans collateralised by commercial immovable property												
37	of which building renovation loans												
38	Debt securities												
39	Equity instruments												
40	Non-Eu country counterparties not subject to NFRD disclosure obligations												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	Derivatives												
45	On-demand interbank loans												
46	Cash and cash-related assets												
47	Other categories of assets (e.g. goodwill, commodities, etc.)												
48	**Total GAR assets**	**53.01**	**47.93**	**-**	**19.89**	**98.05**	**27.57**	**-**	**19.87**	**38.93**	**30.64**	**-**	**20.85**
49	**Assets not covered for GAR calculation**												
50	Central governments and Supranational issuers												
51	Central banks exposure												
52	Trading book												
53	**Total assets**												
	OFF-BALANCE SHEET EXPOSURES - Undertakings subject to NFRD disclosure obligations												
54	**Financial guarantees**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
55	**Assets under management** [7]	**81.68**	**50.15**	**-**	**0.05**	**204.22**	**1.63**	**-**	**0.42**	**92.93**	**3.71**	**-**	**1.65**
56	Of which debt securities	68.46	44.39	-	0.05	73.54	0.81	-	0.12	33.86	3.10	-	1.22
57	Of which equity instruments	7.55	5.76	-	0.00	98.54	0.82	-	0.31	30.09	0.61	-	0.44

	In millions of Euro	w	x	y	z	aa	ab	ac	ad	ae
		31.12.2024								
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**20.85**	**20.61**	**-**	**19.87**	**38,026.03**	**3,455.57**	**2,293.57**	**34.15**	**642.59**
2	**Financial undertakings**	**0.08**	**-**	**-**	**-**	**1,749.69**	**293.46**	**-**	**18.24**	**120.64**
3	Credit institutions	-	-	-	-	1,473.61	177.74	-	14.01	49.32
4	Loans and advances	-	-	-	-	116.25	6.85	-	0.39	1.05
5	Debt securities, including UoP	-	-	-	-	1,357.23	170.87	-	13.61	48.26
6	Equity instruments	-	-		-	0.13	0.02		0.01	0.00
7	Other financial corporations [1]	0.08	-	-	-	276.08	115.72	-	4.23	71.33
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-
12	of which management companies	0.01	-	-	-	21.86	7.77	-	0.64	2.46
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments [2]	0.01	-		-	21.86	7.77		0.64	2.46
16	of which insurance undertakings	-	-	-	-	7.96	0.49	-	0.00	0.05
17	Loans and advances	-	-	-	-	0.64	0.09	-	0.00	0.02
18	Debt securities, including UoP	-	-	-	-	7.32	0.40	-	0.00	0.03
19	Equity instruments	-	-		-	-	-		-	-
20	**Non-financial undertakings**	**20.77**	**20.61**	**-**	**19.87**	**1,167.54**	**868.54**	**-**	**15.91**	**521.95**
21	Loans and advances	0.14	-	-	-	731.57	545.44	-	9.41	316.15
22	Debt securities, including UoP	20.63	20.61	-	19.87	434.30	321.87	-	6.50	205.20
23	Equity instruments	-	-		-	1.67	1.23		-	0.60
24	**Households [3]**					**35,108.66**	**2,293.57**	**2,293.57**	**-**	**-**
25	of which loans collateralised by residential immovable property [4]					33,706.49	2,293.57	2,293.57	-	-
26	of which building renovation loans					1,386.94	-	-	-	-
27	of which motor vehicle loans [5]					15.23	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	Financial and non-financial undertakings [6]									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations									
35	Loans and advances									
36	of which loans collateralised by commercial immovable property									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-Eu country counterparties not subject to NFRD disclosure obligations									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	Derivatives									
45	On-demand interbank loans									
46	Cash and cash-related assets									
47	Other categories of assets (e.g. goodwill, commodities, etc.)									
48	**Total GAR assets**	**20.85**	**20.61**	**-**	**19.87**	**38,026.03**	**3,455.57**	**2,293.57**	**34.15**	**642.59**
49	**Assets not covered for GAR calculation**									
50	Central governments and Supranational issuers									
51	Central banks exposure									
52	Trading book									
53	**Total assets**									
	OFF-BALANCE SHEET EXPOSURES - Undertakings subject to NFRD disclosure obligations									
54	**Financial guarantees**	**-**	**-**	**-**	**-**	**25.20**	**25.20**	**-**	**9.36**	**1.56**
55	**Assets under management [7]**	**2.10**	**-**	**-**	**-**	**5,264.49**	**2,122.75**	**-**	**717.28**	**325.73**
56	Of which debt securities	1.39	-	-	-	3,610.08	1,476.32	-	525.41	167.10
57	Of which equity instruments	0.05	-	-	-	894.25	364.05	-	172.45	41.62

1 The total of the total gross carrying amount and the eligibility/alignment shares reported exceed the sum of the exposures reported in the row: 8 “of which investment firms”, 12 “of which management companies” and 16 “of which insurance undertakings” due to the fact that certain exposures to companies subject to CSRD disclosure obligations were identified that are not attributable to the types of companies indicated above, despite falling within the category of financial undertakings.

2 The line also shows the total gross carrying amount and the eligibility/alignment shares referring to exposures to mutual investment funds, for which it was not possible to find the list of underlying assets, which are limited only to investments in companies subject to CSRD disclosure obligations.

3 The total carrying amount value and the eligibility/alignment shares exclusively report the value of exposures to households referring to the categories reported below: Row 25 “of which loans collateralised by residential immovable property”, Row 26 “of which buildings renovation loans”, and Row 27 “of which are motor vehicle loans”. Among the exposures included in the denominator for the calculation of the GAR, the total of the remaining exposures to households not attributable to these categories is instead included in Row 47 “Other categories of assets (e.g. Goodwill, commodities etc.)”.

4 The values reported within the row also include exposures associated with the renovation of residential properties for which there is a property as collateral. These exposures are therefore not reported in Row 26 “of which building renovation loans”. Loans collateralised by residential immovable property to households eligible for the Taxonomy were identified starting from the balance sheet exposures referring to these types of loans, only considering the portion of loans attributable to the activities referred to in the Delegated Regulation (EU) 2021/2139, annex I, points 7.1 “Construction of new buildings” and 7.7 “Acquisition and ownership of buildings”.

5 The line reports the gross carrying amount of the stock of motor vehicle loans as of 31 December 2024 (disbursed before and after the date of application for the reporting obligations under the Taxonomy). The alignment data is equal to 0.

6 The line reports only exposures to SMEs and non-financial corporations (other than SMEs) of the EU not subject to the CSRD disclosure obligations and to financial and non-financial corporations in third countries not subject to the NFRD disclosure obligations. Among the exposures included in the denominator for the calculation of the GAR, exposures to EU financial undertakings not subject to CSRD Disclosure obligations are included in Row 47 “Other categories of assets (e.g. Goodwill, commodities etc.)”.

7 The row reports the sum of assets invested in debt securities and equity instruments issued by companies subject to CSRD disclosure obligations (i.e. sum of the subsequent Rows 56 “Of which debt securities” and 57 “Of which equity instruments”) and exposures to mutual investment funds, for which it was not possible to find the precise list of underlying assets, which are limited only to investments in companies subject to CSRD disclosure obligations.

Template 1. Assets for the calculation of GAR [CapEx - FY 2023]

	In millions of Euro	a	b	c	d	e	f	g	h	i	j
		31.12.2023									
		(Gross) carrying amount total	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy-relevant sectors (Taxonomy-eligible)					Of which towards taxonomy-relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**41,189.52**	**34,689.07**	**1,948.51**	**-**	**3.62**	**289.43**	**41.36**	**3.19**	**-**	**0.17**
2	**Financial undertakings**	**5,275.42**	**616.56**	**1.59**	**-**	**-**	**-**	**38.17**	**-**	**-**	**-**
3	Credit institutions	4,747.16	613.82	-	-	-	-	-	-	-	-
4	Loans and advances	518.69	96.41	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	4,224.65	517.41	-	-	-	-	-	-	-	-
6	Equity instruments	3.82	-	-		-	-	-	-		-
7	Other financial corporations [1]	528.27	2.74	1.59	-	-	-	38.17	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-
12	of which management companies	32.67	2.74	1.59	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	18.56	-	-	-	-	-	-	-	-	-
15	Equity instruments [2]	14.11	2.74	1.59		-	-	-	-		-
16	of which insurance undertakings	132.20	-	-	-	-	-	38.17	-	-	-
17	Loans and advances	4.86	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	127.34	-	-	-	-	-	38.17	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-
20	**Non-financial undertakings**	**3,018.23**	**1,388.24**	**573.25**	**-**	**3.62**	**289.43**	**3.19**	**3.19**	**-**	**0.17**
21	Loans and advances	2,259.49	954.71	413.57	-	2.33	239.19	1.33	1.33	-	0.03
22	Debt securities, including UoP	756.53	432.03	158.58	-	1.28	50.24	1.80	1.80	-	0.13
23	Equity instruments	2.21	1.51	1.10		-	-	0.06	0.06		-
24	**Households [3]**	**32,684.26**	**32,684.26**	**1,373.67**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property [4]	31,315.90	31,315.90	1,373.67	-	-	-	-	-	-	-
26	of which building renovation loans	1,353.00	1,353.00	-	-	-	-	-	-	-	-
27	of which motor vehicle loans [5]	15.35	15.35	-	-	-	-				
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**211.61**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**76,451.55**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	Financial and Non-financial undertakings [6]	39,576.71									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	38,616.93									
35	Loans and advances	38,448.28									
36	of which loans collateralised by commercial immovable property	-									
37	of which building renovation loans	-									
38	Debt securities	102.90									
39	Equity instruments	65.75									
40	Non-Eu country counterparties not subject to NFRD disclosure obligations	959.78									
41	Loans and advances	503.30									
42	Debt securities	453.07									
43	Equity instruments	3.40									
44	Derivatives	1,122.57									
45	On-demand interbank loans	1,121.54									
46	Cash and cash-related assets	808.41									
47	Other categories of assets (e.g. goodwill, commodities, etc.)	33,822.33									
48	**Total GAR assets**	**117,641.08**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
49	**Assets not covered for GAR calculation**	**26,347.82**									
50	Central governments and Supranational issuers	16,237.45									
51	Central banks exposure	9,437.77									
52	Trading book	672.60									
53	**Total assets**	**143,988.90**									
	OFF-BALANCE SHEET EXPOSURES - Undertakings subject to NFRD disclosure obligations										
54	**Financial guarantees**	**216.42**	**41.83**	**24.23**	**-**	**-**	**-**	**0.00**	**0.00**	**-**	**-**
55	**Assets under management [7]**	**11,644.96**	**3,968.89**	**1,582.69**	**-**	**39.90**	**448.93**	**100.09**	**40.83**	**-**	**2.84**
56	Of which debt securities	8,046.09	2,812.73	1,149.22	-	23.65	296.68	32.17	8.49	-	2.82
57	Of which equity instruments	3,538.09	1,138.97	424.00	-	16.26	152.26	67.92	32.34	-	0.01

	In millions of Euro	k	l	m	n	o	p	q	r	s	t	u	v
		31.12.2023											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**												
2	**Financial undertakings**												
3	Credit institutions												
4	Loans and advances												
5	Debt securities, including UoP												
6	Equity instruments												
7	Other financial corporations [1]												
8	of which investment firms												
9	Loans and advances												
10	Debt securities, including UoP												
11	Equity instruments												
12	of which management companies												
13	Loans and advances												
14	Debt securities, including UoP												
15	Equity instruments [2]												
16	of which insurance undertakings												
17	Loans and advances												
18	Debt securities, including UoP												
19	Equity instruments												
20	**Non-financial corporations**												
21	Loans and advances												
22	Debt securities, including UoP												
23	Equity instruments												
24	**Households** [3]												
25	of which loans collateralised by residential immovable property [4]												
26	of which building renovation loans												
27	of which motor vehicle loans [5]												
28	**Local governments financing**												
29	Housing financing												
30	Other local government financing												
31	**Collateral obtained by taking possession: residential and commercial immovable properties**												
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**												
33	Financial and non-financial undertakings [6]												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations												
35	Loans and advances												
36	of which loans collateralised by commercial immovable property												
37	of which building renovation loans												
38	Debt securities												
39	Equity instruments												
40	Non-Eu country counterparties not subject to NFRD disclosure obligations												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	Derivatives												
45	On-demand interbank loans												
46	Cash and cash-related assets												
47	Other categories of assets (e.g. goodwill, commodities, etc.)												
48	**Total GAR assets**												
49	**Assets not covered for GAR calculation**												
50	Central governments and Supranational issuers												
51	Central banks exposure												
52	Trading book												
53	**Total assets**												
	OFF-BALANCE SHEET EXPOSURES - Undertakings subject to NFRD disclosure obligations												
54	**Financial guarantees**												
55	**Assets under management** [7]												
56	Of which debt securities												
57	Of which equity instruments												

	In millions of Euro	w	x	y	z	aa	ab	ac	ad	ae
		31.12.2023								
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**					**34,730.42**	**1,951.69**	**-**	**3.62**	**289.60**
2	**Financial undertakings**					**654.73**	**1.59**	**-**	**-**	**-**
3	Credit institutions					613.82	-	-	-	-
4	Loans and advances					96.41	-	-	-	-
5	Debt securities, including UoP					517.41	-	-	-	-
6	Equity instruments					-	-		-	-
7	Other financial corporations [1]					40.91	1.59	-	-	-
8	of which investment firms					-	-	-	-	-
9	Loans and advances					-	-	-	-	-
10	Debt securities, including UoP					-	-	-	-	-
11	Equity instruments					-	-		-	-
12	of which management companies					2.74	1.59	-	-	-
13	Loans and advances					-	-	-	-	-
14	Debt securities, including UoP					-	-	-	-	-
15	Equity instruments [2]					2.74	1.59		-	-
16	of which insurance undertakings					38.17	-	-	-	-
17	Loans and advances					-	-	-	-	-
18	Debt securities, including UoP					38.17	-	-	-	-
19	Equity instruments					-	-		-	-
20	**Non-financial undertakings**					**1,391.43**	**576.43**	**-**	**3.62**	**289.60**
21	Loans and advances					956.03	414.90	-	2.33	239.22
22	Debt securities, including UoP					433.83	160.38	-	1.28	50.38
23	Equity instruments					1.56	1.16		-	-
24	**Households [3]**					**32,684.26**	**1,373.67**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property [4]					31,315.90	1,373.67	-	-	-
26	of which building renovation loans					1,353.00	-	-	-	-
27	of which motor vehicle loans [5]					15.35	-	-	-	-
28	**Local governments financing**					**-**	**-**	**-**	**-**	**-**
29	Housing financing					-	-	-	-	-
30	Other local government financing					-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**					**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**					**-**	**-**	**-**	**-**	**-**
33	Financial and non-financial undertakings [6]									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations									
35	Loans and advances									
36	of which loans collateralised by commercial immovable property									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-Eu country counterparties not subject to NFRD disclosure obligations									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	Derivatives									
45	On-demand interbank loans									
46	Cash and cash-related assets									
47	Other categories of assets (e.g. goodwill, commodities, etc.)									
48	**Total GAR assets**									
49	**Assets not covered for GAR calculation**									
50	Central governments and Supranational issuers									
51	Central banks exposure									
52	Trading book									
53	**Total assets**									
	OFF-BALANCE SHEET EXPOSURES - Undertakings subject to NFRD disclosure obligations									
54	**Financial guarantees**					**41.83**	**24.23**	**-**	**-**	**-**
55	**Assets under management [7]**					**4,068.98**	**1,623.52**	**-**	**39.90**	**451.77**
56	Of which debt securities					2,844.90	1,157.72	-	23.65	299.50
57	Of which equity instruments					1,206.88	456.34	-	16.26	152.27

Template 1. Assets for the calculation of GAR [Turnover - FY 2024]

	In millions of Euro	a	b	c	d	e	f	g	h	i	j
		31.12.2024									
		(Gross) carrying amount total	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy-relevant sectors (Taxonomy-eligible)					Of which towards taxonomy-relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**44,756.41**	**37,636.71**	**3,101.04**	**2,293.57**	**84.27**	**434.82**	**61.65**	**42.60**	**-**	**7.27**
2	**Financial undertakings**	**6,632.77**	**1,710.14**	**226.86**	**-**	**19.16**	**81.90**	**9.62**	**1.51**	**-**	**0.28**
3	Credit institutions	5,546.60	1,516.54	152.14	-	17.94	29.34	6.52	0.46	-	0.22
4	Loans and advances	402.30	114.70	5.62	-	0.23	0.53	0.03	0.01	-	0.00
5	Debt securities, including UoP	5,139.52	1,400.99	146.50	-	17.71	28.80	6.46	0.43	-	0.22
6	Equity instruments	4.78	0.85	0.03		0.00	0.00	0.03	0.03		-
7	Other financial corporations [1]	1,086.17	193.61	74.72	-	1.22	52.56	3.10	1.05	-	0.06
8	of which investment firms	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-
12	of which management companies	88.32	16.76	4.63	-	0.66	1.70	1.43	0.61	-	0.06
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments [2]	88.32	16.76	4.63		0.66	1.70	1.43	0.61		0.06
16	of which insurance undertakings	15.89	7.95	0.45	-	0.00	0.04	-	-	-	-
17	Loans and advances	2.68	0.64	0.07	-	0.00	0.01	-	-	-	-
18	Debt securities, including UoP	13.20	7.32	0.38	-	0.00	0.02	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-
20	**Non-financial undertakings**	**2,837.92**	**817.77**	**580.60**	**-**	**65.10**	**352.92**	**52.03**	**41.09**	**-**	**6.98**
21	Loans and advances	2,203.76	603.49	430.78	-	53.04	286.49	3.35	0.26	-	0.00
22	Debt securities, including UoP	631.52	212.66	149.07	-	12.07	66.20	48.10	40.82	-	6.97
23	Equity instruments	2.65	1.62	0.75		-	0.23	0.58	0.01		0.01
24	**Households [3]**	**35,108.80**	**35,108.80**	**2,293.57**	**2,293.57**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property [4]	33,706.63	33,706.63	2,293.57	2,293.57	-	-	-	-	-	-
26	of which building renovation loans	1,386.94	1,386.94	-	-	-	-	-	-	-	-
27	of which motor vehicle loans [5]	15.23	15.23	-	-	-	-				
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**176.92**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**69,914.91**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	Financial and non-financial undertakings [6]	39,599.13									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	37,609.99									
35	Loans and advances	37,429.13									
36	of which loans collateralised by commercial immovable property	5,841.71									
37	of which building renovation loans	455.98									
38	Debt securities	65.17									
39	Equity instruments	115.69									
40	Non-Eu country counterparties not subject to NFRD disclosure obligations	1,989.14									
41	Loans and advances	567.81									
42	Debt securities	1,386.34									
43	Equity instruments	34.99									
44	Derivatives	649.44									
45	On-demand interbank loans	408.80									
46	Cash and cash-related assets	824.91									
47	Other categories of assets (e.g. goodwill, commodities, etc.)	28,432.63									
48	**Total GAR assets**	**114,671.32**	**37,636.71**	**3,101.04**	**2,293.57**	**84.27**	**434.82**	**61.65**	**42.60**	**-**	**7.27**
49	**Assets not covered for GAR calculation**	**27,786.17**									
50	Central governments and Supranational issuers	19,209.51									
51	Central banks exposure	7,912.04									
52	Trading book	664.63									
53	**Total assets**	**142,457.50**									
	OFF-BALANCE SHEET EXPOSURES - Undertakings subject to NFRD disclosure obligations										
54	**Financial guarantees**	**170.43**	**2.15**	**2.15**	**-**	**0.17**	**0.04**	**-**	**-**	**-**	**-**
55	**Assets under management [7]**	**14,113.53**	**3,714.95**	**1,224.12**	**-**	**129.66**	**583.05**	**276.02**	**58.46**	**-**	**25.66**
56	Of which debt securities	9,085.50	2,686.79	827.33	-	95.17	376.14	227.35	43.68	-	18.44
57	Of which equity instruments	2,472.35	470.42	216.62	-	20.24	121.84	27.91	7.81	-	3.45

	In millions of Euro	k	l	m	n	o	p	q	r	s	t	u	v
		31.12.2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**12.23**	**9.65**	**-**	**3.95**	**107.09**	**37.51**	**-**	**3.68**	**78.87**	**39.12**	**-**	**4.85**
2	**Financial undertakings**	**0.20**	**-**	**-**	**-**	**49.64**	**0.06**	**-**	**-**	**0.29**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	2.62	0.06	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	2.62	0.06	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-	-	-	-	-		-
7	Other financial corporations [1]	0.20	-	-	-	47.02	-	-	-	0.29	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-		-
12	of which management companies	0.20	-	-	-	0.56	-	-	-	0.29	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments [2]	0.20	-		-	0.56	-		-	0.29	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-		-
20	**Non-financial undertakings**	**12.03**	**9.65**	**-**	**3.95**	**57.45**	**37.45**	**-**	**3.68**	**78.57**	**39.12**	**-**	**4.85**
21	Loans and advances	5.63	4.90	-	-	0.63	0.31	-	-	37.93	0.60	-	-
22	Debt securities, including UoP	6.41	4.75	-	3.95	56.61	37.14	-	3.68	40.64	38.52	-	4.85
23	Equity instruments	-	-		-	0.21	-		-	-	-		-
24	**Households [3]**					**-**	**-**	**-**	**-**				
25	of which loans collateralised by residential immovable property [4]					-	-	-	-				
26	of which building renovation loans					-	-	-	-				
27	of which motor vehicle loans [5]												
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	Financial and non-financial undertakings [6]												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations												
35	Loans and advances												
36	of which loans collateralised by commercial immovable property												
37	of which building renovation loans												
38	Debt securities												
39	Equity instruments												
40	Non-Eu country counterparties not subject to NFRD disclosure obligations												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	Derivatives												
45	On-demand interbank loans												
46	Cash and cash-related assets												
47	Other categories of assets (e.g. goodwill, commodities, etc.)												
48	**Total GAR assets**	**12.23**	**9.65**	**-**	**3.95**	**107.09**	**37.51**	**-**	**3.68**	**78.87**	**39.12**	**-**	**4.85**
49	**Assets not covered for GAR calculation**												
50	Central governments and Supranational issuers												
51	Central banks exposure												
52	Trading book												
53	**Total assets**												
	OFF-BALANCE SHEET EXPOSURES - Undertakings subject to NFRD disclosure obligations												
54	**Financial guarantees**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
55	**Assets under management [7]**	**41.15**	**22.94**	**-**	**0.38**	**237.53**	**3.23**	**-**	**1.25**	**139.16**	**4.86**	**-**	**1.98**
56	Of which debt securities	33.67	20.04	-	0.38	85.19	1.40	-	0.35	66.96	2.96	-	1.46
57	Of which equity instruments	4.35	2.90	-	0.00	111.05	1.83	-	0.89	38.19	1.90	-	0.52

	In millions of Euro	w	x	y	z	aa	ab	ac	ad	ae
		31.12.2024								
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy-relevant sectors (Taxonomy-eligible)					Of which towards taxonomy-relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**3.72**	**3.68**	**-**	**3.68**	**37,900.27**	**3,233.60**	**2,293.57**	**84.27**	**458.25**
2	**Financial undertakings**	**0.02**	**-**	**-**	**-**	**1,769.91**	**228.43**	**-**	**19.16**	**82.18**
3	Credit institutions	-	-	-	-	1,525.68	152.66	-	17.94	29.56
4	Loans and advances	-	-	-	-	114.73	5.62	-	0.23	0.53
5	Debt securities, including UoP	-	-	-	-	1,410.07	146.98	-	17.71	29.03
6	Equity instruments	-	-		-	0.88	0.06		0.00	0.00
7	Other financial corporations [1]	0.02	-	-	-	244.24	75.77	-	1.22	52.62
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-
12	of which management companies	0.02	-	-	-	19.26	5.24	-	0.66	1.76
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments [2]	0.02	-		-	19.26	5.24		0.66	1.76
16	of which insurance undertakings	-	-	-	-	7.95	0.45	-	0.00	0.04
17	Loans and advances	-	-	-	-	0.64	0.07	-	0.00	0.01
18	Debt securities, including UoP	-	-	-	-	7.32	0.38	-	0.00	0.02
19	Equity instruments	-	-		-	-	-		-	-
20	**Non-financial undertakings**	**3.71**	**3.68**	**-**	**3.68**	**1,021.56**	**711.60**	**-**	**65.10**	**376.07**
21	Loans and advances	0.03	-	-	-	651.05	436.84	-	53.04	286.49
22	Debt securities, including UoP	3.68	3.68	-	3.68	368.10	273.99	-	12.07	89.33
23	Equity instruments	-	-		-	2.41	0.77		-	0.24
24	**Households [3]**					**35,108.66**	**2,293.57**	**2,293.57**	**-**	**-**
25	of which loans collateralised by residential immovable property [4]					33,706.49	2,293.57	2,293.57	-	-
26	of which building renovation loans					1,386.94	-	-	-	-
27	of which motor vehicle loans [5]					15.23	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	Financial and non-financial undertakings [6]									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations									
35	Loans and advances									
36	of which loans collateralised by commercial immovable property									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-Eu country counterparties not subject to NFRD disclosure obligations									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	Derivatives									
45	On-demand interbank loans									
46	Cash and cash-related assets									
47	Other categories of assets (e.g. goodwill, commodities, etc.)									
48	**Total GAR assets**	**3.72**	**3.68**	**-**	**3.68**	**37,900.27**	**3,233.60**	**2,293.57**	**84.27**	**458.25**
49	**Assets not covered for GAR calculation**									
50	Central governments and Supranational issuers									
51	Central banks exposure									
52	Trading book									
53	**Total assets**									
	OFF-BALANCE SHEET EXPOSURES - Undertakings subject to NFRD disclosure obligations									
54	**Financial guarantees**	**-**	**-**	**-**	**-**	**2.15**	**2.15**	**-**	**0.17**	**0.04**
55	**Assets under management [7]**	**7.59**	**-**	**-**	**-**	**4,416.40**	**1,313.62**	**-**	**129.66**	**612.31**
56	Of which debt securities	4.28	-	-	-	3,104.24	895.42	-	95.17	396.77
57	Of which equity instruments	0.87	-	-	-	652.78	231.06	-	20.24	126.71

Template 1. Assets for the calculation of GAR [Turnover - FY 2023]

	In millions of Euro	a	b	c	d	e	f	g	h	i	j
		31.12.2023									
		(Gross) carrying amount total	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)					Of which towards taxonomy-relevant sectors (Taxonomy-eligible)		
					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)	
						Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**41,189.52**	**34,426.19**	**1,764.16**	**-**	**2.28**	**242.27**	**40.26**	**2.09**	**-**	**0.24**
2	**Financial undertakings**	**5,275.42**	**694.48**	**1.08**	**-**	**-**	**-**	**38.17**	**-**	**-**	**-**
3	Credit institutions	4,747.16	692.61	-	-	-	-	-	-	-	-
4	Loans and advances	518.69	106.10	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	4,224.65	586.51	-	-	-	-	-	-	-	-
6	Equity instruments	3.82	-	-		-	-	-	-		-
7	Other financial corporations [1]	528.27	1.88	1.08	-	-	-	38.17	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-
12	of which management companies	32.67	1.88	1.08	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	18.56	-	-	-	-	-	-	-	-	-
15	Equity instruments [2]	14.11	1.88	1.08		-	-	-	-		-
16	of which insurance undertakings	132.20	-	-	-	-	-	38.17	-	-	-
17	Loans and advances	4.86	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	127.34	-	-	-	-	-	38.17	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-
20	**Non-financial undertakings**	**3,018.23**	**1,047.45**	**389.40**	**-**	**2.28**	**242.27**	**2.09**	**2.09**	**-**	**0.24**
21	Loans and advances	2,259.49	716.36	286.88	-	1.69	211.66	1.10	1.10	-	0.00
22	Debt securities, including UoP	756.53	329.31	101.60	-	0.59	30.61	1.00	1.00	-	0.24
23	Equity instruments	2.21	1.77	0.91		-	-	-	-		-
24	**Households** [3]	**32,684.26**	**32,684.26**	**1,373.67**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property [4]	31,315.90	31,315.90	1,373.67	-	-	-	-	-	-	-
26	of which building renovation loans	1,353.00	1,353.00	-	-	-	-	-	-	-	-
27	of which motor vehicle loans [5]	15.35	15.35	-	-	-	-				
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**211.61**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**76,451.55**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	Financial and non-financial undertakings [6]	39,576.71									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	38,616.93									
35	Loans and advances	38,448.28									
36	of which loans collateralised by commercial immovable property	-									
37	of which building renovation loans	-									
38	Debt securities	102.90									
39	Equity instruments	65.75									
40	Non-Eu country counterparties not subject to NFRD disclosure obligations	959.78									
41	Loans and advances	503.30									
42	Debt securities	453.07									
43	Equity instruments	3.40									
44	Derivatives	1,122.57									
45	On-demand interbank loans	1,121.54									
46	Cash and cash-related assets	808.41									
47	Other categories of assets (e.g. goodwill, commodities, etc.)	33,822.33									
48	**Total GAR assets**	**117,641.08**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
49	**Assets not covered for GAR calculation**	**26,347.82**									
50	Central governments and Supranational issuers	16,237.45									
51	Central banks exposure	9,437.77									
52	Trading book	672.60									
53	**Total assets**	**143,988.90**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	OFF-BALANCE SHEET EXPOSURES - Undertakings subject to NFRD disclosure obligations										
54	**Financial guarantees**	**216.42**	**24.81**	**1.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
55	**Assets under management** [7]	**11,644.96**	**2,958.04**	**834.99**	**-**	**16.81**	**283.72**	**66.68**	**7.43**	**-**	**1.62**
56	Of which debt securities	8,046.09	2,165.30	581.91	-	9.29	167.45	27.46	3.79	-	1.57
57	Of which equity instruments	3,538.09	779.68	248.10	-	7.53	116.27	39.22	3.64	-	0.05

	In millions of Euro	k	l	m	n	o	p	q	r	s	t	u	v
		31.12.2023											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**												
2	**Financial undertakings**												
3	Credit institutions												
4	Loans and advances												
5	Debt securities, including UoP												
6	Equity instruments												
7	Other financial corporations [1]												
8	of which investment firms												
9	Loans and advances												
10	Debt securities, including UoP												
11	Equity instruments												
12	of which management companies												
13	Loans and advances												
14	Debt securities, including UoP												
15	Equity instruments [2]												
16	of which insurance undertakings												
17	Loans and advances												
18	Debt securities, including UoP												
19	Equity instruments												
20	**Non-financial undertakings**												
21	Loans and advances												
22	Debt securities, including UoP												
23	Equity instruments												
24	**Households [3]**												
25	of which loans collateralised by residential immovable property [4]												
26	of which building renovation loans												
27	of which motor vehicle loans [5]												
28	**Local governments financing**												
29	Housing financing												
30	Other local government financing												
31	**Collateral obtained by taking possession: residential and commercial immovable properties**												
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**												
33	Financial and non-financial undertakings [6]												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations												
35	Loans and advances												
36	of which loans collateralised by commercial immovable property												
37	of which building renovation loans												
38	Debt securities												
39	Equity instruments												
40	Non-Eu country counterparties not subject to NFRD disclosure obligations												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	Derivatives												
45	On-demand interbank loans												
46	Cash and cash-related assets												
47	Other categories of assets (e.g. goodwill, commodities, etc.)												
48	**Total GAR assets**												
49	**Assets not covered for GAR calculation**												
50	Central governments and Supranational issuers												
51	Central banks exposure												
52	Trading book												
53	**Total assets**												
	OFF-BALANCE SHEET EXPOSURES - Undertakings subject to NFRD disclosure obligations												
54	**Financial guarantees**												
55	**Assets under management [7]**												
56	Of which debt securities												
57	Of which equity instruments												

	In millions of Euro	w	x	y	z	aa	ab	ac	ad	ae
						31.12.2023				
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**					**34,466.46**	**1,766.25**	**-**	**2.28**	**242.51**
2	**Financial undertakings**					**732.66**	**1.08**	**-**	**-**	**-**
3	Credit institutions					692.61	-	-	-	-
4	Loans and advances					106.10	-	-	-	-
5	Debt securities, including UoP					586.51	-	-	-	-
6	Equity instruments					-	-	-	-	-
7	Other financial corporations [1]					40.05	1.08	-	-	-
8	of which investment firms					-	-	-	-	-
9	Loans and advances					-	-	-	-	-
10	Debt securities, including UoP					-	-	-	-	-
11	Equity instruments					-	-	-	-	-
12	of which management companies					1.88	1.08	-	-	-
13	Loans and advances					-	-	-	-	-
14	Debt securities, including UoP					-	-	-	-	-
15	Equity instruments [2]					1.88	1.08	-	-	-
16	of which insurance undertakings					38.17	-	-	-	-
17	Loans and advances					-	-	-	-	-
18	Debt securities, including UoP					38.17	-	-	-	-
19	Equity instruments					-	-	-	-	-
20	**Non-financial undertakings**					**1,049.54**	**391.49**	**-**	**2.28**	**242.51**
21	Loans and advances					717.46	287.98	-	1.69	211.66
22	Debt securities, including UoP					330.31	102.60	-	0.59	30.84
23	Equity instruments					1.77	0.91	-	-	-
24	**Households [3]**					**32,684.26**	**1,373.67**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property [4]					31,315.90	1,373.67	-	-	-
26	of which building renovation loans					1,353.00	-	-	-	-
27	of which motor vehicle loans [5]					15.35	-	-	-	-
28	**Local governments financing**					**-**	**-**	**-**	**-**	**-**
29	Housing financing					-	-	-	-	-
30	Other local government financing					-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**					**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**					**-**	**-**	**-**	**-**	**-**
33	Financial and non-financial undertakings [6]									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations									
35	Loans and advances									
36	of which loans collateralised by commercial immovable property									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-Eu country counterparties not subject to NFRD disclosure obligations									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	Derivatives									
45	On-demand interbank loans									
46	Cash and cash-related assets									
47	Other categories of assets (e.g. goodwill, commodities, etc.)									
48	**Total GAR assets**									
49	**Assets not covered for GAR calculation**									
50	Central governments and Supranational issuers									
51	Central banks exposure									
52	Trading book									
53	**Total assets**									
	OFF-BALANCE SHEET EXPOSURES - Undertakings subject to NFRD disclosure obligations									
54	**Financial guarantees**					**24.81**	**1.11**	**-**	**-**	**-**
55	**Assets under management [7]**					**3,024.72**	**842.41**	**-**	**16.81**	**285.34**
56	Of which debt securities					2,192.76	585.70	-	9.29	169.01
57	Of which equity instruments					818.90	251.74	-	7.53	116.32

Template 2. GAR sector information [CapEx]

	Breakdown by sector - NACE 4- digit level (code and label)	a	b	c	d	e	f	g	h
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		In millions of Euro	Of which environmentally sustainable (CCM)	In millions of Euro	Of which environmentally sustainable (CCM)	In millions of Euro	Of which environmentally sustainable (CCA)	In millions of Euro	Of which environmentally sustainable (CCA)
1	10.73 - Manufacture of macaroni, noodles, couscous and similar farinaceous products	30.22	1.01			30.22	-		
2	11.01 - Distilling, rectifying and blending of spirits	44.97	1.71			44.97	-		
3	11.02 - Manufacture of wine from grape	3.03	0.59			3.03	0.59		
4	13.30 - Finishing of textiles	0.00	-			0.00	-		
5	14.13 - Manufacture of other outerwear	31.86	-			31.86	-		
6	14.31 - Manufacture of knitted and crocheted hosiery	0.42	-			0.42	-		
7	14.39 - Manufacture of other knitted and crocheted apparel	0.00	0.00			0.00	-		
8	15.12 - Manufacture of luggage, handbags and the like, saddlery and harness	0.18	-			0.18	-		
9	15.20 - Manufacture of footwear	5.15	0.00			5.15	-		
10	20.13 - Manufacture of other inorganic basic chemicals	0.00	-			0.00	-		
11	20.14 - Manufacture of other organic basic chemicals	4.96	-			4.96	-		
12	20.30 - Manufacture of paints, varnishes and similar coatings, printing ink and mastics	5.04	-			5.04	-		
13	20.42 - Manufacture of perfumes and toilet preparations	5.10	0.25			5.10	0.20		
14	20.52 - Manufacture of glues	17.89	0.18			17.89	-		
15	20.60 - Manufacture of man-made fibres	1.70	0.27			1.70	-		
16	21.20 - Manufacture of pharmaceutical preparations	139.53	-			139.53	-		
17	22.11 - Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	13.61	2.55			13.61	-		
18	23.13 - Manufacture of hollow glass	20.57	-			20.57	-		
19	26.11 - Manufacture of electronic components	7.86	-			7.86	-		
20	26.30 - Manufacture of communication equipment	14.70	0.33			14.70	-		
21	27.20 - Manufacture of batteries and accumulators	3.57	3.16			3.57	-		
22	27.40 - Manufacture of electric lighting equipment	2.00	-			2.00	-		
23	27.51 - Manufacture of electric domestic appliances	10.00	0.67			10.00	-		
24	28.13 - Manufacture of other pumps and compressors	82.53	-			82.53	-		
25	28.14 - Manufacture of other taps and valves	7.69	-			7.69	-		
26	28.23 - Manufacture of office machinery and equipment (except computers and peripheral equipment)	12.46	-			12.46	-		
27	28.25 - Manufacture of non-domestic cooling and ventilation equipment	47.51	-			47.51	-		
28	28.49 - Manufacture of other machine tools	13.06	-			13.06	-		
29	28.91 - Manufacture of machinery for metallurgy	0.00	0.00			0.00	-		
30	28.92 - Manufacture of machinery for mining, quarrying and construction	3.63	0.04			3.63	-		
31	28.99 - Manufacture of other special-purpose machinery n.e.c.	26.76	-			26.76	-		
32	29.10 - Manufacture of motor vehicles	9.35	3.14			9.35	2.92		
33	29.32 - Manufacture of other parts and accessories for motor vehicles	0.01	-			0.01	-		
34	30.11 - Building of ships and floating structures	269.72	7.28			269.72	-		
35	30.12 - Building of pleasure and sporting boats	0.00	-			0.00	-		
36	30.20 - Manufacture of railway locomotives and rolling stock	7.48	4.27			7.48	-		
37	30.30 - Manufacture of air and spacecraft and related machinery	102.48	2.05			102.48	-		
38	30.91 - Manufacture of motorcycles	21.90	3.34			21.90	-		
39	32.30 - Manufacture of sports goods	0.02	-			0.02	-		
40	35.11 - Production of electricity	140.46	97.37			140.46	-		
41	35.12 - Transmission of electricity	265.92	263.46			265.92	-		
42	35.13 - Distribution of electricity	38.61	29.27			38.61	4.01		
43	35.14 - Trade of electricity	0.00	0.00			0.00	0.00		
44	35.22 - Distribution of gaseous fuels through mains	132.85	48.53			132.85	-		
45	35.23 - Trade of gas through mains	120.17	67.93			120.17	-		
46	37.00 - Sewerage	14.80	0.50			14.80	-		
47	42.11 - Construction of roads and motorways	46.97	6.45			46.97	0.38		
48	42.12 - Construction of railways and underground railways	10.29	8.18			10.29	-		

(CONTINUED)

	Breakdown by sector - NACE 4- digit level (code and label)	a	b	c	d	e	f	g	h
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		In millions of Euro	Of which environmentally sustainable (CCM)	In millions of Euro	Of which environmentally sustainable (CCM)	In millions of Euro	Of which environmentally sustainable (CCA)	In millions of Euro	Of which environmentally sustainable (CCA)
49	42.22 - Construction of utility projects for electricity and telecommunications	10.00	0.63			10.00	0.00		
50	43.99 - Other specialised construction activities n.e.c.	43.26	1.31			43.26	-		
51	46.39 - Non-specialised wholesale of food, beverages and tobacco	22.64	-			22.64	-		
52	46.51 - Wholesale of computers, computer peripheral equipment and software	15.79	-			15.79	-		
53	46.71 - Wholesale of solid, liquid and gaseous fuels and related products	5.81	0.05			5.81	-		
54	46.73 - Wholesale of wood, construction materials and sanitary equipment	8.92	1.87			8.92	-		
55	47.11 Retail sale in non-specialised stores with food, beverages or tobacco predominating	72.92	-			72.92	-		
56	47.54 - Retail sale of electrical household appliances in specialised stores	0.05	-			0.05	-		
57	47.64 - Retail sale of sporting equipment in specialised stores	7.25	-			7.25	-		
58	47.71 - Retail sale of clothing in specialised stores	26.72	1.16			26.72	-		
59	49.10 - Passenger rail transport, interurban	217.19	-			217.19	-		
60	49.31 - Urban and suburban passenger land transport	35.97	11.91			35.97	11.91		
61	49.50 - Transport via pipeline	276.07	79.82			276.07	-		
62	50.20 - Sea and coastal freight water transport	12.02	2.10			12.02	-		
63	51.10 - Passenger air transport	8.15	-			8.15	-		
64	52.21 - Service activities incidental to land transportation	96.57	20.11			96.57	14.59		
65	52.23 - Service activities incidental to air transportation	35.15	1.90			35.15	-		
66	52.29 - Other transportation support activities	3.82	-			3.82	-		
67	53.10 - Postal activities under universal service obligation	36.39	12.62			36.39	0.21		
68	58.13 - Publishing of newspapers	0.21	-			0.21	-		
69	58.29 - Other software publishing	28.64	2.99			28.64	-		
70	61.10 - Wired telecommunications activities	11.15	3.98			11.15	0.00		
71	61.20 - Wireless telecommunications activities	12.97	0.02			12.97	0.01		
72	61.30 - Satellite telecommunications activities	17.70	0.04			17.70	-		
73	63.12 - Web portals	3.96	0.19			3.96	0.03		
74	64.19 - Other monetary intermediation	7.72	0.22			7.72	-		
75	64.30 - Trusts, funds and similar financial entities	3.62	3.53			3.62	-		
76	65.12 - Non-life insurance	0.00	0.00			0.00	0.00		
77	68.20 - Rental and operating of own or leased real estate	14.84	5.54			14.84	3.45		
78	70.22 Business and other management consultancy activities	7.92	0.23			7.92	0.23		
79	72.11 - Research and experimental development on biotechnology	8.40	-			8.40	-		
80	77.11 - Rental and leasing of cars and light motor vehicles	32.02	0.52			32.02	0.01		
81	78.10 - Activities of employment placement agencies	1.16	-			1.16	-		
82	82.20 - Activities of call centres	0.01	-			0.01	-		
83	86.90 - Other human health activities	9.05	-			9.05	-		
84	96.01 - Washing and (dry-) cleaning of textile and fur products	6.84	-			6.84	-		

	Breakdown by sector - NACE 4- digit level (code and label)	i	j	k	l	m	n	o	p	q	r	s	t
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		In millions of Euro	Of which environmentally sustainable (WTR)	In millions of Euro	Of which environmentally sustainable (WTR)	In millions of Euro	Of which environmentally sustainable (CE)	In millions of Euro	Of which environmentally sustainable (CE)	In millions of Euro	Of which environmentally sustainable (PPC)	In millions of Euro	Of which environmentally sustainable (PPC)
1	10.73 - Manufacture of macaroni, noodles, couscous and similar farinaceous products	30.22	-			30.22	-			30.22	-		
2	11.01 - Distilling, rectifying and blending of spirits	44.97	-			44.97	-			44.97	-		
3	11.02 - Manufacture of wine from grape	3.03	-			3.03	-			3.03	-		
4	13.30 - Finishing of textiles	0.00	-			0.00	-			0.00	-		
5	14.13 - Manufacture of other outerwear	31.86	-			31.86	-			31.86	-		
6	14.31 - Manufacture of knitted and crocheted hosiery	0.42	-			0.42	-			0.42	-		
7	14.39 - Manufacture of other knitted and crocheted apparel	0.00	-			0.00	-			0.00	-		
8	15.12 - Manufacture of luggage, handbags and the like, saddlery and harness	0.18	-			0.18	-			0.18	-		
9	15.20 - Manufacture of footwear	5.15	-			5.15	-			5.15	-		
10	20.13 - Manufacture of other inorganic basic chemicals	0.00	-			0.00	-			0.00	-		
11	20.14 - Manufacture of other organic basic chemicals	4.96	-			4.96	-			4.96	-		
12	20.30 - Manufacture of paints, varnishes and similar coatings, printing ink and mastics	5.04	-			5.04	-			5.04	-		
13	20.42 - Manufacture of perfumes and toilet preparations	5.10	-			5.10	-			5.10	-		
14	20.52 - Manufacture of glues	17.89	-			17.89	-			17.89	-		
15	20.60 - Manufacture of man-made fibres	1.70	-			1.70	-			1.70	-		
16	21.20 - Manufacture of pharmaceutical preparations	139.53	-			139.53	-			139.53	-		
17	22.11 - Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	13.61	-			13.61	-			13.61	-		
18	23.13 - Manufacture of hollow glass	20.57	-			20.57	-			20.57	-		
19	26.11 - Manufacture of electronic components	7.86	-			7.86	-			7.86	-		
20	26.30 - Manufacture of communication equipment	14.70	-			14.70	-			14.70	-		
21	27.20 - Manufacture of batteries and accumulators	3.57	-			3.57	-			3.57	-		
22	27.40 - Manufacture of electric lighting equipment	2.00	-			2.00	-			2.00	-		
23	27.51 - Manufacture of electric domestic appliances	10.00	-			10.00	-			10.00	-		
24	28.13 - Manufacture of other pumps and compressors	82.53	-			82.53	-			82.53	-		
25	28.14 - Manufacture of other taps and valves	7.69	-			7.69	-			7.69	-		
26	28.23 - Manufacture of office machinery and equipment (except computers and peripheral equipment)	12.46	-			12.46	-			12.46	-		
27	28.25 - Manufacture of non-domestic cooling and ventilation equipment	47.51	-			47.51	-			47.51	-		
28	28.49 - Manufacture of other machine tools	13.06	-			13.06	-			13.06	-		
29	28.91 - Manufacture of machinery for metallurgy	0.00	-			0.00	-			0.00	-		
30	28.92 - Manufacture of machinery for mining, quarrying and construction	3.63	-			3.63	-			3.63	-		
31	28.99 - Manufacture of other special-purpose machinery n.e.c.	26.76	-			26.76	-			26.76	-		
32	29.10 - Manufacture of motor vehicles	9.35	-			9.35	-			9.35	-		
33	29.32 - Manufacture of other parts and accessories for motor vehicles	0.01	-			0.01	-			0.01	-		
34	30.11 - Building of ships and floating structures	269.72	-			269.72	-			269.72	-		
35	30.12 - Building of pleasure and sporting boats	0.00	-			0.00	-			0.00	-		
36	30.20 - Manufacture of railway locomotives and rolling stock	7.48	-			7.48	-			7.48	-		
37	30.30 - Manufacture of air and spacecraft and related machinery	102.48	-			102.48	-			102.48	-		
38	30.91 - Manufacture of motorcycles	21.90	-			21.90	-			21.90	-		
39	32.30 - Manufacture of sports goods	0.02	-			0.02	-			0.02	-		
40	35.11 - Production of electricity	140.46	-			140.46	-			140.46	-		
41	35.12 - Transmission of electricity	265.92	-			265.92	-			265.92	-		
42	35.13 - Distribution of electricity	38.61	-			38.61	-			38.61	-		
43	35.14 - Trade of electricity	0.00	0.00			0.00	0.00			0.00	-		
44	35.22 - Distribution of gaseous fuels through mains	132.85	27.31			132.85	1.00			132.85	2.90		
45	35.23 - Trade of gas through mains	120.17	-			120.17	-			120.17	-		
46	37.00 - Sewerage	14.80	0.01			14.80	0.04			14.80	0.10		
47	42.11 - Construction of roads and motorways	46.97	-			46.97	-			46.97	-		
48	42.12 - Construction of railways and underground railways	10.29	-			10.29	-			10.29	-		
49	42.22 - Construction of utility projects for electricity and telecommunications	10.00	-			10.00	-			10.00	-		

(CONTINUED)

	Breakdown by sector - NACE 4- digit level (code and label)	i	j	k	l	m	n	o	p	q	r	s	t
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		In millions of Euro	Of which environmentally sustainable (WTR)	In millions of Euro	Of which environmentally sustainable (WTR)	In millions of Euro	Of which environmentally sustainable (CE)	In millions of Euro	Of which environmentally sustainable (CE)	In millions of Euro	Of which environmentally sustainable (PPC)	In millions of Euro	Of which environmentally sustainable (PPC)
50	43.99 - Other specialised construction activities n.e.c.	43.26	-			43.26	-			43.26	0.16		
51	46.39 - Non-specialised wholesale of food, beverages and tobacco	22.64	-			22.64	-			22.64	-		
52	46.51 - Wholesale of computers, computer peripheral equipment and software	15.79	-			15.79	-			15.79	-		
53	46.71 - Wholesale of solid, liquid and gaseous fuels and related products	5.81	-			5.81	-			5.81	-		
54	46.73 - Wholesale of wood, construction materials and sanitary equipment	8.92	-			8.92	-			8.92	-		
55	47.11 Retail sale in non-specialised stores with food, beverages or tobacco predominating	72.92	-			72.92	-			72.92	-		
56	47.54 - Retail sale of electrical household appliances in specialised stores	0.05	-			0.05	-			0.05	-		
57	47.64 - Retail sale of sporting equipment in specialised stores	7.25	-			7.25	-			7.25	-		
58	47.71 - Retail sale of clothing in specialised stores	26.72	-			26.72	-			26.72	-		
59	49.10 - Passenger rail transport, interurban	217.19	-			217.19	-			217.19	-		
60	49.31 - Urban and suburban passenger land transport	35.97	9.26			35.97	11.91			35.97	11.91		
61	49.50 - Transport via pipeline	276.07	-			276.07	-			276.07	-		
62	50.20 - Sea and coastal freight water transport	12.02	-			12.02	-			12.02	-		
63	51.10 - Passenger air transport	8.15	-			8.15	-			8.15	-		
64	52.21 - Service activities incidental to land transportation	96.57	11.35			96.57	14.59			96.57	14.59		
65	52.23 - Service activities incidental to air transportation	35.15	-			35.15	-			35.15	-		
66	52.29 - Other transportation support activities	3.82	-			3.82	-			3.82	-		
67	53.10 - Postal activities under universal service obligation	36.39	-			36.39	0.00			36.39	-		
68	58.13 - Publishing of newspapers	0.21	-			0.21	-			0.21	-		
69	58.29 - Other software publishing	28.64	-			28.64	-			28.64	-		
70	61.10 - Wired telecommunications activities	11.15	-			11.15	-			11.15	-		
71	61.20 - Wireless telecommunications activities	12.97	0.00			12.97	-			12.97	-		
72	61.30 - Satellite telecommunications activities	17.70	-			17.70	-			17.70	-		
73	63.12 - Web portals	3.96	-			3.96	-			3.96	-		
74	64.19 - Other monetary intermediation	7.72	-			7.72	-			7.72	-		
75	64.30 - Trusts, funds and similar financial entities	3.62	-			3.62	-			3.62	-		
76	65.12 - Non-life insurance	0.00	-			0.00	-			0.00	-		
77	68.20 - Rental and operating of own or leased real estate	14.84	-			14.84	-			14.84	-		
78	70.22 Business and other management consultancy activities	7.92	-			7.92	-			7.92	-		
79	72.11 - Research and experimental development on biotechnology	8.40	-			8.40	-			8.40	0.97		
80	77.11 - Rental and leasing of cars and light motor vehicles	32.02	-			32.02	-			32.02	-		
81	78.10 - Activities of employment placement agencies	1.16	-			1.16	-			1.16	-		
82	82.20 - Activities of call centres	0.01	-			0.01	-			0.01	-		
83	86.90 - Other human health activities	9.05	-			9.05	-			9.05	-		
84	96.01 - Washing and (dry-)cleaning of textile and fur products	6.84	-			6.84	-			6.84	-		

	Breakdown by sector - NACE 4- digit level (code and label)	u	v	w	x	y	z	aa	ab
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		In millions of Euro	Of which environmentally sustainable (BIO)	In millions of Euro	Of which environmentally sustainable (BIO)	In millions of Euro	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	In millions of Euro	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	10.73 - Manufacture of macaroni, noodles, couscous and similar farinaceous products	30.22	-			30.22	1.01		
2	11.01 - Distilling, rectifying and blending of spirits	44.97	-			44.97	1.71		
3	11.02 - Manufacture of wine from grape	3.03	-			3.03	1.18		
4	13.30 - Finishing of textiles	0.00	-			0.00	-		
5	14.13 - Manufacture of other outerwear	31.86	-			31.86	-		
6	14.31 - Manufacture of knitted and crocheted hosiery	0.42	-			0.42	-		
7	14.39 - Manufacture of other knitted and crocheted apparel	0.00	-			0.00	0.00		
8	15.12 - Manufacture of luggage, handbags and the like, saddlery and harness	0.18	-			0.18	-		
9	15.20 - Manufacture of footwear	5.15	-			5.15	0.00		
10	20.13 - Manufacture of other inorganic basic chemicals	0.00	-			0.00	-		
11	20.14 - Manufacture of other organic basic chemicals	4.96	-			4.96	-		
12	20.30 - Manufacture of paints, varnishes and similar coatings, printing ink and mastics	5.04	-			5.04	-		
13	20.42 - Manufacture of perfumes and toilet preparations	5.10	-			5.10	0.46		
14	20.52 - Manufacture of glues	17.89	-			17.89	0.18		
15	20.60 - Manufacture of man-made fibres	1.70	-			1.70	0.27		
16	21.20 - Manufacture of pharmaceutical preparations	139.53	-			139.53	-		
17	22.11 - Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	13.61	-			13.61	2.55		
18	23.13 - Manufacture of hollow glass	20.57	-			20.57	-		
19	26.11 - Manufacture of electronic components	7.86	-			7.86	-		
20	26.30 - Manufacture of communication equipment	14.70	-			14.70	0.33		
21	27.20 - Manufacture of batteries and accumulators	3.57	-			3.57	3.16		
22	27.40 - Manufacture of electric lighting equipment	2.00	-			2.00	-		
23	27.51 - Manufacture of electric domestic appliances	10.00	-			10.00	0.67		
24	28.13 - Manufacture of other pumps and compressors	82.53	-			82.53	-		
25	28.14 - Manufacture of other taps and valves	7.69	-			7.69	-		
26	28.23 - Manufacture of office machinery and equipment (except computers and peripheral equipment)	12.46	-			12.46	-		
27	28.25 - Manufacture of non-domestic cooling and ventilation equipment	47.51	-			47.51	-		
28	28.49 - Manufacture of other machine tools	13.06	-			13.06	-		
29	28.91 - Manufacture of machinery for metallurgy	0.00	-			0.00	0.00		
30	28.92 - Manufacture of machinery for mining, quarrying and construction	3.63	-			3.63	0.04		
31	28.99 - Manufacture of other special-purpose machinery n.e.c.	26.76	-			26.76	-		
32	29.10 - Manufacture of motor vehicles	9.35	-			9.35	6.06		
33	29.32 - Manufacture of other parts and accessories for motor vehicles	0.01	-			0.01	-		
34	30.11 - Building of ships and floating structures	269.72	-			269.72	7.28		
35	30.12 - Building of pleasure and sporting boats	0.00	-			0.00	-		
36	30.20 - Manufacture of railway locomotives and rolling stock	7.48	-			7.48	4.27		
37	30.30 - Manufacture of air and spacecraft and related machinery	102.48	-			102.48	2.05		
38	30.91 - Manufacture of motorcycles	21.90	-			21.90	3.34		
39	32.30 - Manufacture of sports goods	0.02	-			0.02	-		
40	35.11 - Production of electricity	140.46	-			140.46	97.37		
41	35.12 - Transmission of electricity	265.92	-			265.92	263.46		
42	35.13 - Distribution of electricity	38.61	-			38.61	33.28		
43	35.14 - Trade of electricity	0.00	-			0.00	0.00		
44	35.22 - Distribution of gaseous fuels through mains	132.85	-			132.85	79.74		
45	35.23 - Trade of gas through mains	120.17	-			120.17	67.93		
46	37.00 - Sewerage	14.80	-			14.80	0.67		
47	42.11 - Construction of roads and motorways	46.97	-			46.97	6.83		

(CONTINUED)

	Breakdown by sector - NACE 4- digit level (code and label)	u	v	w	x	y	z	aa	ab
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		In millions of Euro	Of which environmentally sustainable (BIO)	In millions of Euro	Of which environmentally sustainable (BIO)	In millions of Euro	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	In millions of Euro	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
48	42.12 - Construction of railways and underground railways	10.29	-			10.29	8.18		
49	42.22 - Construction of utility projects for electricity and telecommunications	10.00	-			10.00	0.63		
50	43.99 - Other specialised construction activities n.e.c.	43.26	-			43.26	1.48		
51	46.39 - Non-specialised wholesale of food, beverages and tobacco	22.64	-			22.64	-		
52	46.51 - Wholesale of computers, computer peripheral equipment and software	15.79	-			15.79	-		
53	46.71 - Wholesale of solid, liquid and gaseous fuels and related products	5.81	-			5.81	0.05		
54	46.73 - Wholesale of wood, construction materials and sanitary equipment	8.92	-			8.92	1.87		
55	47.11 Retail sale in non-specialised stores with food, beverages or tobacco predominating	72.92	-			72.92	-		
56	47.54 - Retail sale of electrical household appliances in specialised stores	0.05	-			0.05	-		
57	47.64 - Retail sale of sporting equipment in specialised stores	7.25	-			7.25	-		
58	47.71 - Retail sale of clothing in specialised stores	26.72	-			26.72	1.16		
59	49.10 - Passenger rail transport, interurban	217.19	-			217.19	-		
60	49.31 - Urban and suburban passenger land transport	35.97	9.26			35.97	66.14		
61	49.50 - Transport via pipeline	276.07	-			276.07	79.82		
62	50.20 - Sea and coastal freight water transport	12.02	-			12.02	2.10		
63	51.10 - Passenger air transport	8.15	-			8.15	-		
64	52.21 - Service activities incidental to land transportation	96.57	11.35			96.57	86.58		
65	52.23 - Service activities incidental to air transportation	35.15	-			35.15	1.90		
66	52.29 - Other transportation support activities	3.82	-			3.82	-		
67	53.10 - Postal activities under universal service obligation	36.39	-			36.39	12.83		
68	58.13 - Publishing of newspapers	0.21	-			0.21	-		
69	58.29 - Other software publishing	28.64	-			28.64	2.99		
70	61.10 - Wired telecommunications activities	11.15	-			11.15	3.98		
71	61.20 - Wireless telecommunications activities	12.97	-			12.97	0.03		
72	61.30 - Satellite telecommunications activities	17.70	-			17.70	0.04		
73	63.12 - Web portals	3.96	-			3.96	0.22		
74	64.19 - Other monetary intermediation	7.72	-			7.72	0.22		
75	64.30 - Trusts, funds and similar financial entities	3.62	-			3.62	3.53		
76	65.12 - Non-life insurance	0.00	-			0.00	0.00		
77	68.20 - Rental and operating of own or leased real estate	14.84	-			14.84	8.99		
78	70.22 Business and other management consultancy activities	7.92	-			7.92	0.46		
79	72.11 - Research and experimental development on biotechnology	8.40	-			8.40	0.97		
80	77.11 - Rental and leasing of cars and light motor vehicles	32.02	-			32.02	0.53		
81	78.10 - Activities of employment placement agencies	1.16	-			1.16	-		
82	82.20 - Activities of call centres	0.01	-			0.01	-		
83	86.90 - Other human health activities	9.05	-			9.05	-		
84	96.01 - Washing and (dry-)cleaning of textile and fur products	6.84	-			6.84	-		

Template 2. GAR sector information [Turnover]

		a	b	c	d	e	f	g	h
	Breakdown by sector - NACE 4- digit level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		In millions of Euro	Of which environmentally sustainable (CCM)	In millions of Euro	Of which environmentally sustainable (CCM)	In millions of Euro	Of which environmentally sustainable (CCA)	In millions of Euro	Of which environmentally sustainable (CCA)
1	10.73 - Manufacture of macaroni, noodles, couscous and similar farinaceous products	30.22	-			30.22	-		
2	11.01 - Distilling, rectifying and blending of spirits	44.97	-			44.97	-		
3	11.02 - Manufacture of wine from grape	3.03	0.25			3.03	0.25		
4	13.30 - Finishing of textiles	0.00	-			0.00	-		
5	14.13 - Manufacture of other outerwear	31.86	-			31.86	-		
6	14.31 - Manufacture of knitted and crocheted hosiery	0.42	-			0.42	-		
7	14.39 - Manufacture of other knitted and crocheted apparel	0.00	-			0.00	-		
8	15.12 - Manufacture of luggage, handbags and the like, saddlery and harness	0.18	-			0.18	-		
9	15.20 - Manufacture of footwear	5.15	-			5.15	-		
10	20.13 - Manufacture of other inorganic basic chemicals	0.00	-			0.00	-		
11	20.14 - Manufacture of other organic basic chemicals	4.96	0.05			4.96	-		
12	20.30 - Manufacture of paints, varnishes and similar coatings, printing ink and mastics	5.04	-			5.04	-		
13	20.42 - Manufacture of perfumes and toilet preparations	5.10	-			5.10	-		
14	20.52 - Manufacture of glues	17.89	-			17.89	-		
15	20.60 - Manufacture of man-made fibres	1.70	0.03			1.70	-		
16	21.20 - Manufacture of pharmaceutical preparations	139.53	-			139.53	-		
17	22.11 - Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	13.61	1.86			13.61	-		
18	23.13 - Manufacture of hollow glass	20.57	-			20.57	-		
19	26.11 - Manufacture of electronic components	7.86	-			7.86	-		
20	26.30 - Manufacture of communication equipment	14.70	-			14.70	-		
21	27.20 - Manufacture of batteries and accumulators	3.57	1.65			3.57	-		
22	27.40 - Manufacture of electric lighting equipment	2.00	-			2.00	-		
23	27.51 - Manufacture of electric domestic appliances	10.00	0.48			10.00	-		
24	28.13 - Manufacture of other pumps and compressors	82.53	-			82.53	-		
25	28.14 - Manufacture of other taps and valves	7.69	-			7.69	-		
26	28.23 - Manufacture of office machinery and equipment (except computers and peripheral equipment)	12.46	-			12.46	-		
27	28.25 - Manufacture of non-domestic cooling and ventilation equipment	47.51	-			47.51	-		
28	28.49 - Manufacture of other machine tools	13.06	-			13.06	-		
29	28.91 - Manufacture of machinery for metallurgy	0.00	0.00			0.00	-		
30	28.92 - Manufacture of machinery for mining, quarrying and construction	3.63	-			3.63	-		
31	28.99 - Manufacture of other special-purpose machinery n.e.c.	26.76	-			26.76	-		
32	29.10 - Manufacture of motor vehicles	9.35	0.84			9.35	0.74		
33	29.32 - Manufacture of other parts and accessories for motor vehicles	0.01	-			0.01	-		
34	30.11 - Building of ships and floating structures	269.72	38.57			269.72	-		
35	30.12 - Building of pleasure and sporting boats	0.00	-			0.00	-		
36	30.20 - Manufacture of railway locomotives and rolling stock	7.48	4.49			7.48	-		
37	30.30 - Manufacture of air and spacecraft and related machinery	102.48	-			102.48	-		
38	30.91 - Manufacture of motorcycles	21.90	1.37			21.90	-		
39	32.30 - Manufacture of sports goods	0.02	-			0.02	-		
40	35.11 - Production of electricity	140.46	62.02			140.46	-		
41	35.12 - Transmission of electricity	265.92	228.59			265.92	-		
42	35.13 - Distribution of electricity	38.61	9.51			38.61	-		
43	35.14 - Trade of electricity	0.00	0.00			0.00	-		
44	35.22 - Distribution of gaseous fuels through mains	132.85	20.80			132.85	-		
45	35.23 - Trade of gas through mains	120.17	42.37			120.17	-		
46	37.00 - Sewerage	14.80	4.94			14.80	0.01		
47	42.11 - Construction of roads and motorways	46.97	7.95			46.97	0.14		
48	42.12 - Construction of railways and underground railways	10.29	9.17			10.29	-		

(CONTINUED)

	Breakdown by sector - NACE 4- digit level (code and label)	a	b	c	d	e	f	g	h
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		In millions of Euro	Of which environmentally sustainable (CCM)	In millions of Euro	Of which environmentally sustainable (CCM)	In millions of Euro	Of which environmentally sustainable (CCA)	In millions of Euro	Of which environmentally sustainable (CCA)
49	42.22 - Construction of utility projects for electricity and telecommunications	10.00	0.35			10.00	0.00		
50	43.99 - Other specialised construction activities n.e.c.	43.26	2.95			43.26	-		
51	46.39 - Non-specialised wholesale of food, beverages and tobacco	22.64	-			22.64	-		
52	46.51 - Wholesale of computers, computer peripheral equipment and software	15.79	-			15.79	-		
53	46.71 - Wholesale of solid, liquid and gaseous fuels and related products	5.81	-			5.81	-		
54	46.73 - Wholesale of wood, construction materials and sanitary equipment	8.92	1.43			8.92	-		
55	47.11 Retail sale in non-specialised stores with food, beverages or tobacco predominating	72.92	-			72.92	-		
56	47.54 - Retail sale of electrical household appliances in specialised stores	0.05	-			0.05	-		
57	47.64 - Retail sale of sporting equipment in specialised stores	7.25	-			7.25	-		
58	47.71 - Retail sale of clothing in specialised stores	26.72	-			26.72	-		
59	49.10 - Passenger rail transport, interurban	217.19	-			217.19	-		
60	49.31 - Urban and suburban passenger land transport	35.97	16.53			35.97	16.53		
61	49.50 - Transport via pipeline	276.07	73.95			276.07	3.01		
62	50.20 - Sea and coastal freight water transport	12.02	0.47			12.02	-		
63	51.10 - Passenger air transport	8.15	-			8.15	-		
64	52.21 - Service activities incidental to land transportation	96.57	28.07			96.57	20.26		
65	52.23 - Service activities incidental to air transportation	35.15	3.44			35.15	-		
66	52.29 - Other transportation support activities	3.82	-			3.82	-		
67	53.10 - Postal activities under universal service obligation	36.39	8.12			36.39	-		
68	58.13 - Publishing of newspapers	0.21	-			0.21	-		
69	58.29 - Other software publishing	28.64	2.13			28.64	-		
70	61.10 - Wired telecommunications activities	11.15	1.71			11.15	0.00		
71	61.20 - Wireless telecommunications activities	12.97	0.01			12.97	0.10		
72	61.30 - Satellite telecommunications activities	17.70	-			17.70	-		
73	63.12 - Web portals	3.96	-			3.96	0.04		
74	64.19 - Other monetary intermediation	7.72	0.10			7.72	-		
75	64.30 - Trusts, funds and similar financial entities	3.62	2.02			3.62	-		
76	65.12 - Non-life insurance	0.00	0.00			0.00	-		
77	68.20 - Rental and operating of own or leased real estate	14.84	4.14			14.84	-		
78	70.22 Business and other management consultancy activities	7.92	-			7.92	-		
79	72.11 - Research and experimental development on biotechnology	8.40	-			8.40	-		
80	77.11 - Rental and leasing of cars and light motor vehicles	32.02	0.25			32.02	0.00		
81	78.10 - Activities of employment placement agencies	1.16	-			1.16	-		
82	82.20 - Activities of call centres	0.01	-			0.01	-		
83	86.90 - Other human health activities	9.05	-			9.05	-		
84	96.01 - Washing and (dry-)cleaning of textile and fur products	6.84	-			6.84	-		

	Breakdown by sector - NACE 4- digit level (code and label)	i	j	k	l	m	n	o	p	q	r	s	t
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		In millions of Euro	Of which environmentally sustainable (WTR)	In millions of Euro	Of which environmentally sustainable (WTR)	In millions of Euro	Of which environmentally sustainable (CE)	In millions of Euro	Of which environmentally sustainable (CE)	In millions of Euro	Of which environmentally sustainable (PPC)	In millions of Euro	Of which environmentally sustainable (PPC)
1	10.73 - Manufacture of macaroni, noodles, couscous and similar farinaceous products	30.22	-			30.22	-			30.22	-		
2	11.01 - Distilling, rectifying and blending of spirits	44.97	-			44.97	-			44.97	-		
3	11.02 - Manufacture of wine from grape	3.03	-			3.03	-			3.03	-		
4	13.30 - Finishing of textiles	0.00	-			0.00	-			0.00	-		
5	14.13 - Manufacture of other outerwear	31.86	-			31.86	-			31.86	-		
6	14.31 - Manufacture of knitted and crocheted hosiery	0.42	-			0.42	-			0.42	-		
7	14.39 - Manufacture of other knitted and crocheted apparel	0.00	-			0.00	-			0.00	-		
8	15.12 - Manufacture of luggage, handbags and the like, saddlery and harness	0.18	-			0.18	-			0.18	-		
9	15.20 - Manufacture of footwear	5.15	-			5.15	-			5.15	-		
10	20.13 - Manufacture of other inorganic basic chemicals	0.00	-			0.00	-			0.00	-		
11	20.14 - Manufacture of other organic basic chemicals	4.96	-			4.96	-			4.96	-		
12	20.30 - Manufacture of paints, varnishes and similar coatings, printing ink and mastics	5.04	-			5.04	-			5.04	-		
13	20.42 - Manufacture of perfumes and toilet preparations	5.10	-			5.10	-			5.10	-		
14	20.52 - Manufacture of glues	17.89	-			17.89	-			17.89	-		
15	20.60 - Manufacture of man-made fibres	1.70	-			1.70	-			1.70	-		
16	21.20 - Manufacture of pharmaceutical preparations	139.53	-			139.53	-			139.53	-		
17	22.11 - Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	13.61	-			13.61	-			13.61	-		
18	23.13 - Manufacture of hollow glass	20.57	-			20.57	-			20.57	-		
19	26.11 - Manufacture of electronic components	7.86	-			7.86	-			7.86	-		
20	26.30 - Manufacture of communication equipment	14.70	-			14.70	-			14.70	-		
21	27.20 - Manufacture of batteries and accumulators	3.57	-			3.57	-			3.57	-		
22	27.40 - Manufacture of electric lighting equipment	2.00	-			2.00	-			2.00	-		
23	27.51 - Manufacture of electric domestic appliances	10.00	-			10.00	-			10.00	-		
24	28.13 - Manufacture of other pumps and compressors	82.53	-			82.53	-			82.53	-		
25	28.14 - Manufacture of other taps and valves	7.69	-			7.69	-			7.69	-		
26	28.23 - Manufacture of office machinery and equipment (except computers and peripheral equipment)	12.46	-			12.46	-			12.46	-		
27	28.25 - Manufacture of non-domestic cooling and ventilation equipment	47.51	-			47.51	-			47.51	-		
28	28.49 - Manufacture of other machine tools	13.06	-			13.06	-			13.06	-		
29	28.91 - Manufacture of machinery for metallurgy	0.00	-			0.00	-			0.00	-		
30	28.92 - Manufacture of machinery for mining, quarrying and construction	3.63	-			3.63	-			3.63	-		
31	28.99 - Manufacture of other special-purpose machinery n.e.c.	26.76	-			26.76	-			26.76	-		
32	29.10 - Manufacture of motor vehicles	9.35	-			9.35	-			9.35	-		
33	29.32 - Manufacture of other parts and accessories for motor vehicles	0.01	-			0.01	-			0.01	-		
34	30.11 - Building of ships and floating structures	269.72	-			269.72	-			269.72	-		
35	30.12 - Building of pleasure and sporting boats	0.00	-			0.00	-			0.00	-		
36	30.20 - Manufacture of railway locomotives and rolling stock	7.48	-			7.48	-			7.48	-		
37	30.30 - Manufacture of air and spacecraft and related machinery	102.48	-			102.48	-			102.48	-		
38	30.91 - Manufacture of motorcycles	21.90	-			21.90	-			21.90	-		
39	32.30 - Manufacture of sports goods	0.02	-			0.02	-			0.02	-		
40	35.11 - Production of electricity	140.46	-			140.46	-			140.46	-		
41	35.12 - Transmission of electricity	265.92	-			265.92	-			265.92	-		
42	35.13 - Distribution of electricity	38.61	-			38.61	-			38.61	-		
43	35.14 - Trade of electricity	0.00	0.00			0.00	-			0.00	-		
44	35.22 - Distribution of gaseous fuels through mains	132.85	5.46			132.85	0.33			132.85	0.67		
45	35.23 - Trade of gas through mains	120.17	-			120.17	-			120.17	-		
46	37.00 - Sewerage	14.80	0.19			14.80	0.30			14.80	0.49		
47	42.11 - Construction of roads and motorways	46.97	-			46.97	-			46.97	-		
48	42.12 - Construction of railways and underground railways	10.29	-			10.29	-			10.29	-		
49	42.22 - Construction of utility projects for electricity and telecommunications	10.00	-			10.00	-			10.00	-		

(CONTINUED)

	Breakdown by sector - NACE 4- digit level (code and label)	i	j	k	l	m	n	o	p	q	r	s	t
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		In millions of Euro	Of which environmentally sustainable (WTR)	In millions of Euro	Of which environmentally sustainable (WTR)	In millions of Euro	Of which environmentally sustainable (CE)	In millions of Euro	Of which environmentally sustainable (CE)	In millions of Euro	Of which environmentally sustainable (PPC)	In millions of Euro	Of which environmentally sustainable (PPC)
50	43.99 - Other specialised construction activities n.e.c.	43.26	-			43.26	0.01			43.26	-		
51	46.39 - Non-specialised wholesale of food, beverages and tobacco	22.64	-			22.64	-			22.64	-		
52	46.51 - Wholesale of computers, computer peripheral equipment and software	15.79	-			15.79	-			15.79	-		
53	46.71 - Wholesale of solid, liquid and gaseous fuels and related products	5.81	-			5.81	-			5.81	-		
54	46.73 - Wholesale of wood, construction materials and sanitary equipment	8.92	-			8.92	-			8.92	-		
55	47.11 Retail sale in non-specialised stores with food, beverages or tobacco predominating	72.92	-			72.92	-			72.92	-		
56	47.54 - Retail sale of electrical household appliances in specialised stores	0.05	-			0.05	-			0.05	-		
57	47.64 - Retail sale of sporting equipment in specialised stores	7.25	-			7.25	-			7.25	-		
58	47.71 - Retail sale of clothing in specialised stores	26.72	-			26.72	-			26.72	-		
59	49.10 - Passenger rail transport, interurban	217.19	-			217.19	-			217.19	-		
60	49.31 - Urban and suburban passenger land transport	35.97	1.65			35.97	16.53			35.97	16.53		
61	49.50 - Transport via pipeline	276.07	0.30			276.07	-			276.07	-		
62	50.20 - Sea and coastal freight water transport	12.02	-			12.02	-			12.02	-		
63	51.10 - Passenger air transport	8.15	-			8.15	-			8.15	-		
64	52.21 - Service activities incidental to land transportation	96.57	2.03			96.57	20.26			96.57	20.26		
65	52.23 - Service activities incidental to air transportation	35.15	-			35.15	-			35.15	-		
66	52.29 - Other transportation support activities	3.82	-			3.82	-			3.82	-		
67	53.10 - Postal activities under universal service obligation	36.39	-			36.39	0.01			36.39	-		
68	58.13 - Publishing of newspapers	0.21	-			0.21	-			0.21	-		
69	58.29 - Other software publishing	28.64	-			28.64	-			28.64	-		
70	61.10 - Wired telecommunications activities	11.15	-			11.15	-			11.15	-		
71	61.20 - Wireless telecommunications activities	12.97	0.02			12.97	-			12.97	-		
72	61.30 - Satellite telecommunications activities	17.70	-			17.70	-			17.70	-		
73	63.12 - Web portals	3.96	-			3.96	-			3.96	-		
74	64.19 - Other monetary intermediation	7.72	-			7.72	-			7.72	-		
75	64.30 - Trusts, funds and similar financial entities	3.62	-			3.62	-			3.62	-		
76	65.12 - Non-life insurance	0.00	-			0.00	-			0.00	-		
77	68.20 - Rental and operating of own or leased real estate	14.84	-			14.84	-			14.84	-		
78	70.22 Business and other management consultancy activities	7.92	-			7.92	-			7.92	-		
79	72.11 - Research and experimental development on biotechnology	8.40	-			8.40	-			8.40	1.17		
80	77.11 - Rental and leasing of cars and light motor vehicles	32.02	-			32.02	-			32.02	-		
81	78.10 - Activities of employment placement agencies	1.16	-			1.16	-			1.16	-		
82	82.20 - Activities of call centres	0.01	-			0.01	-			0.01	-		
83	86.90 - Other human health activities	9.05	-			9.05	-			9.05	-		
84	96.01 - Washing and (dry-)cleaning of textile and fur products	6.84	-			6.84	-			6.84	-		

	Breakdown by sector - NACE 4- digit level (code and label)	u	v	w	x	y	z	aa	ab
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		In millions of Euro	Of which environmentally sustainable (BIO)	In millions of Euro	Of which environmentally sustainable (BIO)	In millions of Euro	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	In millions of Euro	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	10.73 - Manufacture of macaroni, noodles, couscous and similar farinaceous products	30.22	-			30.22	-		
2	11.01 - Distilling, rectifying and blending of spirits	44.97	-			44.97	-		
3	11.02 - Manufacture of wine from grape	3.03	-			3.03	0.51		
4	13.30 - Finishing of textiles	0.00	-			0.00	-		
5	14.13 - Manufacture of other outerwear	31.86	-			31.86	-		
6	14.31 - Manufacture of knitted and crocheted hosiery	0.42	-			0.42	-		
7	14.39 - Manufacture of other knitted and crocheted apparel	0.00	-			0.00	-		
8	15.12 - Manufacture of luggage, handbags and the like, saddlery and harness	0.18	-			0.18	-		
9	15.20 - Manufacture of footwear	5.15	-			5.15	-		
10	20.13 - Manufacture of other inorganic basic chemicals	0.00	-			0.00	-		
11	20.14 - Manufacture of other organic basic chemicals	4.96	-			4.96	0.05		
12	20.30 - Manufacture of paints, varnishes and similar coatings, printing ink and mastics	5.04	-			5.04	-		
13	20.42 - Manufacture of perfumes and toilet preparations	5.10	-			5.10	-		
14	20.52 - Manufacture of glues	17.89	-			17.89	-		
15	20.60 - Manufacture of man-made fibres	1.70	-			1.70	0.03		
16	21.20 - Manufacture of pharmaceutical preparations	139.53	-			139.53	-		
17	22.11 - Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	13.61	-			13.61	1.86		
18	23.13 - Manufacture of hollow glass	20.57	-			20.57	-		
19	26.11 - Manufacture of electronic components	7.86	-			7.86	-		
20	26.30 - Manufacture of communication equipment	14.70	-			14.70	-		
21	27.20 - Manufacture of batteries and accumulators	3.57	-			3.57	1.65		
22	27.40 - Manufacture of electric lighting equipment	2.00	-			2.00	-		
23	27.51 - Manufacture of electric domestic appliances	10.00	-			10.00	0.48		
24	28.13 - Manufacture of other pumps and compressors	82.53	-			82.53	-		
25	28.14 - Manufacture of other taps and valves	7.69	-			7.69	-		
26	28.23 - Manufacture of office machinery and equipment (except computers and peripheral equipment)	12.46	-			12.46	-		
27	28.25 - Manufacture of non-domestic cooling and ventilation equipment	47.51	-			47.51	-		
28	28.49 - Manufacture of other machine tools	13.06	-			13.06	-		
29	28.91 - Manufacture of machinery for metallurgy	0.00	-			0.00	0.00		
30	28.92 - Manufacture of machinery for mining, quarrying and construction	3.63	-			3.63	-		
31	28.99 - Manufacture of other special-purpose machinery n.e.c.	26.76	-			26.76	-		
32	29.10 - Manufacture of motor vehicles	9.35	-			9.35	1.58		
33	29.32 - Manufacture of other parts and accessories for motor vehicles	0.01	-			0.01	-		
34	30.11 - Building of ships and floating structures	269.72	-			269.72	38.57		
35	30.12 - Building of pleasure and sporting boats	0.00	-			0.00	-		
36	30.20 - Manufacture of railway locomotives and rolling stock	7.48	-			7.48	4.49		
37	30.30 - Manufacture of air and spacecraft and related machinery	102.48	-			102.48	-		
38	30.91 - Manufacture of motorcycles	21.90	-			21.90	1.37		
39	32.30 - Manufacture of sports goods	0.02	-			0.02	-		
40	35.11 - Production of electricity	140.46	-			140.46	62.02		
41	35.12 - Transmission of electricity	265.92	-			265.92	228.59		
42	35.13 - Distribution of electricity	38.61	-			38.61	9.51		
43	35.14 - Trade of electricity	0.00	-			0.00	0.00		
44	35.22 - Distribution of gaseous fuels through mains	132.85	-			132.85	27.26		
45	35.23 - Trade of gas through mains	120.17	-			120.17	42.37		
46	37.00 - Sewerage	14.80	-			14.80	5.94		
47	42.11 - Construction of roads and motorways	46.97	-			46.97	8.08		
48	42.12 - Construction of railways and underground railways	10.29	-			10.29	9.17		

(CONTINUED)

	Breakdown by sector - NACE 4- digit level (code and label)	u	v	w	x	y	z	aa	ab
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		In millions of Euro	Of which environmentally sustainable (BIO)	In millions of Euro	Of which environmentally sustainable (BIO)	In millions of Euro	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	In millions of Euro	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
49	42.22 - Construction of utility projects for electricity and telecommunications	10.00	-			10.00	0.35		
50	43.99 - Other specialised construction activities n.e.c.	43.26	-			43.26	2.95		
51	46.39 - Non-specialised wholesale of food, beverages and tobacco	22.64	-			22.64	-		
52	46.51 - Wholesale of computers, computer peripheral equipment and software	15.79	-			15.79	-		
53	46.71 - Wholesale of solid, liquid and gaseous fuels and related products	5.81	-			5.81	-		
54	46.73 - Wholesale of wood, construction materials and sanitary equipment	8.92	-			8.92	1.43		
55	47.11 Retail sale in non-specialised stores with food, beverages or tobacco predominating	72.92	-			72.92	-		
56	47.54 - Retail sale of electrical household appliances in specialised stores	0.05	-			0.05	-		
57	47.64 - Retail sale of sporting equipment in specialised stores	7.25	-			7.25	-		
58	47.71 - Retail sale of clothing in specialised stores	26.72	-			26.72	-		
59	49.10 - Passenger rail transport, interurban	217.19	-			217.19	-		
60	49.31 - Urban and suburban passenger land transport	35.97	1.65			35.97	69.45		
61	49.50 - Transport via pipeline	276.07	-			276.07	77.27		
62	50.20 - Sea and coastal freight water transport	12.02	-			12.02	0.47		
63	51.10 - Passenger air transport	8.15	-			8.15	-		
64	52.21 - Service activities incidental to land transportation	96.57	2.03			96.57	92.92		
65	52.23 - Service activities incidental to air transportation	35.15	-			35.15	3.44		
66	52.29 - Other transportation support activities	3.82	-			3.82	-		
67	53.10 - Postal activities under universal service obligation	36.39	-			36.39	8.13		
68	58.13 - Publishing of newspapers	0.21	-			0.21	-		
69	58.29 - Other software publishing	28.64	-			28.64	2.13		
70	61.10 - Wired telecommunications activities	11.15	-			11.15	1.71		
71	61.20 - Wireless telecommunications activities	12.97	-			12.97	0.12		
72	61.30 - Satellite telecommunications activities	17.70	-			17.70	-		
73	63.12 - Web portals	3.96	-			3.96	0.04		
74	64.19 - Other monetary intermediation	7.72	-			7.72	0.10		
75	64.30 - Trusts, funds and similar financial entities	3.62	-			3.62	2.02		
76	65.12 - Non-life insurance	0.00	-			0.00	0.00		
77	68.20 - Rental and operating of own or leased real estate	14.84	-			14.84	4.14		
78	70.22 Business and other management consultancy activities	7.92	-			7.92	-		
79	72.11 - Research and experimental development on biotechnology	8.40	-			8.40	1.17		
80	77.11 - Rental and leasing of cars and light motor vehicles	32.02	-			32.02	0.25		
81	78.10 - Activities of employment placement agencies	1.16	-			1.16	-		
82	82.20 - Activities of call centres	0.01	-			0.01	-		
83	86.90 - Other human health activities	9.05	-			9.05	-		
84	96.01 - Washing and (dry-)cleaning of textile and fur products	6.84	-			6.84	-		

Template 3. GAR KPI stock [CapEx - FY 2024]

		a	b	c	d	e	f	g	h	i
	% (compared to total covered assets in the denominator)	31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**32.91%**	**2.87%**	**2.00%**	**0.03%**	**0.47%**	**0.07%**	**0.04%**	**-**	**0.02%**
2	**Financial undertakings**	1.47%	0.25%	-	0.02%	0.11%	0.01%	0.00%	-	0.00%
3	Credit institutions	1.28%	0.15%	-	0.01%	0.04%	0.01%	0.00%	-	0.00%
4	Loans and advances	0.10%	0.01%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
5	Debt securities, including UoP	1.18%	0.15%	-	0.01%	0.04%	0.01%	0.00%	-	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		-
7	Other financial corporations	0.19%	0.10%	-	0.00%	0.06%	0.01%	0.00%	-	0.00%
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-
12	of which management companies	0.02%	0.01%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.02%	0.01%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-
17	Loans and advances	0.00%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-
18	Debt securities, including UoP	0.01%	0.00%	-	0.00%	0.00%	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-
20	**Non-financial undertakings**	0.82%	0.61%	-	0.01%	0.36%	0.06%	0.03%	-	0.02%
21	Loans and advances	0.58%	0.45%	-	0.01%	0.28%	0.01%	0.00%	-	0.00%
22	Debt securities, including UoP	0.23%	0.16%	-	0.01%	0.09%	0.05%	0.03%	-	0.02%
23	Equity instruments	0.00%	0.00%		-	0.00%	0.00%	0.00%		0.00%
24	**Households**	30.62%	2.00%	2.00%	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	29.39%	2.00%	2.00%	-	-	-	-	-	-
26	Of which building renovation loans	1.21%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	0.01%	-	-	-	-				
28	**Local governments financing**	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	**32.91%**	**2.87%**	**2.00%**	**0.03%**	**0.47%**	**0.07%**	**0.04%**	**-**	**0.02%**

		j	k	l	m	n	o	p	q	r	s	t	u
	% (compared to total covered assets in the denominator)	31.12.2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**0.05%**	**0.04%**	**-**	**0.02%**	**0.09%**	**0.02%**	**-**	**0.02%**	**0.03%**	**0.03%**	**-**	**0.02%**
2	**Financial undertakings**	**0.00%**	**-**	**-**	**-**	**0.04%**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	0.00%	0.00%	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	0.00%	0.00%	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-	-	-		-
7	Other financial corporations	0.00%	-	-	-	0.04%	-	-	-	0.00%	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-		-
12	of which management companies	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.00%	-		-	0.00%	-		-	0.00%	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-		-
20	**Non-financial undertakings**	**0.05%**	**0.04%**	**-**	**0.02%**	**0.05%**	**0.02%**	**-**	**0.02%**	**0.03%**	**0.03%**	**-**	**0.02%**
21	Loans and advances	0.02%	0.02%	-	-	0.01%	0.00%	-	-	0.01%	0.00%	-	-
22	Debt securities, including UoP	0.02%	0.02%	-	0.02%	0.03%	0.02%	-	0.02%	0.03%	0.02%	-	0.02%
23	Equity instruments	-	-		-	0.00%	-		-	-	-		-
24	**Households**					**-**	**-**	**-**	**-**				
25	of which loans collateralised by residential immovable property					-	-	-	-				
26	Of which building renovation loans					-	-	-	-				
27	of which motor vehicle loans												
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.05%**	**0.04%**	**-**	**0.02%**	**0.09%**	**0.02%**	**-**	**0.02%**	**0.03%**	**0.03%**	**-**	**0.02%**

		v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total covered assets in the denominator)		31.12.2024									
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered [8]
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator										
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**0.02%**	**0.02%**	**-**	**0.02%**	**33.16%**	**3.01%**	**2.00%**	**0.03%**	**0.56%**	**31.42%**
2	**Financial undertakings**	**0.00%**	**-**	**-**	**-**	**1.53%**	**0.26%**	**-**	**0.02%**	**0.11%**	**4.66%**
3	Credit institutions	-	-	-	-	1.29%	0.16%	-	0.01%	0.04%	3.89%
4	Loans and advances	-	-	-	-	0.10%	0.01%	-	0.00%	0.00%	0.28%
5	Debt securities, including UoP	-	-	-	-	1.18%	0.15%	-	0.01%	0.04%	3.61%
6	Equity instruments	-	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	-	-	-	0.24%	0.10%	-	0.00%	0.06%	0.76%
8	of which investment firms	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-
12	of which management companies	0.00%	-	-	-	0.02%	0.01%	-	0.00%	0.00%	0.06%
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.00%	-		-	0.02%	0.01%		0.00%	0.00%	0.06%
16	of which insurance undertakings	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.01%
17	Loans and advances	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.00%
18	Debt securities, including UoP	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.01%
19	Equity instruments	-	-		-	-	-		-	-	-
20	**Non-financial undertakings**	**0.02%**	**0.02%**	**-**	**0.02%**	**1.02%**	**0.76%**	**-**	**0.01%**	**0.46%**	**1.99%**
21	Loans and advances	0.00%	-	-	-	0.64%	0.48%	-	0.01%	0.28%	1.55%
22	Debt securities, including UoP	0.02%	0.02%	-	0.02%	0.38%	0.28%	-	0.01%	0.18%	0.44%
23	Equity instruments	-	-		-	0.00%	0.00%		-	0.00%	0.00%
24	**Households**					**30.62%**	**2.00%**	**2.00%**	**-**	**-**	**24.65%**
25	of which loans collateralised by residential immovable property					29.39%	2.00%	2.00%	-	-	23.66%
26	of which building renovation loans					1.21%	-	-	-	-	0.97%
27	of which motor vehicle loans					0.01%	-	-	-	-	0.01%
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.12%**
32	**Total GAR assets**	**0.02%**	**0.02%**	**-**	**0.02%**	**33.16%**	**3.01%**	**2.00%**	**0.03%**	**0.56%**	**80.50%**

8 The share of total covered assets is calculated as the ratio between the total gross carrying amount reported in Template 1 and the value of total assets (see Template 1, Row 53 “Total assets”).

Template 3. GAR KPI stock [CapEx - FY 2023]

		a	b	c	d	e	f	g	h	i
	% (compared to total covered assets in the denominator)	31.12.2023								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**29.49%**	**1.66%**	**-**	**0.0%**	**0.25%**	**0.04%**	**0.00%**	**-**	**0.00%**
2	**Financial undertakings**	**0.52%**	**0.00%**	**-**	**-**	**-**	**0.03%**	**-**	**-**	**-**
3	Credit institutions	0.52%	-	-	-	-	-	-	-	-
4	Loans and advances	0.08%	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	0.44%	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-	-		-
7	Other financial corporations	0.00%	0.00%	-	-	-	0.03%	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-
12	of which management companies	0.00%	0.00%	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.00%	0.00%		-	-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	0.03%	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	0.03%	-	-	-
19	Equity instruments	-	-		-	-	-	-		-
20	**Non-financial undertakings**	**1.18%**	**0.49%**	**-**	**0.00%**	**0.25%**	**0.00%**	**0.00%**	**-**	**0.00%**
21	Loans and advances	0.81%	0.35%	-	0.00%	0.20%	0.00%	0.00%	-	0.00%
22	Debt securities, including UoP	0.37%	0.13%	-	0.00%	0.04%	0.00%	0.00%	-	0.00%
23	Equity instruments	0.00%	0.00%		-	-	0.00%	0.00%		-
24	**Households**	**27.78%**	**1.17%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	26.62%	1.17%	-	-	-	-	-	-	-
26	of which building renovation loans	1.15%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	0.01%	-	-	-	-				
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**									

	% (compared to total covered assets in the denominator)	j	k	l	m	n	o	p	q	r	s	t	u
		31.12.2023											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**												
2	**Financial undertakings**												
3	Credit institutions												
4	Loans and advances												
5	Debt securities, including UoP												
6	Equity instruments												
7	Other financial corporations												
8	of which investment firms												
9	Loans and advances												
10	Debt securities, including UoP												
11	Equity instruments												
12	of which management companies												
13	Loans and advances												
14	Debt securities, including UoP												
15	Equity instruments												
16	of which insurance undertakings												
17	Loans and advances												
18	Debt securities, including UoP												
19	Equity instruments												
20	**Non-financial undertakings**												
21	Loans and advances												
22	Debt securities, including UoP												
23	Equity instruments												
24	**Households**												
25	of which loans collateralised by residential immovable property												
26	of which building renovation loans												
27	of which motor vehicle loans												
28	**Local governments financing**												
29	Housing financing												
30	Other local government financing												
31	**Collateral obtained by taking possession: residential and commercial immovable properties**												
32	**Total GAR assets**												

		v	w	x	z	aa	ab	ac	ad	ae	af
	% (compared to total covered assets in the denominator)					**31.12.2023**					
		Biodiversity and ecosystems (BIO)				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**					**Proportion of total assets covered [8]**
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator										
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**					**29.52%**	**1.66%**	**-**	**0.00%**	**0.25%**	**28.61%**
2	**Financial undertakings**					**0.56%**	**0.00%**	**-**	**-**	**-**	**3.66%**
3	Credit institutions					0.52%	-	-	-	-	3.30%
4	Loans and advances					0.08%	-	-	-	-	0.36%
5	Debt securities, including UoP					0.44%	-	-	-	-	2.93%
6	Equity instruments					-	-		-	-	0.00%
7	Other financial corporations					0.03%	0.00%	-	-	-	0.37%
8	of which investment firms					-	-	-	-	-	-
9	Loans and advances					-	-	-	-	-	-
10	Debt securities, including UoP					-	-	-	-	-	-
11	Equity instruments					-	-		-	-	-
12	of which management companies					0.00%	0.00%	-	-	-	0.02%
13	Loans and advances					-	-	-	-	-	-
14	Debt securities, including UoP					-	-	-	-	-	0.01%
15	Equity instruments					0.00%	0.00%		-	-	0.01%
16	of which insurance undertakings					0.03%	-	-	-	-	0.09%
17	Loans and advances					-	-	-	-	-	0.00%
18	Debt securities, including UoP					0.03%	-	-	-	-	0.09%
19	Equity instruments					-	-		-	-	-
20	**Non-financial undertakings**					**1.18%**	**0.49%**	**-**	**0.00%**	**0.25%**	**2.10%**
21	Loans and advances					0.81%	0.35%	-	0.00%	0.20%	1.57%
22	Debt securities, including UoP					0.37%	0.14%	-	0.00%	0.04%	0.53%
23	Equity instruments					0.00%	0.00%		-	-	0.00%
24	**Households**					**27.78%**	**1.17%**	**-**	**-**	**-**	**22.70%**
25	of which loans collateralised by residential immovable property					26.62%	1.17%	-	-	-	21.75%
26	of which building renovation loans					1.15%	-	-	-	-	0.94%
27	of which motor vehicle loans					0.01%	-	-	-	-	0.01%
28	**Local governments financing**					**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing					-	-	-	-	-	-
30	Other local government financing					-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**					**-**	**-**	**-**	**-**	**-**	**0.15%**
32	**Total GAR assets**										**81.70%**

Template 3. GAR KPI stock [Turnover - FY 2024]

		a	b	c	d	e	f	g	h	i
	% (compared to total covered assets in the denominator)	**31.12.2024**								
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**32.82%**	**2.70%**	**2.00%**	**0.07%**	**0.38%**	**0.05%**	**0.04%**	**-**	**0.01%**
2	**Financial undertakings**	**1.49%**	**0.20%**	**-**	**0.02%**	**0.07%**	**0.01%**	**0.00%**	**-**	**0.00%**
3	Credit institutions	1.32%	0.13%	-	0.02%	0.03%	0.01%	0.00%	-	0.00%
4	Loans and advances	0.10%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
5	Debt securities, including UoP	1.22%	0.13%	-	0.02%	0.03%	0.01%	0.00%	-	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		-
7	Other financial corporations	0.17%	0.07%	-	0.00%	0.05%	0.00%	0.00%	-	0.00%
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	quity instruments	-	-		-	-	-	-		-
12	of which management companies	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.01%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.01%	0.00%	-	0.00%	0.00%	-	-	-	-
17	Loans and advances	0.00%	0.00%	-	0.00%	0.00%	-	-	-	-
18	Debt securities, including UoP	0.01%	0.00%	-	0.00%	0.00%	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-
20	**Non-financial undertakings**	**0.71%**	**0.51%**	**-**	**0.06%**	**0.31%**	**0.05%**	**0.04%**	**-**	**0.01%**
21	Loans and advances	0.53%	0.38%	-	0.05%	0.25%	0.00%	0.00%	-	0.00%
22	Debt securities, including UoP	0.19%	0.13%	-	0.01%	0.06%	0.04%	0.04%	-	0.01%
23	Equity instruments	0.00%	0.00%		-	0.00%	0.00%	0.00%		0.00%
24	**Households**	**30.62%**	**2.00%**	**2.00%**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	29.39%	2.00%	2.00%	-	-	-	-	-	-
26	of which building renovation loans	1.21%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	0.01%	-	-	-	-				
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**32.82%**	**2.70%**	**2.00%**	**0.07%**	**0.38%**	**0.05%**	**0.04%**	**-**	**0.01%**

		j	k	l	m	n	o	p	q	r	s	t	u
	% (compared to total covered assets in the denominator)	**31.12.2024**											
		Water and marine resources (WTR)				**Circular economy (CE)**				**Pollution (PPC)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**0.01%**	**0.01%**	**-**	**0.00%**	**0.09%**	**0.03%**	**-**	**0.00%**	**0.07%**	**0.03%**	**-**	**0.00%**
2	**Financial undertakings**	**0.00%**	**-**	**-**	**-**	**0.04%**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	0.00%	0.00%	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	0.00%	0.00%	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-	-	-		-
7	Other financial corporations	0.00%	-	-	-	0.04%	-	-	-	0.00%	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-		-
12	of which management companies	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.00%	-		-	0.00%	-		-	0.00%	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-		-
20	**Non-financial undertakings**	**0.01%**	**0.01%**	**-**	**0.00%**	**0.05%**	**0.03%**	**-**	**0.00%**	**0.07%**	**0.03%**	**-**	**0.00%**
21	Loans and advances	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.03%	0.00%	-	-
22	Debt securities, including UoP	0.01%	0.00%	-	0.00%	0.05%	0.03%	-	0.00%	0.04%	0.03%	-	0.00%
23	Equity instruments	-	-		-	0.00%	-		-	-	-		-
24	**Households**					**-**	**-**	**-**	**-**				
25	of which loans collateralised by residential immovable property					-	-	-	-				
26	of which building renovation loans					-	-	-	-				
27	of which motor vehicle loans												
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.01%**	**0.01%**	**-**	**0.00%**	**0.09%**	**0.03%**	**-**	**0.00%**	**0.07%**	**0.03%**	**-**	**0.00%**

	% (compared to total covered assets in the denominator)	v	w	x	z	aa	ab	ac	ad	ae	af
		31.12.2024									
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered [8]
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator										
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**0.00%**	**0.00%**	**-**	**0.00%**	**33.05%**	**2.82%**	**2.00%**	**0.07%**	**0.40%**	**31.42%**
2	**Financial undertakings**	**0.00%**	**-**	**-**	**-**	**1.54%**	**0.20%**	**-**	**0.02%**	**0.07%**	**4.66%**
3	Credit institutions	-	-	-	-	1.33%	0.13%	-	0.02%	0.03%	3.89%
4	Loans and advances	-	-	-	-	0.10%	0.00%	-	0.00%	0.00%	0.28%
5	Debt securities, including UoP	-	-	-	-	1.23%	0.13%	-	0.02%	0.03%	3.61%
6	Equity instruments	-	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	-	-	-	0.21%	0.07%	-	0.00%	0.05%	0.76%
8	of which investment firms	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-
12	of which management companies	0.00%	-	-	-	0.02%	0.00%	-	0.00%	0.00%	0.06%
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.00%	-		-	0.02%	0.00%		0.00%	0.00%	0.06%
16	of which insurance undertakings	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.01%
17	Loans and advances	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.00%
18	Debt securities, including UoP	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.01%
19	Equity instruments	-	-		-	-	-		-	-	-
20	**Non-financial undertakings**	**0.00%**	**0.00%**	**-**	**0.00%**	**0.89%**	**0.62%**	**-**	**0.06%**	**0.33%**	**1.99%**
21	Loans and advances	0.00%	-	-	-	0.57%	0.38%	-	0.05%	0.25%	1.55%
22	Debt securities, including UoP	0.00%	0.00%	-	0.00%	0.32%	0.24%	-	0.01%	0.08%	0.44%
23	Equity instruments	-	-		-	0.00%	0.00%		-	0.00%	0.00%
24	**Households**					**30.62%**	**2.00%**	**2.00%**	**-**	**-**	**24.65%**
25	of which loans collateralised by residential immovable property					29.39%	2.00%	2.00%	-	-	23.66%
26	of which building renovation loans					1.21%	-	-	-	-	0.97%
27	of which motor vehicle loans					0.01%	-	-	-	-	0.01%
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.12%**
32	**Total GAR assets**	**0.00%**	**0.00%**	**-**	**0.00%**	**33.05%**	**2.82%**	**2.00%**	**0.07%**	**0.40%**	**80.50%**

Template 3. GAR KPI stock [Turnover - FY 2023]

		a	b	c	d	e	f	g	h	i
	% (compared to total covered assets in the denominator)	**31.12.2023**								
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**29.26%**	**1.50%**	**-**	**0.00%**	**0.21%**	**0.03%**	**0.00%**	**-**	**0.00%**
2	**Financial undertakings**	0.59%	0.00%	-	-	-	0.03%	-	-	-
3	Credit institutions	0.59%	-	-	-	-	-	-	-	-
4	Loans and advances	0.09%	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	0.50%	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-	-		-
7	Other financial corporations	0.00%	0.00%	-	-	-	0.03%	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	quity instruments	-	-		-	-	-	-		-
12	of which management companies	0.00%	0.00%	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.00%	0.00%		-	-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	0.03%	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	0.03%	-	-	-
19	Equity instruments	-	-		-	-	-	-		-
20	**Non-financial undertakings**	0.89%	0.33%	-	0.00%	0.21%	0.00%	0.00%	-	0.00%
21	Loans and advances	0.61%	0.24%	-	0.00%	0.18%	0.00%	0.00%	-	0.00%
22	Debt securities, including UoP	0.28%	0.09%	-	0.00%	0.03%	0.00%	0.00%	-	0.00%
23	Equity instruments	0.00%	0.00%		-	-	-	-		-
24	**Households**	27.78%	1.17%	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	26.62%	1.17%	-	-	-	-	-	-	-
26	of which building renovation loans	1.15%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	0.01%	-	-	-	-				
28	**Local governments financing**	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**									

		j	k	l	m	n	o	p	q	r	s	t	u
	% (compared to total covered assets in the denominator)	31.12.2023											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**												
2	**Financial undertakings**												
3	Credit institutions												
4	Loans and advances												
5	Debt securities, including UoP												
6	Equity instruments												
7	Other financial corporations												
8	of which investment firms												
9	Loans and advances												
10	Debt securities, including UoP												
11	Equity instruments												
12	of which management companies												
13	Loans and advances												
14	Debt securities, including UoP												
15	Equity instruments												
16	of which insurance undertakings												
17	Loans and advances												
18	Debt securities, including UoP												
19	Equity instruments												
20	**Non-financial undertakings**												
21	Loans and advances												
22	Debt securities, including UoP												
23	Equity instruments												
24	**Households**												
25	of which loans collateralised by residential immovable property												
26	of which building renovation loans												
27	of which motor vehicle loans												
28	**Local governments financing**												
29	Housing financing												
30	Other local government financing												
31	**Collateral obtained by taking possession: residential and commercial immovable properties**												
32	**Total GAR assets**												

	% (compared to total covered assets in the denominator)	v	w	x	z	aa	ab	ac	ad	ae	af
		31.12.2023									
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered [8]
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator										
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**					**29.30%**	**1.50%**	**-**	**0.00%**	**0.21%**	**28.61%**
2	**Financial undertakings**					**0.62%**	**0.00%**	**-**	**-**	**-**	**3.66%**
3	Credit institutions					0.59%	-	-	-	-	3.30%
4	Loans and advances					0.09%	-	-	-	-	0.36%
5	Debt securities, including UoP					0.50%	-	-	-	-	2.93%
6	Equity instruments					-	-		-	-	0.00%
7	Other financial corporations					0.03%	0.00%	-	-	-	0.37%
8	of which investment firms					-	-	-	-	-	-
9	Loans and advances					-	-	-	-	-	-
10	Debt securities, including UoP					-	-	-	-	-	-
11	Equity instruments					-	-		-	-	-
12	of which management companies					0.00%	0.00%	-	-	-	0.02%
13	Loans and advances					-	-	-	-	-	-
14	Debt securities, including UoP					-	-	-	-	-	0.01%
15	Equity instruments					0.00%	0.00%		-	-	0.01%
16	of which insurance undertakings					0.03%	-	-	-	-	0.09%
17	Loans and advances					-	-	-	-	-	0.00%
18	Debt securities, including UoP					0.03%	-	-	-	-	0.09%
19	Equity instruments					-	-		-	-	-
20	**Non-financial undertakings**					**0.89%**	**0.33%**	**-**	**0.00%**	**0.21%**	**2.10%**
21	Loans and advances					0.61%	0.24%	-	0.00%	0.18%	1.57%
22	Debt securities, including UoP					0.28%	0.09%	-	0.00%	0.03%	0.53%
23	Equity instruments					0.00%	0.00%		-	-	0.00%
24	**Households**					**27.78%**	**1.17%**	**-**	**-**	**-**	**22.70%**
25	of which loans collateralised by residential immovable property					26.62%	1.17%	-	-	-	21.75%
26	of which building renovation loans					1.15%	-	-	-	-	0.94%
27	of which motor vehicle loans					0.01%	-	-	-	-	0.01%
28	**Local governments financing**					**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing					-	-	-	-	-	-
30	Other local government financing					-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**					**-**	**-**	**-**	**-**	**-**	**0.15%**
32	**Total GAR assets**										**81.70%**

Template 4. GAR KPI flow [CapEx]

For the purposes of determining the flow data, also in light of the Regulator's[54] clarifications, the BPER Group has decided to proceed as follows:

- in relation to loans to businesses and households, the flow data was calculated by analysing the new exposures that occurred during 2024, taking the value stipulated at the time of disbursement of the loan into consideration, with the aim of excluding any repayments that occurred during of the year;
- in relation to debt securities and equity instruments, the purchases of securities made during 2024 were analysed, in order to exclude any disinvestments on securities in the portfolio.

The values reported within the Templates below are calculated using the Total GAR assets (Total covered assets) as the denominator as indicated in Template 1, Row 48 "Total GAR assets".

54 Commission Notice C/2024/6691 on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (third Commission Notice) of 08/11/2024: Question 65.

		a	b	c	d	e	f	g	h	i
	% (compared to flow of total eligible assets)	**31.12.2024**								
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)**			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)**		
				Of which Use of Proceeds	**Of which transitional**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
	GAR - Covered assets in both numerator and denominator									
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**4.92%**	**1.09%**	**0.99%**	**0.00%**	**0.06%**	**0.00%**	**0.00%**	**-**	**0.00%**
2	**Financial undertakings**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**-**	**0.00%**
3	Credit institutions	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	-	-		-
7	Other financial corporations	0.00%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-
12	of which management companies	0.00%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-
20	**Non-financial undertakings**	**0.15%**	**0.10%**	**-**	**0.00%**	**0.06%**	**0.00%**	**0.00%**	**-**	**-**
21	Loans and advances	0.15%	0.10%	-	0.00%	0.06%	0.00%	0.00%	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-
24	**Households**	**4.76%**	**0.99%**	**0.99%**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	4.59%	0.99%	0.99%	-	-	-	-	-	-
26	of which building renovation loans	0.17%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-				
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**4.92%**	**1.09%**	**0.99%**	**0.00%**	**0.06%**	**0.00%**	**0.00%**	**-**	**0.00%**

		j	k	l	m	n	o	p	q	r	s	t	u
% (compared to flow of total eligible assets)		31.12.2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**	**-**	**-**
2	**Financial undertakings**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-	-	-		-
7	Other financial corporations	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-		-
12	of which management companies	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.00%	-		-	0.00%	-		-	0.00%	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-		-
20	**Non-financial undertakings**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**	**-**	**-**
21	Loans and advances	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-	-	-		-
24	**Households**					**-**	**-**	**-**	**-**				
25	of which loans collateralised by residential immovable property					-	-	-	-				
26	of which building renovation loans					-	-	-	-				
27	of which motor vehicle loans												
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**	**-**	**-**

		v	x	w	z	aa	ab	ac	ad	ae	af
% (compared to flow of total eligible assets)		**31.12.2024**									
		Biodiversity and ecosystems (BIO)				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**					**Proportion of total new assets covered [8]**
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator										
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**-**	**-**	**-**	**-**	**4.93%**	**1.09%**	**0.99%**	**0.00%**	**0.06%**	**4.45%**
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.06%**
3	**Credit institutions**	**-**	**-**	**-**	**-**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.06%**
4	Loans and advances	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.06%
6	Equity instruments	-	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.00%
8	of which investment firms	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-
12	of which management companies	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.00%
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**0.16%**	**0.10%**	**-**	**0.00%**	**0.06%**	**0.55%**
21	Loans and advances	-	-	-	-	0.16%	0.10%	-	0.00%	0.06%	0.55%
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-	-	-
24	**Households**					**4.76%**	**0.99%**	**0.99%**	**-**	**-**	**3.83%**
25	of which loans collateralised by residential immovable property					4.59%	0.99%	0.99%	-	-	3.70%
26	of which building renovation loans					0.17%	-	-	-	-	0.14%
27	of which motor vehicle loans					-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**	**4.93%**	**1.09%**	**0.99%**	**0.00%**	**0.06%**	**80.50%**

Template 4. GAR KPI flow [Turnover]

		a	b	c	d	e	f	g	h	i
% (compared to flow of total eligible assets)		31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**4.87%**	**1.04%**	**0.99%**	**0.00%**	**0.03%**	**0.00%**	**0.00%**	**-**	**0.00%**
2	**Financial undertakings**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**-**	**0.00%**
3	Credit institutions	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		-
7	Other financial corporations	0.00%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-
12	of which management companies	0.00%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-
20	**Non-financial undertakings**	**0.10%**	**0.05%**	**-**	**0.00%**	**0.03%**	**0.00%**	**0.00%**	**-**	**-**
21	Loans and advances	0.10%	0.05%	-	0.00%	0.03%	0.00%	0.00%	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-
24	**Households**	**4.76%**	**0.99%**	**0.99%**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	4.59%	0.99%	0.99%	-	-	-	-	-	-
26	of which building renovation loans	0.17%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-				
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**4.87%**	**1.04%**	**0.99%**	**0.00%**	**0.03%**	**0.00%**	**0.00%**	**-**	**0.00%**

		j	k	l	m	n	o	p	q	r	s	t	u
% (compared to flow of total eligible assets)		31.12.2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**	**-**	**-**	**0.02%**	**-**	**-**	**-**
2	**Financial undertakings**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-	-	-		-
7	Other financial corporations	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-		-
12	of which management companies	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.00%	-		-	0.00%	-		-	0.00%	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-		-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**0.00%**	**0.00%**	**-**	**-**	**0.02%**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-	0.00%	0.00%	-	-	0.02%	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-	-	-		-
24	**Households**					**-**	**-**	**-**	**-**				
25	of which loans collateralised by residential immovable property					-	-	-	-				
26	of which building renovation loans					-	-	-	-				
27	of which motor vehicle loans												
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**	**-**	**-**	**0.02%**	**-**	**-**	**-**

		v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to flow of total eligible assets)		31.12.2024									
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered [8]
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator										
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**0.00%**	**-**	**-**	**-**	**4.89%**	**1.04%**	**0.99%**	**0.00%**	**0.03%**	**4.45%**
2	**Financial undertakings**	**0.00%**	**-**	**-**	**-**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.06%**
3	Credit institutions	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.06%
4	Loans and advances	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.06%
6	Equity instruments	-	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.00%
8	of which investment firms	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-
12	of which management companies	0.00%	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.00%
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.00%	-		-	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**0.12%**	**0.05%**	**-**	**0.00%**	**0.03%**	**0.55%**
21	Loans and advances	-	-	-	-	0.12%	0.05%	-	0.00%	0.03%	0.55%
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-	-	-
24	**Households**					**4.76%**	**0.99%**	**0.99%**	**-**	**-**	**3.83%**
25	of which loans collateralised by residential immovable property					4.59%	0.99%	0.99%	-	-	3.70%
26	of which building renovation loans					0.17%	-	-	-	-	0.14%
27	of which motor vehicle loans					-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.00%**	**-**	**-**	**-**	**4.89%**	**1.04%**	**0.99%**	**0.00%**	**0.03%**	**80.50%**

Template 5. KPI off-balance sheet exposures [Stock - CapEx]

		a	b	c	d	e	f	g	h	i
	% (compared to total eligible off-balance sheet assets)	31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	3.14%	3.14%	-	1.17%	0.19%	-	-	-	-
2	Assets under management (AuM KPI)	12.59%	5.34%	-	1.94%	0.79%	0.61%	0.25%	-	0.08%

		j	k	l	m	n	o	p	q	r	s	t	u
	% (compared to total eligible off-balance sheet assets)	31.12.2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	0.22%	0.14%	-	0.00%	0.55%	0.00%	-	0.00%	0.25%	0.01%	-	0.00%

		v	w	x	y	z	aa	ab	ac	ad
	% (compared to total eligible off-balance sheet assets)	31.12.2024								
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	3.14%	3.14%	-	1.17%	0.19%
2	Assets under management (AuM KPI)	0.01%	-	-	-	14.23%	5.74%	-	1.94%	0.88%

Template 5. KPI off-balance sheet exposures [Stock - Turnover]

		a	b	c	d	e	f	g	h	i
	% (compared to total eligible off-balance sheet assets)	31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.27%	0.27%	-	0.02%	0.00%	-	-	-	-
2	Assets under management (AuM KPI)	10.04%	3.31%	-	0.35%	1.58%	0.75%	0.16%	-	0.07%

		j	k	l	m	n	o	p	q	r	s	t	u
	% (compared to total eligible off-balance sheet assets)	31.12.2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	0.11%	0.06%	-	0.00%	0.64%	0.01%	-	0.00%	0.38%	0.01%	-	0.01%

		v	w	x	y	z	aa	ab	ac	ad
	% (compared to total eligible off-balance sheet assets)	31.12.2024								
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	0.27%	0.27%	-	0.02%	0.00%
2	Assets under management (AuM KPI)	0.02%	-	-	-	11.94%	3.55%	-	0.35%	1.66%

Template 5. KPI off-balance sheet exposures [Flow - CapEx]

		a	b	c	d	e	f	g	h	i
	% (compared to total eligible off-balance sheet assets)	31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	13.87%	5.69%	-	1.64%	1.26%	0.54%	0.19%	-	0.08%

		j	k	l	m	n	o	p	q	r	s	t	u
	% (compared to total eligible off-balance sheet assets)	31.12.2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	0.24%	0.14%	-	0.00%	0.53%	0.00%	-	0.00%	0.31%	0.01%	-	0.00%

		v	w	x	y	z	aa	ab	ac	ad
	% (compared to total eligible off-balance sheet assets)	31.12.2024								
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	0.00%	-	-	-	15.50%	6.03%	-	1.64%	1.34%

Template 5. KPIs off-balance sheet exposures [Flow - Turnover]

		a	b	c	d	e	f	g	h	i
	% (compared to total eligible off-balance sheet assets)	31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	11.02%	3.28%	-	1.06%	0.78%	0.87%	0.09%	-	0.04%

		j	k	l	m	n	o	p	q	r	s	t	u
	% (compared to total eligible off-balance sheet assets)	31.12.2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	0.13%	0.07%	-	0.00%	0.68%	0.01%	-	0.00%	0.50%	0.01%	-	0.00%

		v	w	x	y	z	aa	ab	ac	ad
	% (compared to total eligible off-balance sheet assets)	31.12.2024								
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	0.02%	-	-	-	13.21%	3.46%	-	1.06%	0.82%

2.1.2 Disclosure pursuant to Annex XII of Delegated Regulation 2021/2178

Based on what is required by the Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022[55] concerning economic activities in certain energy sectors, the BPER Group has published the following templates regarding economic activities linked to nuclear energy and fossil gas. These values (in millions of Euro and as a percentage) are given in tabular form, in accordance with Annex XII of Delegated Regulation 2021/2178.

The five Templates under Annex XII are published with reference to each of the applicable KPIs for the BPER Group[56], published within the disclosure Templates of Annex VI of Delegated Regulation (EU) 2021/2178, and in two versions: using CapEx and Turnover as weighting factors for exposures to counterparty undertakings.

The Annex XII Templates below provide evidence of nuclear energy and fossil gas related allowances calculated with reference to aligned, eligible but non-aligned, and non-eligible activities of the climate change mitigation (CCM) and climate change adaptation (CCA) objectives only.

Due to rounding off, the sum of some separate itemised amounts may differ from their respective aggregate amounts.

Applicable KPI on balance sheet assets: GAR stock

Template 1. Nuclear and fossil gas related activities [GAR stock]

Rows	Nuclear energy related activities	YES/NO
1	Funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The company performs, for has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The company performs, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	Funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The company performs, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The company performs, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

55 Which integrates and modifies Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2021/2178.

56 For the BPER Group, the applicable KPIs are: GAR stock, GAR flow, AuM KPI stock and AuM KPI flow. The KPI on financial guarantees (FinGuar KPI stock and flow) is excluded, as there are no financial guarantees to companies subject to the CSRD active in the nuclear energy and fossil gas sectors.

Template 2. Taxonomy-aligned economic activities (denominator) [GAR stock - CapEx]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.14	0.00%	0.14	0.00%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	1.21	0.00%	1.21	0.00%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	2.85	0.00%	2.85	0.00%	-	-
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	5.42	0.00%	5.42	0.00%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	2.83	0.00%	2.83	0.00%	-	-
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.44	0.00%	0.44	0.00%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,315.95**	**2.89%**	**3,273.10**	**2.85%**	**42.85**	**0.04%**
8.	**Total applicable KPI**	**3,328.83**	**2.90%**	**3,285.99**	**2.87%**	**42.85**	**0.04%**

Template 2. Taxonomy-aligned economic activities (denominator) [GAR stock - Turnover]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.23	0.00%	0.23	0.00%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.32	0.00%	0.32	0.00%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	7.13	0.01%	7.13	0.01%	0.00	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.04	0.00%	0.04	0.00%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	4.18	0.00%	1.84	0.00%	2.34	0.00%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.08	0.00%	0.08	0.00%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,131.66**	**2.73%**	**3,091.40**	**2.70%**	**40.26**	**0.04%**
8.	**Total applicable KPI**	**3,143.64**	**2.74%**	**3,101.04**	**2.70%**	**42.60**	**0.04%**

Template 3. Taxonomy-aligned economic activities (numerator) [GAR stock - CapEx]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.14	0.00%	0.14	0.00%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	1.21	0.04%	1.21	0.04%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	2.85	0.09%	2.85	0.09%	-	-
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	5.42	0.16%	5.42	0.16%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	2.83	0.09%	2.83	0.09%	-	-
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.44	0.01%	0.44	0.01%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**3,315.95**	**99.61%**	**3,273.10**	**98.33%**	**42.85**	**1.29%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**3,328.83**	**100%**	**3,285.99**	**98.71%**	**42.85**	**1.29%**

Template 3. Taxonomy-aligned economic activities (numerator) [GAR stock - Turnover]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.23	0.01%	0.23	0.01%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.32	0.01%	0.32	0.01%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	7.13	0.23%	7.13	0.23%	0.00	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.04	0.00%	0.04	0.00%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	4.18	0.13%	1.84	0.06%	2.34	0.07%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.08	0.00%	0.08	0.00%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**3,131.66**	**99.62%**	**3,091.40**	**98.34%**	**40.26**	**1.28%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**3,143.64**	**100%**	**3,101.04**	**98.64%**	**42.60**	**1.36%**

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities [GAR stock - CapEx]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.03	0.00%	0.03	0.00%	-	-
2.	Amount and proportion of Taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of Taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.15	0.00%	0.15	0.00%	-	-
4.	Amount and proportion of Taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.68	0.00%	1.68	0.00%	0.00	0.00%
5.	Amount and proportion of Taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8.95	0.01%	8.95	0.01%	-	-
6.	Amount and proportion of Taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.73	0.00%	3.73	0.00%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**34,471.66**	**30.06%**	**34,433.69**	**30.03%**	**37.97**	**0.03%**
8.	**Total amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI**	**34,486.21**	**30.07%**	**34,448.23**	**30.04%**	**37.98**	**0.03%**

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities [GAR stock - Turnover]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.12	0.00%	0.12	0.00%	-	-
2.	Amount and proportion of Taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.12	0.00%	0.12	0.00%	-	-
3.	Amount and proportion of Taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5.50	0.00%	5.50	0.00%	-	-
4.	Amount and proportion of Taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4.97	0.00%	4.97	0.00%	0.00	0.00%
5.	Amount and proportion of Taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10.45	0.01%	8.12	0.01%	2.34	0.00%
6.	Amount and proportion of Taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.05	0.00%	2.05	0.00%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**34,531.36**	**30.11%**	**34,514.65**	**30.10%**	**16.71**	**0.01%**
8.	**Total amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI**	**34,554.58**	**30.13%**	**34,535.53**	**30.12%**	**19.05**	**0.02%**

Template 5. Taxonomy non-eligible economic activities [GAR stock - CapEx]

Rows	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.98	0.00%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.50	0.00%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.02	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.39	0.00%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**76,850.39**	**67.02%**
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**76,856.28**	**67.02%**

Template 5. Taxonomy non-eligible economic activities [GAR stock - Turnover]

Rows	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.42	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9.32	0.01%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.59	0.00%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.03	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.34	0.00%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.42	0.00%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**76,951.99**	**67.11%**
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**76,973.10**	**67.12%**

Applicable KPI on balance sheet assets: GAR flow

Template 1. Nuclear and fossil gas related activities [GAR flow]

Rows	Nuclear energy related activities	YES/NO
1	Funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The company performs, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The company performs, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	Funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The company performs, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The company performs, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	YES

Template 2. Taxonomy-aligned economic activities (denominator) [GAR flow - CapEx]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.02	0.00%	0.02	0.00%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.01	0.00%	0.01	0.00%	-	-
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.17	0.00%	0.17	0.00%	-	-
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.01	0.00%	0.01	0.00%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,253.18**	**1.09%**	**1,253.12**	**1.09%**	**0.06**	**0.00%**
8.	**Total applicable KPI**	**1,253.39**	**1.09%**	**1,253.33**	**1.09%**	**0.06**	**0.00%**

Template 2. Taxonomy-aligned economic activities (denominator) [GAR flow - Turnover]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.02	0.00%	0.02	0.00%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.02	0.00%	0.02	0.00%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.03	0.00%	0.03	0.00%	0.00	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.30	0.00%	0.30	0.00%	-	-
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,187.96**	**1.04%**	**1,187.9**	**1.04%**	**0.06**	**0.00%**
8.	**Total applicable KPI**	**1,188.32**	**1.04%**	**1,188.26**	**1.04%**	**0.06**	**0.00%**

Template 3. Taxonomy-aligned economic activities (numerator) [GAR flow - CapEx]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.02	0.00%	0.02	0.00%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.01	0.00%	0.01	0.00%	-	-
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.17	0.01%	0.17	0.01%	-	-
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.01	0.00%	0.01	0.00%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,253.18**	**99.98%**	**1,253.12**	**99.98%**	**0.06**	**0.00%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,253.39**	**100%**	**1,253.33**	**100.00%**	**0.06**	**0.00%**

Template 3. Taxonomy-aligned economic activities (numerator) [GAR flow - Turnover]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.02	0.00%	0.02	0.00%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.02	0.00%	0.02	0.00%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.03	0.00%	0.03	0.00%	0.00	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.30	0.02%	0.30	0.02%	-	-
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,187.96**	**99.97%**	**1,187.90**	**99.96%**	**0.06**	**0.01%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,188.32**	**100%**	**1,188.26**	**99.99%**	**0.06**	**0.01%**

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities [GAR flow - CapEx]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
2.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
4.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.96	0.00%	1.96	0.00%	0.00	0.00%
5.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.33	0.00%	0.33	0.00%	-	-
6.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**4,387.61**	**3.83%**	**4,386.26**	**3.83%**	**1.34**	**0.00%**
8.	**Total amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI**	**4,389.90**	**3.83%**	**4,388.56**	**3.83%**	**1.34**	**0.00%**

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities [GAR flow - Turnover]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00%	0.01	0.00%	-	-
2.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00%	0.01	0.00%	-	-
3.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00%	0.01	0.00%	-	-
4.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.08	0.00%	3.08	0.00%	-	-
5.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.54	0.00%	0.37	0.00%	0.17	0.00%
6.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**4,393.22**	**3.83%**	**4,393.04**	**3.83%**	**0.17**	**0.00%**
8.	**Total amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI**	**4,396.87**	**3.83%**	**4,396.52**	**3.83%**	**0.34**	**0.00%**

Template 5. Taxonomy non-eligible economic activities [GAR flow - CapEx]

Rows	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.20	0.00%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.17	0.00%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**109,026.64**	**95.08%**
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**109,028.03**	**95.08%**

Template 5. Taxonomy non-eligible economic activities [GAR flow - Turnover]

Rows	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.50	0.00%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.17	0.00%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**109,084.46**	**95.13%**
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**109,086.13**	**95.13%**

Applicable KPI on off-balance sheet assets: Asset Under Management KPI stock

Template 1. Nuclear and fossil gas related activities [AuM KPI stock]

Rows	Nuclear energy related activities	YES/NO
1	Funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The company performs, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The company performs, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	Funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The company performs, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The company performs, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 2. Taxonomy-aligned economic activities (denominator) [AuM KPI stock - CapEx]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.31	0.00%	0.31	0.00%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	26.22	0.07%	26.22	0.07%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	36.70	0.10%	36.70	0.10%	-	-
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	7.91	0.02%	7.91	0.02%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	44.40	0.12%	44.40	0.12%	-	-
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	3.52	0.01%	3.52	0.01%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,948.20**	**5.27%**	**1,856.46**	**5.02%**	**91.74**	**0.25%**
8.	**Total applicable KPI**	**2,067.26**	**5.59%**	**1,975.52**	**5.34%**	**91.74**	**0.25%**

Template 2. Taxonomy-aligned economic activities (denominator) [Aum KPI stock - Turnover]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	4.29	0.01%	4.29	0.01%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	12.04	0.03%	12.04	0.03%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	63.28	0.17%	63.28	0.17%	0.00	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	2.67	0.01%	2.67	0.01%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	74.19	0.20%	31.45	0.09%	42.74	0.12%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.43	0.00%	0.43	0.00%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,125.69**	**3.04%**	**1,109.97**	**3.00%**	**15.72**	**0.04%**
8.	**Total applicable KPI**	**1,282.59**	**3.47%**	**1,224.12**	**3.31%**	**58.46**	**0.16%**

Template 3. Taxonomy-aligned economic activities (numerator) [AuM KPI stock - CapEx]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.31	0.01%	0.31	0.01%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	26.22	1.27%	26.22	1.27%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	36.70	1.78%	36.70	1.78%	-	-
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	7.91	0.38%	7.91	0.38%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	44.40	2.15%	44.40	2.15%	-	-
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	3.52	0.17%	3.52	0.17%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,948.20**	**94.24%**	**1,856.46**	**89.80%**	**91.74**	**4.44%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**2,067.26**	**100%**	**1,975.52**	**95.56%**	**91.74**	**4.44%**

Template 3. Taxonomy-aligned economic activities (numerator) [AuM KPI stock - Turnover]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	4.29	0.33%	4.29	0.33%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	12.04	0.94%	12.04	0.94%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	63.28	4.93%	63.28	4.93%	0.00	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	2.67	0.21%	2.67	0.21%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	74.19	5.78%	31.45	2.45%	42.74	3.33%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.43	0.03%	0.43	0.03%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,125.69**	**87.77%**	**1,109.97**	**86.54%**	**15.72**	**1.23%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,282.59**	**100%**	**1,224.12**	**95.44%**	**58.46**	**4.56%**

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities [AuM KPI stock - CapEx]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.62	0.00%	0.62	0.00%	-	-
2.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
3.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.80	0.00%	0.80	0.00%	-	-
4.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	24.96	0.07%	24.00	0.06%	0.95	0.00%
5.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	93.89	0.25%	93.89	0.25%	-	-
6.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6.38	0.02%	6.38	0.02%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,689.67**	**7.27%**	**2,558.25**	**6.91%**	**131.42**	**0.36%**
8.	**Total amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI**	**2,816.32**	**7.61%**	**2,683.94**	**7.25%**	**132.37**	**0.36%**

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities [AuM KPI stock - Turnover]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.24	0.01%	2.24	0.01%	-	-
2.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.36	0.01%	2.36	0.01%	-	-
3.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6.07	0.02%	6.07	0.02%	-	-
4.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	49.36	0.13%	49.36	0.13%	0.00	0.00%
5.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	154.31	0.42%	111.57	0.30%	42.74	0.12%
6.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.61	0.01%	3.61	0.01%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,490.43**	**6.73%**	**2,315.61**	**6.26%**	**174.81**	**0.47%**
8.	**Total amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI**	**2,708.38**	**7.32%**	**2,490.82**	**6.73%**	**217.56**	**0.59%**

Template 5. Taxonomy non-eligible economic activities [AuM KPI stock - CapEx]

Rows	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.03	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	31.11	0.08%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7.63	0.02%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.04	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	43.01	0.12%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**32,030.96**	**86.58%**
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**32,112.79**	**86.80%**

Template 5. Taxonomy non-eligible economic activities [AuM KPI stock - Turnover]

Rows	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.12	0.01%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.42	0.01%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11.57	0.03%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.14	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	42.67	0.12%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.13	0.01%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**32,944.36**	**89.05%**
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**33,005.40**	**89.21%**

Applicable KPI on off-balance sheet assets: Asset Under Management KPI - flow

Template 1. Nuclear and fossil gas related activities [AuM KPI flow]

Rows	Nuclear energy related activities	YES/NO
1	Funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The company performs, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The company performs, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	Funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The company performs, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The company performs, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 2. Taxonomy-aligned economic activities (denominator) [AuM KPI flow - CapEx]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.06	0.00%	0.06	0.00%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	10.18	0.14%	10.18	0.14%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	10.14	0.14%	10.14	0.14%	-	-
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	2.43	0.03%	2.43	0.03%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	6.42	0.09%	6.42	0.09%	-	-
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.61	0.01%	0.61	0.01%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**400.48**	**5.47%**	**386.44**	**5.28%**	**14.04**	**0.19%**
8.	**Total applicable KPI**	**430.32**	**5.88%**	**416.28**	**5.69%**	**14.04**	**0.19%**

Template 2. Taxonomy-aligned economic activities (denominator) [AuM KPI flow - Turnover]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.57	0.01%	0.57	0.01%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	4.23	0.06%	4.23	0.06%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	19.70	0.27%	19.70	0.27%	0.00	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.54	0.01%	0.54	0.01%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	10.01	0.14%	4.29	0.06%	5.72	0.08%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.09	0.00%	0.09	0.00%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**211.72**	**2.89%**	**210.67**	**2.88%**	**1.05**	**0.01%**
8.	**Total applicable KPI**	**246.88**	**3.37%**	**240.11**	**3.28%**	**6.77**	**0.09%**

Template 3. Taxonomy-aligned economic activities (numerator) [AuM KPI flow - CapEx]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.06	0.01%	0.06	0.01%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	10.18	2.36%	10.18	2.44%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	10.14	2.36%	10.14	2.44%	-	-
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	2.43	0.57%	2.43	0.58%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	6.42	1.49%	6.42	1.54%	-	-
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.61	0.14%	0.61	0.15%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**400.48**	**93.07%**	**386.44**	**89.80%**	**14.04**	**3.26%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**430.32**	**100%**	**416.28**	**96.97%**	**14.04**	**3.26%**

Template 3. Taxonomy-aligned economic activities (numerator) [AuM KPI flow - Turnover]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.57	0.23%	0.57	0.23%	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	4.23	1.71%	4.23	1.71%	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	19.70	7.98%	19.70	7.98%	0.00	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.54	0.22%	0.54	0.22%	-	-
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	10.01	4.05%	10.01	4.05%	-	-
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.09	0.04%	0.09	0.04%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**211.72**	**85.76%**	**204.95**	**83.02%**	**6.77**	**2.74%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**246.88**	**100%**	**240.11**	**97.26%**	**6.77**	**2.74%**

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities [AuM KPI flow - CapEx]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.08	0.00%	0.08	0.00%	-	-
2.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
3.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.13	0.00%	0.13	0.00%	-	-
4.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5.52	0.08%	5.21	0.07%	0.31	0.00%
5.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	21.81	0.30%	21.81	0.30%	-	-
6.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.22	0.04%	3.22	0.04%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**592.98**	**8.10%**	**568.09**	**7.76%**	**24.89**	**0.34%**
8.	**Total amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI**	**623.75**	**8.52%**	**598.55**	**8.18%**	**25.20**	**0.34%**

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities [AuM KPI flow - Turnover]

Rows	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.30	0.00%	0.30	0.00%	-	-
2.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.32	0.00%	0.32	0.00%	-	-
3.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.41	0.02%	1.41	0.02%	-	-
4.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11.80	0.16%	11.80	0.16%	0.00	0.00%
5.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	31.51	0.43%	25.78	0.35%	5.72	0.08%
6.	Amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.71	0.02%	1.71	0.02%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**576.21**	**7.87%**	**524.80**	**7.17%**	**51.41**	**0.70%**
8.	**Total amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI**	**623.26**	**8.52%**	**566.13**	**7.74%**	**57.13**	**0.78%**

Template 5. Taxonomy non-eligible economic activities [AuM KPI flow - CapEx]

Rows	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7.54	0.10%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.56	0.02%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5.82	0.08%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**6,249.15**	**85.39%**
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**6,264.09**	**85.60%**

Template 5. Taxonomy non-eligible economic activities [AuM KPI flow - Turnover]

Rows	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.52	0.01%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.45	0.01%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.63	0.04%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.03	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5.72	0.08%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to (EU) Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.52	0.01%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**6,438.16**	**87.98%**
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**6,448.02**	**88.11%**

2.2 Climate change (E1)

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The material impacts, risks and opportunities in the area of climate change are reported in the section ESRS 2 Material impacts, risks and opportunities and their interaction with the strategy and business model (SBM-3).
For each material risk referred to above, information is provided below indicating whether it relates to:

- Both physical and transition risk:
  - the PD ("Probability of Default") and LGD ("Loss Given Default") risk parameters are directly impacted by the probability of extreme weather events occurring and/or the effectiveness of energy transition policies implemented by portfolio counterparties. As a complement, collateral valuations could also be revised in light of physical risk exposure based on geographical location;
  - in the presence of strong transition policies and the increase in the frequency and intensity of acute and chronic physical events in certain geographical areas, a failure to promptly react and adjust to contextual changes could jeopardize the viability and sustainability of the business model;
  - possible impact on the liquidity and funding profile if, following adverse climate events or to cover costs resulting from the climate transition, the Group's customers ended up needing liquidity by accessing their current and deposit accounts and/or the credit lines granted;
- Physical risk:
  - operational losses due to damage to the bank's infrastructure/paper documentation caused by natural events (for example earthquakes, floods, etc.) and resulting interruption of operations;
  - risk of operational losses due to damage to the bank's infrastructure caused by natural events (for example earthquakes, floods, etc.);
- Transition risk:
  - the national and European policies that tend towards a low carbon emission economy, featuring greater energy efficiency, could cause major adaptation costs and less profitability, especially for economic sectors/areas with high direct and indirect GHG emissions. Therefore, depending on the level of exposure of the Group in these sectors, there is a possibility that the risk profile of the counterparties could worsen, in terms of increased default and migration risk with a direct impact on impairment policies.

The transmission channels reported here refer to the outcomes of the double materiality analysis, which is different from the analysis conducted as part of the Risk Materiality Assessment, described in the following section "Risk materiality assessment outcomes".

Business model resilience to climate-related risks

In December 2024, to support the forward-looking assessment of the business model's resilience to climate-related risk, an analysis of the economic and strategic impact, broken down by time horizon (short, medium and long term), was carried out taking into account the climate transition scenarios, the exposure to transition and physical risks of counterparties in the portfolio as well as the decarbonisation targets of the BPER Group's (Net Zero) portfolio, already communicated in 2023.

The exercise is based on the following elements:

- climate transition scenarios (NGFS version 4 macro-climatic scenarios, grafted onto BPER's macroeconomic and financial view); the scenarios considered are Net Zero 2050, belonging to the "Orderly" family of scenarios and the "Current Policies" scenario, belonging to the "Hot house world" family;
- multiple time horizons, including short (up to 3 years), medium (up to 7 years) and long-term (up to 2050) analyses;
- synergy with the 2025 budget process, by using the same database with cut-off date on 30 June 2024. In particular, the portfolio of performing loans to customers of BPER Banca, Banco di Sardegna, Bibanca, Banca Cesare Ponti, BPER Leasing and BPER Factor was taken into consideration;
- classification of the Group's volumes into macro-clusters according to the type of counterparty and in line with the business lines defined in BPER's Segment Reporting, in order to assess the impacts on significant business lines. In particular, the loan portfolio was segmented by:
  - business unit;
  - customer segments;
- quantification of the impact of climate risk factors on counterparties within the portfolio (financial needs and risk appetite) using the identified metrics. In particular, the evolution of (gross and net) volumes, risk parameters for the calculation of expected credit loss, contribution and commission income was assessed.

Cornerstones of the climate strategy

In order to implement an effective climate strategy capable on the one hand of managing risks and on the other of multiplying opportunities, the BPER Group has identified a number of cornerstones in its approach, all aimed at redirecting capital flows towards sustainable investments in order to achieve sustainable and inclusive growth:

- full integration of ESG criteria into the bank's credit assessment process;
- support for the "just transition" of companies and families by improving the offer to customers also through the definition of a ceiling of over Euro 7 billion for ESG Corporate and Retail products; the increase in the offer of ESG investments (45% of ESG AuM) and the issue of Green Bonds for at least Euro 1 billion;
- direct emissions (Scope 1) reduction target of -35% to 2027 (with 2021 baseline) through the energy efficiency activities contained in the Energy Plan and the reduction of financed emissions in line with the commitments made following endorsement of the NZBA;
- actions to foster ESG skills enhancement through employee engagement and training activities (at least 60% of employees trained on ESG issues per year).

The evolution of strategic planning from an ESG perspective

The project named "P&C Climate Risk", that ended in mid-September 2023, has enabled the Group to plan the enhancement of its processes linked to strategic planning to identify a number of potential climate-related KPIs to be included in the main Planning and Control Management processes (for example the Budget process, the Business Plan process and the Funding Plan). Within the first project workshop, a short list of KPIs was selected, that can be classified under three main categories:

- risk management (i.e. Exposure to physical risk - counterparties/collateral; Exposure to transition risk - company);
- portfolio (e.g. ESG Portfolio with high/low ESG rating; Collateral with a certified high/low rating of its Energy Performance Certificate (EPC));
- product and services (e.g. Volumes of "green" bond issuances, Volumes of "green" loans).

At the same time, the regulations for the annual budget, Business Plan and Funding Plan were updated to include the incorporation of climate-related KPIs and related considerations into the strategy, allowing the ESG perspective to be fully integrated into the corporate strategy, and the Sustainability Plan to be almost fully integrated into the Strategic Plan.

Activities continued in 2024 to integrate the functional data for KPI calculation into the Management Control database within the Evoco Project. Subsequently, the implementation phase of climate-related KPIs in management reporting began, which also includes the opening of Group performance data by business lines (BPER Segment Reporting). The KPIs will become part of internal reporting permanently with the report with reference date 31 March 2025.

The KPIs that will be monitored relate to measures such as:

- Financed emissions (FE) - for Corporate customers;
- Carbon Intensity (CI) - for Corporate customers;
- Exposure concentrations secured by properties with EPCs considered high and low energy efficiency;
- Green Financing - separately for Corporate and Private customers, i.e. the amount of "green" financing in the loan portfolio (% of portfolio or absolute levels) used to finance investments for technological adaptations/energy saving or other "green" initiatives (climate change mitigation) with different degrees of openness (e.g. target sector NZBA).

Description of the processes to identify and assess material climate-related impacts, risks and opportunities (E1 – IRO-1)

The analysis of climate-related impacts, risks and opportunities is included in the process of the double materiality analysis to determine IROs, for which reference is made to the disclosure requirement "Description of the processes to identify and assess material impacts, risks and opportunities" (ESRS 2 IRO-1).
With specific reference to climate risks, a further in-depth study was developed, with the processes involved in their management described below.

ESG risk management for the BPER Group

The integration and management of ESG risks into the regulatory and prudential supervisory framework is a relevant issue for the European Supervisory Authorities. Both the 2024-2026 and the 2025-2027 Supervisory priorities focus on banks' ability to adequately manage climate and environmental risks due to increasing physical and transition risks, as banks do not yet fully meet supervisory expectations in this regard, and the new requirements resulting from the entry into force of the new banking package in 2025. In this regard, it is confirmed that supervised institutions are committed to evolving the integration of climate and environmental risks into their overall risk management strategy and system in order to mitigate and communicate them in compliance with the relevant regulatory requirements. On 9 January 2025, the European Banking Authority (EBA) also published the final Environmental, Social and Governance (ESG) Risk Management Guidelines, which set out the requirements for the identification, measurement, management and monitoring of ESG risks, as required by Directive 2013/36/EU (CRD).

In fact, the BPER Group considers climate and environmental risk factors as cross-cutting drivers to banking risks. Therefore, 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.

In order to assess the risk areas related to climate change, the BPER Group has continued to update and strengthen scenario analysis. In line with market best practices, where scenario analysis is concerned, an alignment has been undertaken with the scenarios produced by the Network for Greening the Financial System (NGFS[57]) and the physical scenarios of the IPCC (Intergovernmental Panel on Climate Change).
The scenario analysis was first carried out to provide disclosure consistent with the expectations of the regulatory frameworks, constituting a starting point for the integration of the other strategic analysis processes, especially with regard to credit policies and commercial strategies dedicated to customers most impacted by transition risk.

Thematic review of climate and environmental risks
Following the BPER Group's definition in 2021 of an Action Plan, sent to the ECB, to fill the gaps that emerged with respect to the Supervisory Expectations on climate and environmental risks, starting in early 2022 the BPER Group was involved in two exercises mandated by the Supervisory Authority to assess the Group's overall compliance with the Guide on climate-related and environmental risks, including the Thematic Review (completed during the month of December 2023) and the Regulatory Stress Test, seizing opportunities to further strengthen risk governance practices.

In 2024, activities continued to adapt to the principles contained in the ECB Guidelines on Climate and Environmental Risks, also as a result of the outcomes of the ECB Thematic Review. Among other things, this allowed further strengthening of the C&E risk factor management framework in addition to their implementation in the corporate strategy.

In both cases, the BPER Group was well positioned compared to the most important European banks. Recognising all the possible risks to which the Group is or could be exposed starts from the analysis of prudential supervisory regulations, the best market practices, the macro-economic context and the assessments made by the Supervisory Bodies on the subject of risk oversight and management. The process of identifying relevant risks is the starting point and junction of all the Group's main strategic processes, and is carried out through a structured process involving the many corporate structures.

Specifically, the activities covered several core processes of the Risk Management Framework across the board, including:
- risk identification process;
- Risk Appetite Framework;
- individual risk management processes (including second-level controls on credit counterparties) and related reporting;
- Internal Capital Adequacy Assessment Process (ICAAP);
- Internal Liquidity Adequacy Assessment Process (ILAAP);
- risk forecasting and stress testing programme.

57 NGFS is a group of 127 Central Banks and Supervisory Authorities and 20 Observatories that has committed to sharing information and models, thus contributing to the development of the management of risks linked to the climate and the environment within the financial sector, with a view to supporting the transition towards a sustainable economy. The scenarios have therefore been developed to this end to provide a common starting point when analysing climate risks for the economy and the financial system. They have been created as a tool to shed light on potential future risks and prepare the financial system to weather the shocks they may entail. The NGFS scenarios are not actual forecasts, instead, they aim to explore a range of possible alternative climate hypotheses, and thus monitor the resulting evolution of climate change (physical risk) and of the policies, technology and changes to preferences (transition risk)

An overall overview that makes it possible to define the various goals, frequencies and time horizons that characterise the main processes is provided below.

Risk management processes

Process	Objective	Frequency	Time horizon
Identification of risks	Definition and updating of the Group's Risk Map, a document designed to identify the risks that the Group is or could be exposed to, currently and in the future, which may have significant impacts on the Group's economic, financial and equity balance, hindering the achievement of its strategic objectives. The Group Risk Map is relevant for the entire Risk Management Framework, as it sets the stage for the implementation and pursuit of all the main risk governance processes such as the RAF, the ICAAP, the ILAAP and the single risk governance Policies.	At least on a yearly basis	1 year. The ESG risk factor impact analysis on existing risks is carried out over three time horizons (short, medium and long)
Risk Appetite Framework	Definition of the Group's risk appetite in line with the risks identified within the Group's Risk Map	At least on a yearly basis	1 year 3 years (for some indicators)
Single risk management process	Measuring, monitoring and reporting on the individual risks that the Group turns out to be exposed to in line with the Group's Risk Map. The single risk processes are formalised within specific governance policies and are approved by the Board of Directors.	Ongoing	Not applicable
ICAAP	Assessment of the Group's capital adequacy	Ongoing	3 years for the application of the short-term scenarios 30 years for the application of the long-term scenarios
ILAAP	Assessment of the adequacy of the governance system and the Group's liquidity risk management	Ongoing	3 years
Risk Forecasting a nd stress testing	Supporting decision-making and business processes and evaluating specific areas of vulnerability in the exposure to individual risks	Variable depending on the purpose of the exercise	Variable depending on the purpose of the exercise (daily, monthly, half-yearly, annually or every three years)

Risk Appetite Framework
The management of ESG risk factors has been progressively integrated into the BPER Group's Risk Appetite Framework through the policies and processes for governing the main corporate risks, approved by the Board of Directors.

To ensure that the corporate activity is driven by criteria of sound and prudent management, the Risk Appetite Framework (RAF) is used to monitor the risk profile that the Group intends to assume in the implementation of its business strategies. The RAF is a coordinated set of methodologies, processes, Policies, controls and systems that make it possible to establish, communicate and monitor the Group's risk appetite.

The Group adopts mechanisms aimed at allowing effective integration of the risk appetite with management activities. In particular, the Group consistently reconciles its RAF, business model, strategic plan, Capital Funding and NPE (Non Performing Exposures) Plan, ICAAP, ILAAP and budget, identifying suitable coordination mechanisms.

With reference to ESG issues within the RAF, the presence of specific indicators progressively introduced in the governance policies of individual risks is confirmed; in addition, the presence of an indicator relating to the downgrading of the ESG rating is highlighted in the Risk Appetite Statement.

Risk Governance Policies and Processes
The Group further strengthened its processes for governing the risks impacted by ESG risk factors in 2024, in line with the 2023 Sustainability Report.

With particular reference to credit risk, the Group has updated its Risk Governance Policy, confirming the Key Risk Indicators (KRI), identifying three indicators to assess the incidence of exposures to companies with high transition risk, to companies with high physical risk, and the share of mortgages with real estate as collateral with high physical risk: these indicators represent third-level metrics of the Risk Appetite Framework.

At the same time, the second-level credit control structure integrated climate factors into its control model: the framework was implemented in both the Single File Review and Collateral File Review analysis methodologies. The results of the analyses carried out are included in the regular reporting on control activities of management reporting.

Furthermore, BPER Banca has completed the planning required to define the actions to be taken on the internal models used to assess credit risk (both AIRB and IFRS9) in order to incorporate climate components.

In relation to market risk, a dedicated approach has been finalized to incorporate the impact of ESG risk factors into the banking book risk factor management and mitigation framework, through the use of appropriate IT tools. This has made it possible to select a primary set of indicators that can be used for proprietary portfolio management purposes and more in general financial risk management purposes. Specific ESG rating indicators are also included in the "Policy for the governance of market risk".

Within the context of operational risk, integration continues in the overall risk management framework in order to monitor C&E, social and governance risk factors. To this end, a set of key risk indicators relating to climate and environmental risk factors was defined, including forward-looking indicators that will supplement the already existing indicator of monitoring the number of ESG events reported in the period, collected in the Loss Data Collection process.
The NRR (Nature Related Risk) scores of critical suppliers were also considered in order to investigate possible critical issues, which do not seem to be present at the moment.

As far as reputational risk is concerned, strengthening of the overall risk management framework continued in order to oversee C&E, social and governance risk factors in relation to the direct or indirect exposure of the Group or its counterparties. This activity essentially entails the updating of the "Reputational scenario catalogue" and the listing of the monitoring indicators connected to ESG risk factors.

As regards strategic risk, the methodological framework underlying the annual assessment of this risk was supplemented in 2024 with qualitative questions also aimed at verifying the implementation of the strategy for the C&E components over the various time horizons, in line with the ECB's "Guide on climate-related and environmental risks - November 2020" and the EBA Guidelines on the management of ESG risks.

It should be noted that the BPER Group, over the course of the coming years, will continue to assess additional areas where actions can be undertaken to develop the risk governance framework further, with a view to pinpointing with greater accuracy the specific aspects connected to this kind of risk as well as any regulatory developments.

ESG risk factors are addressed consistently with the relevant corporate risk management framework through the processes of:
- identification of ESG risk factors and assessment of their materiality (Risk Materiality Assessment);
- measurement, assessment and mitigation;
- monitoring and reporting.

Identification of ESG risk factors and assessment of their materiality (Risk Materiality Assessment)
The BPER Group, in line with the prudential supervisory regulations, carries out an accurate identification process of the risks to which it is or could be exposed on an at least annual basis, taking into account its operations and reference markets. This process results in the periodic updating of the "Group Risk Map", which illustrates the relative position of the individual Group companies with respect to Pillar I and Pillar II risks, both current and prospective.
In this context, the process of updating the long list of all the potential risks affected, starts out by identifying and analysing the systemic and idiosyncratic risk factors based on the reference context, including the indications provided by the Regulator in the context of the "SSM Supervisory Priorities"; these risks are compared with the BPER Group situation to establish which ones are actually applicable and thus define the Risk Taxonomy.
The risks included in the Risk Taxonomy are then subjected to a materiality analysis which can take into account regulatory obligations, the intrinsic nature of the risk within the business model or the likelihood of exceeding qualitative and quantitative materiality thresholds.
The risks that are deemed material identify the Inventory Risk (the Group's material risks).

In this context, refinements continued on how to identify and assess the materiality of ESG factors in the overall risk identification process, which is now a specific analysis focused on identifying which risk factors, through defined transmission channels, can be deemed to have a material impact on the main business risks. Materiality implies the definition and implementation of specific management and control measures for these factors, consistent with the Group's Risk Appetite Framework.
During 2024, in line with what had been planned and communicated to the Supervisory Authority, the integration of ESG issues within the entire Risk Management set-up continued, including the strengthening of the materiality analysis of such risk factors in the context of the risk identification process.
The methodology for analysing the materiality of each ESG factor considered:
- the short (<3 years), medium (5/6 years - 2030) and long-term (>10 years - 2050) time horizons for risk-related factors with an impact on capital and the short (<12 months) and medium/long (>12 months) time horizons for liquidity-related factors;
- the bank's main business lines.

The Risk Materiality Assessment carried out based on qualitative/quantitative elements considered the risk factors "physical climate", "transition climate", "environmental" (NRR - nature related risk) and, where possible, also the "social" and "governance" components.

The analysis considered the effects on the following risks: Credit, Market, Operational, Reputational, Strategic, Liquidity. A summary of the main risk categories to which the Group is exposed that influence ESG risk factors and the identified transmission channels is provided below:

A summary of the main risk categories to which the Group is exposed that are impacted by ESG risk factors

Macro categories	Definition
Credit risk	The possibility that an unexpected change in the creditworthiness of a counterparty, to which an exposure exists, will generate a corresponding unexpected change in the value of the credit position
Market risk	Risk of losses caused by unfavourable developments in market elements
Operational risk	Risk of losses due to inadequate or dysfunctional procedures, human resources or internal systems, or to exogenous events, including the legal risk
Reputational risk	Current or prospective risk of a decline in earnings or capital arising from a negative perception of the Group's image on the part of customers, employees, counterparties, bank shareholders, investors or Supervisory Authorities
Strategic risk	Risk that changes in the competitive environment and economic conditions of the company's business or choices of competitive/ strategic positioning in the market will not produce the expected results

Summary of ESG factor transmission channels

Risk	Drivers/transmission channels
Lending	National and European policies, which provide incentives and rules to build a low-carbon industrial system, thus characterised by greater energy efficiency in production processes and supply chains, could cause great damage to companies: • direct effects such as taxes based on the level of greenhouse gas emissions (payment of a carbon tax) or energy input cost shocks; • indirect effects due to consumer behaviour, the competitive environment to which the supply chain is exposed and the effects of the macroeconomic contest on the capital market. Such policies would also lead companies in high-emission sectors to bear higher investments and consequent financial burdens. The impact on companies' margins and leverage may therefore lead to a possible worsening of the counterparties' risk profile in terms of increased probability of default or recovery capabilities (especially for unsecured exposures). The transition could also define a re-composition of sectoral lending with indirect effects on the Group's risk profile.
	The risk arises from a potential increase in the likelihood of occurrence and severity of extreme weather events (e.g. floods, heat waves, droughts, landslides, fires, etc.), especially in the medium and long term, with a higher magnitude if transitional policies are not undertaken. These phenomena may affect both companies and individuals by generating: • in the first case, damage to assets, increased costs and/or interruption of operations, resulting in loss of margins; • in the second case, damage to property resulting in a reduction in the value of collateral or unexpected costs for counterparties. These phenomena may lead to increases in the probability of default for both types of counterparties and/or reductions in recovery rates on commercial and residential collateral, with a consequent impact on LGD.
	Environmental risks, understood as impacts (changes in nature caused by commercial or industrial activity that may lead to potential impacts on social and economic functions) and dependencies (aspects of ecosystem services that an organisation, or other actors, depend on to operate, e.g. availability of water and other natural resources), which may lead to critical issues (scarcity of production factors) or limitations (e.g. introduction of pollution tax or extension of protected natural areas) in production that generate increased financial risk for certain sectors and/or individual operators financed by the Group. Failure to identify and manage this transmission channel could increase the risk profile of the Group's credit portfolio.
Trading venue	The macro-economic contexts featuring strong transition policies towards a green economy and the possible consequences of a reputational nature could entail a sudden redefinition of the price of equity, debt and derivative securities, with particular focus on products linked to brown activities and/or sectors with a resulting negative impact on the Group's banking and trading book portfolio.
	Serious events related to physical risk at national and EU level could lead to changes in market expectations and higher expected volatility.
	In the specific context of the Group, transition policies and adverse weather events could have a negative impact on the securities issued by financial, corporate and government counterparties present in the bank's portfolio which could lead to an increased equity and credit spread risk.
Liquidity	Possible impact on the liquidity and funding profile if, following adverse environmental or climate events or to cover costs resulting from the climate transition, the Group's customers ended up needing liquidity by accessing the credit lines granted.
	Redefinition of the price of portfolio securities which could reduce the value of the liquid assets and thus negatively influence the Group's cash reserves.

Operational risk	Possible claims for damages following the sale of financial instruments that do not comply with the declared levels of sustainability and/or are not in line with the characteristics envisaged by the reference regulations (Reg. EU 2020/852, Reg. EU 2019/2088, etc.) or do not comply with the disclosure transparency requirements in terms of the adequacy of the information provided to the customer (known as "Greenwashing").
	Extreme climate and environmental events capable of causing material damage to buildings, branches, data processing centres could result in potentially negative impacts with possible repercussions on the Group's operations.
	Potential operational losses deriving from the use of unfair market practices that may harm customers and/or counterparties, and from events that may damage relationships with external stakeholders (i.e. fraud, inappropriate product placement).
	Possible operational losses related to events attributable to injuries and/or occupational diseases occurred during operating activities due to non-compliance with the relevant regulations in the field of employee benefits.
	Possible operational losses and loss of earnings resulting from business interruption and replacement costs of suppliers critical to the Bank.
	Possible operational losses attributable to lawsuits filed by employees for matters concerning remuneration, indemnities and employment relationship.
	Possible impact of sanctions for non-compliance with legislation on remuneration policies and practices.
	Possible operational losses due to financial claims related to financing and/or other financial relationships with companies that do not comply with emerging regulations on emissions or environmental standards.
Reputational risk	Possible repercussions of negative perceptions due to partnerships with companies with low sustainability standards.
	Reputational damage resulting from a critical weather event that impairs the institution's normal operation.
	Reputational damage caused by choosing to lend money to companies connected with pollution activities.
	Possible decisions, statements or commercial relations contrary to supportive climate and environmental policies, or negative company issues and bad governance practices.
	Negative perception of a rating downgrade due to non-compliance with sustainability standards.
	Negative perception of possible legal disputes with staff for incidents of discrimination (e.g. gender, ethnicity, religion), possible legal disputes with customers and suppliers, sanctions by the Supervisory Authority.
Strategic/business risk	In the presence of strong transition policies and the increase in the frequency and intensity of acute and chronic physical events in certain geographical areas, a failure to promptly react and adjust to contextual changes could jeopardize the viability and sustainability of the business model.
	Environmental risks, understood as impacts (changes in nature caused by commercial or industrial activity that may lead to potential impacts on social and economic functions) and dependencies (aspects of ecosystem services that an organisation, or other actors, depend on to operate, e.g. availability of water and other natural resources), may lead to critical issues (scarcity of production factors) or limitations (e.g. introduction of pollution tax or extension of protected natural areas) in production that generate increased financial risk for certain sectors and/or individual operators financed by the Bank. Failure to identify and manage such a transmission channel could increase the volatility of the Bank's revenues.

A summary of the results of the Risk Materiality Assessment is provided below, highlighting the risks where the impact of ESG risk factors is deemed material over the different time horizons and the openness by business line.

Results of the Risk Materiality Assessment

Main Risk	ESG Factors	Materiality by time horizon		
		Short-term (3y) 2027	Medium-term (5/6y) 2030	Long-term (>10y) 2050
Lending	Climate - Physical	x	x	√
	Climate - Transition	√	√	x
	Environmental	x	x	x
Trading venue	Climate - Physical	x	x	x
	Climate - Transition	x	x	x
	Environmental	x	x	x
	Social	x	x	x
	Governance	x	x	x
Operational risk	Climate - Physical	x	x	√
	Climate - Transition	x	x	√
	Environmental	x	x	x
Reputational risk	Climate - Physical	x	x	x
	Climate - Transition	x	x	x
	Environmental	x	x	x
	Social	√	√	√
	Governance	√	√	√
Strategic and Business	Climate - Physical	x	x	√
	Climate - Transition	x	√	√
	Environmental	x	x	x
		Short-term (<12m)	Medium-term (>12m)	Long-term (>12m)
Liquidity	Climate - Physical	x	x	x
	Climate - Transition	x	√	√
	Environmental	x	√	√

The activities for the evolution of the Risk Map described above and the related evidence in terms of the risk materiality have resulted in a strong reinforcement of the risk identification process; however, the assessment of potential areas where this process can be further developed is still in progress, with a view to pinpointing with a greater accuracy the specific characteristics of these kinds of risk alongside all regulatory developments.

Measurement, assessment and mitigation

The measurement and/or assessment of risks and the definition of interventions to mitigate them is the next stage of analysis for those risks (and risk factors) found material. These activities are conducted with through quantitative analyses through, for example, the definition and monitoring of specific indicators, and through qualitative evaluation techniques.
This evidence is also considered in the capital adequacy and liquidity processes (ICAAP and ILAAP).
By using risk forecasting and stress testing quantitative techniques the Group can also assess its own vulnerability to extreme yet plausible events and the potential negative effects of significant changes in one or more risk factors, taken individually or of joint movements of a set of risk factors under the assumption of adverse scenarios.
The integration of ESG risk factors into the Risk Management framework carried out in 2024 allowed the development of metrics to measure these factors, continuing with the identification of specific KRIs as well as the preparation of dedicated qualitative analyses. During the course of 2025, among other things, the modelling and designing of special protection methods will continue to be updated.

Monitoring and reporting

The monitoring and reporting phases constitute the framework that supports the management of key governance processes, consistent with the RAF and the business model underlying the Business Plan.
The Group periodically monitors the RAF metrics, in order to control on a timely basis any breaches of the tolerance thresholds and/or risk limit set in the individual risk governance Policies and, if appropriate, direct the necessary communications to the Corporate Bodies and subsequent remedies. These metrics are selected in line with the choices made within the ICAAP, ILAAP and Recovery Plan and share consistent calibration methodologies and escalation processes.

The Group continued to gradually implement the Supervisory requirements within its quarterly risk reporting in 2024, also with regard to ESG risk factors.
With regard to credit risk, the results of the analyses relating to climate and environmental risk factors are presented in order to depict the level of exposure of the corporate and mortgage loan portfolio to physical and transition risk factors assessed as high. Furthermore, with specific reference to mortgage loans, information is provided about exposure to seismic risk and the energy efficiency class of property pledged as collateral.
Finally, the section on climate and environmental risks mentioned above was supplemented in 2024 with:

- the distribution and evolution of exposures subject to nature-related risks for the corporate portfolio;
- the distribution by business line of physical, transition and nature and biodiversity (NRR) risk factors for the corporate portfolio and the mortgage portfolio.

The section will be supplemented throughout 2025 with representative data on the exposure to climate risks in the short, medium and long term with reference to the NFC (Non-Financial Corporation) and Real Estate perimeter. This analysis will be updated annually.
For market risk, there is a specific section on forward-looking analyses of climate factors relating to the corporate and sovereign sector (due to the nature of the risk, the opening by business line is limited to Finance).
For operational risk, there is a specific section on the evidence of operational loss data related to the occurrence of ESG factors, as well as the results of monitoring the indicators foreseen in the Policy for governing this risk.
For reputational risk, where present, evidence is given of the occurrence of reputational risk events related to ESG factors.
This approach guarantees organic monitoring of the company's evolution, enabling the Group to proactively manage any critical situations that may entail possible remedial actions.

ICAAP and ILAAP

The ICAAP and ILAAP processes are strongly 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. In particular, the methodologies used ensure consistency between the various processes.
These processes are based on appropriate corporate risk management systems and presuppose adequate corporate governance mechanisms, an organisational structure with well-defined lines of responsibility, and effective internal control systems.
As far as climate risks are concerned, the ICAAP 2024 exercise - in line with that of 2023 - was characterised by a prospective analysis of the impact of the main climate risk drivers on BPER's credit risk and on the main components of its loan portfolio.
In this context, climate stress testing was carried out with two different perspectives:

- a short-term perspective, aimed at assessing the impact of specific physical risk events within a macro scenario that considers the current context;
- a long-term perspective (up to 2050) aimed at assessing, in the context of the NGFS scenarios released in November 2023 (phase IV), how the Group might face an Orderly Transition or, conversely, a Current Policies context. Similar considerations apply to the ILAAP process.

Programme of Risk Forecasting and internal stress testing

The objective of the Group's Internal Risk Forecasting and Stress Testing Programme is to map the characteristics of the risk forecasting and stress testing exercises carried out internally and used within the main risk governance processes, verifying the relative degree of effectiveness through a specific self-assessment process and identifying possible areas for improvement.
Where climate risk is concerned, the update of the Programme in 2024, in addition to monitoring the progress of the integration of these factors within the simulation activities performed by management as part of its Risk Management processes, it has also incorporated and mapped all the developments completed during the course of 2024.
An overview of the integration of ESG risk factors within the internal risk forecasting and stress testing framework, in line with the Group's Risk Map and the Risk Appetite Framework is provided below.

Integration of ESG risk factors within the internal risk forecasting and stress testing framework

<table>
<tr><th colspan="2">Stress testing</th><th>Scenarios</th></tr>
<tr><td>Cross-functional</td><td>In addition to the inclusion of short-term climate shocks in the traditional ICAAP scenario analysis, specific prospective climate analyses with a long-term time horizon (up to 2050) in line with the NGFS scenarios were included.</td><td rowspan="4">• Impacts on macro-economic and financial variables of a possible acceleration of the transition towards a lower environmental impact economy;
• reduction of greenhouse gas emissions designed to contrast the increase in temperatures in accordance with international climate agreements;
• manifestation of acute and chronic physical risk events with an impact on the production value of companies and the commercial value of collateral.</td></tr>
<tr><td>Credit risk</td><td>Defined methodology for the inclusion of climate risk factors in perspective views over different time horizons.</td></tr>
<tr><td>Market risk</td><td>Preparation of ad hoc analyses on the Group's portfolio, also supporting materiality analyses on market risk, with the aim of estimating the impacts of applying scenarios produced by NGFS- Central Banks and Supervisors Network for Greening the Financial System.</td></tr>
<tr><td>Liquidity risk</td><td>Application of specific stress hypotheses linked to climate risk factors in order to assess the relevance of these factors on the liquidity profile as part of the update of the Liquidity Risk Map.</td></tr>
<tr><td>Operational risk</td><td colspan="2">In 2024, the Operational Risk Office equipped itself with a specific methodology for the stress of C&E risks over the three regulatory time horizons. This new and specific methodology complements that generically used in the operational risk management framework, which is still used to stress scenarios other than C&E.</td></tr>
</table>

Assessment of risks associated with climate and environmental events

The operational risk management framework identifies and assesses the exposure to operational risks even for acute physical risks.
In this context, during the operational risk identification and assessment processes, there are specific risk scenarios related to extreme weather events capable of generating material damage to real estate, branches and data processing centres which may result in operational loss impacts or interruptions of Group operations.
By way of example, reconstruction/refurbishing/containment costs incurred as a result of damage to real estate (and their systems) caused by natural events such as flooding, landslides, earthquakes and such are deemed operational losses.
During the annual assessment of operational risk exposure, performed via Risk Self Assessment, the objective is to estimate, for an annual time horizon, the degree of exposure to operational risks, by defining annual expected loss volumes and extreme impacts and assess the adequacy of the mitigation processes and measures identified at Group level (e.g. insurance coverage, Operational Continuity plans).
In addition, the framework for assessing exposure to climate and environmental risks was further refined and a dedicated methodology was introduced in 2024, which flanks and complements the Risk Self-Assessment (RSA) assessments.
This methodology was designed to estimate climate and environmental risk exposure over the three short, medium, and long term time horizons.
A series of Key Risk Indicators from an ESG perspective have also been designed to briefly represent the Group's exposure to the various risks identified.

Risk types

In accordance with the relevant literature, including the ECB Guide on climate-related and environmental risks, the Report on the role of environmental and social risks in the prudential framework of the EBA, the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations and the TCFD Annex, the analysis of the climate-related risks has identified two risk categories:

- transition risk: risks arising from the transition to a low-carbon future, involving impacts caused by changes in policies and regulations, adoption of low-impact technologies, changes in markets and consumer trends;
- physical risk: risk arising from extreme weather events (acute) and gradual changes in climate as well as environmental degradation (chronic).

Physical risk assessment process

The physical risk is linked to the impact of climate change in physical terms. These impacts can be felt both in a short and medium term time horizon, as well as in a long-term time horizon. The physical risk is conventionally divided into acute risks and chronic risks:

- Acute risks: these are risks linked to the occurrence of specific extreme weather events, such as floods, landslides, droughts, and have a frequency that is trending upwards, both at a regional and global level;
- Chronic risks: these are long-term risks that depend on the gradual changes to the occurrence of relevant climate phenomena, such as temperatures, winds or rainfall. These events are for the most part located in specific areas.

The physical risk assessment process is part of the scenario analysis, simulating the trend of risks to which the BPER Group is exposed through different macro-climate scenarios. The analysis is performed using a climate calculation engine that applies bottom-up logic, simulating the risk starting with the individual company or property belonging to the BPER Group's portfolio. Specifically, the physical risk assessment process via the climate engine has four stages:

- **climate scenario:** the reference climate scenario identifies the fundamental variables such as the emission pathways foreseen by the transition Policy and the resulting progress foreseen for temperatures. The low granularity climate variables are defined in line with the scenario and these are the main input for the definition of the risk maps;
- **map risk calculation:** the risk maps are obtained by using high granularity historical data combined with the climatology models that depend on the reference scenario through a downscaling process. A risk map is developed for each danger and for each scenario that covers an impact forecast and a likelihood of the phenomenon, on an annual basis up to the year 2050;
- **vulnerability identification:** geolocation of companies and real estate by identifying their latitude and longitude. The central offices and the production sites are identified for each company. During the same process the dataset is provided with additional information that is useful for risk assessment, such as for example the distance from woodland, the distance from the river, etc. which further improves the level of the contained in the risk map; by combining these factors the Synthetical Physical Risk Indicators - (SPRIs) are calculated for each of the locations of the counterparties in the portfolio;
- **risk measurement:** implementation of the damage functions and the calculation of the relevant KRIs (Key Risk Indicators) for the companies and the company real estate. With regard to the corporate portfolio, the KRI used is an indicator that summarises the counterparty's credit rating based on the expected performance of the main financial statement items and indicators; for the real estate the KRI is represented by an assessment of the impact on the market value of the real estate in question.

In addition to the physical risks related to climate change, the scenario analysis has also taken into consideration the physical risk of the occurrence of earthquakes: despite not being linked to climate causes, this risk has been analysed because it is indicated in the ECB Guidance as environmental risk, given its relevance linked to the conformation and characteristics of the Italian landscape. The earthquake risk indicator is similar to the acute risk indicators, in that it concerns extreme phenomena that can cause material damage to assets (e.g., damage to the structure of a warehouse, loss of goods in storage, damage to machinery).

The hazards taken into consideration in the scenario analysis are detailed below.

Hazards analysed in the scenario analysis

HAZARD TYPE	INDICATOR	DESCRIPTION
Acute	Heavy precipitation	Identifies areas most prone to rain
	Landslide	Identifies areas most prone to landslides
	Wildfires	Identifies areas most prone to wildfires
	Flooding	Identifies flood-prone areas, whether riverine, rainfall or coastal
	Heat wave	Identifies areas most prone to extreme heat events
	Cold wave/frost	Identifies areas most prone to extreme cold events
	Drought	Identifies the areas most prone to extreme droughts
	Wind storm/whirlwind	Identifies the areas most prone to extreme wind gusts
	Hurricane	Identifies areas most prone to hurricanes
	Tornado	Identifies areas most prone to tornadoes
Chronic	Changing wind patterns	Identifies the areas most prone to future variations in wind intensity and direction
	Changing rainfall patterns	Identifies geographic areas that will see marked changes in both average snowfall and rain in the future
	Changing temperature	Identifies areas subject to above-average temperature rises expected for Europe
	Soil erosion	Classifies the territory according to the intensity and frequency of soil erosion phenomena
	Coastal erosion	Classifies the territory according to the intensity and frequency of coastal erosion phenomena
	Sea level rise	Identifies coastal areas that will experience the greatest sea level rise
	Water stress	Identifies areas that may experience crop maintenance water stress, i.e., lack of sufficient water supplies to keep crops alive
	Heat stress	Identifies areas more or less subject to heat stress, i.e., prolonged periods of high temperatures
	Subsidence	Identifies the areas most prone to subsidence of the bottom of a marine basin or of a continental area
	Temperature variability	Identifies areas subject to substantial temperature changes
	Precipitation or hydrological variability	Identifies areas subject to substantial rainfall changes
Not climate-related	Earthquake	Classifies the territory according to the intensity and frequency of earthquakes

The physical risk driver considers all the dangers described above; however, not all these are material for the perimeter analysed. A preliminary vulnerability assessment is performed which leads some dangers to be ruled out of the analysis (for the very reason that they are not material). The exclusions are made based on the following considerations:

- geography: some dangers are not relevant for certain specific geographical areas;
- type of portfolio: some dangers are not material for certain portfolios (i.e. the danger of drought for the collateral and owned real estate portfolio);
- Risk Materiality Assessment: certain dangers are ruled out as a result of the Risk Materiality Assessment that the BPER Group carried out during the last quarter of 2024 based on the data as at 30 June 2024.

It should be noted that all of the above dangers were considered in the Risk Materiality Assessment, with the exception of the chronic hazards of soil erosion, coastal erosion and subsidence, and the earthquake hazard, for which an ad hoc analysis was carried out.

Time horizons

The analysis of ESG risk factors has been progressively integrated into the overall risk management framework, the essential elements of which have been described above.

In particular, the risk identification process for the ESG factor and ICAAP part envisage a time horizon within three years for the short term (consistent with the 2024-2027 Business Plan), a horizon of five/six years for the medium term (consistent with the first Net-Zero targets to 2030) and beyond ten years (e.g. 2050 in line with the Net Zero targets to 2050) with the aim of capturing the potential impacts related to climate risk factors.

Scenario analysis time horizons

For the use of scenario analyses, the decision to measure the macroeconomic and environmental effects over a long-term time horizon is consistent with the TCFD guidelines, which recommend choosing time horizons that are compatible with the Institute's financial and investment planning, the duration of counterparties' main assets and activities, and national and international climate policies.

The analysis was however also performed on medium and short term time horizons to provide an even more thorough representation of the climate and environmental risk drivers:

- short-term horizon (ST): considers the three coming years, consistent with the Bank's Strategic Planning processes;
- medium-term horizon (MT): considers the time interval up to seven years from the present and enables the BPER Group to adapt its strategies and initiatives to allow for the changed conditions due to emerging trends, market dynamics and stakeholder expectations;
- long-term horizon (LT): runs to 2050 and, besides alignment with the aforementioned TCFD guidelines, enables the BPER Group to assess the strategies and initiatives designed to achieve a future with a lower level of glasshouse gases and, more in general, alignment with global sustainability goals.

Climate risk indicators

The BPER Group, to reinforce its internal risk identification, assessment and monitoring process, has developed and applied a materiality assessment framework for climate risks with a view to identifying the portions of the portfolio exposed to the main risk factors, by measuring the joint impacts of the main transmission channels. The exercise has concerned the lending portfolio in relation to non-financial companies (NFCs) for both transition and physical risks, to establish the impact on the revenue capacity and the asset structure of the counterparties and the loans guaranteed by residential and commercial real estate, on which an assessment of the effects of the physical risk has been carried out on the commercial value of the collaterals. A physical risk analysis has also been carried out on the real estate owned by the BPER Group.

The scenario analysis results mainly derive from the Risk Materiality Assessment, which was carried out at the end of 2024 on the basis of data as at the end of June 2024. The analysis was subsequently supplemented for reporting purposes with the elaboration of three additional chronic physical hazards (coastal erosion, soil erosion and subsidence) and the earthquake non-climate hazard.

Finally, an ad hoc analysis was carried out at the beginning of 2025 for owned properties to assess the impact of acute physical risk, chronic physical risk (including coastal and soil erosion and subsidence) and earthquake risk. The database of this ad hoc processing is updated to the end of December 2024.

The number of NFCs analysed in the scenario analysis amounted to about 480,000 in the main segments Large Corporate, SME and Small Business, covering 91% of the total perimeter exposure and 92% in terms of numbers.

With regard to real estate as collateral, just under 520,000 units were processed, covering 95% of the total exposure of the perimeter and 96% in terms of numbers. All the BPER Group properties were analysed (slightly above 1,500), with approximately 71% belonging to BPER Banca.

The exercise conducted at the end of 2024 (both with regard to physical risks and transition risks) has some differences compared to the previous exercise, which may lead to different results in the materiality of the risks themselves. In particular, the following should be noted:

- the extension of the perimeter of the companies and collateral considered;
- the methodology for assessing the materiality of physical hazards, which considers the combined impact of acute hazards and chronic hazards in the year at the end of 2024, and no longer the impact of individual hazards;
- the methodology for transposing the KRIs of the scenario analysis on company PDs.

Also for the ad hoc analysis carried out on owned real estate, compared to the previous year's exercise, the methodology for calculating acute physical risk was updated: in fact, the risk materiality was carried out on the real estate while additionally considering the specific characteristics of the property and applying the damage functions of the hazards on the property value, unlike the previous year, when the riskiness was assessed based only on the vulnerability of the area.

As far as the earthquake risk assessment is concerned, it should be noted that the calculations were carried out on the basis of USGS (United States Geological Survey) source data considering events recorded from 1900 to the present day with a magnitude greater than or equal to 5[58]. The selected earthquake events were projected onto a 30x30km geographical grid and the frequency of occurrence was calculated for each cell and then ranked according to the global distribution.

Assessment of assets exposed to climate-related hazards

With reference to the scenario analysis, the data extraction period for the materiality assessment is 30 June 2024. The BPER Group Legal Entities involved are: BPER Banca, Banco di Sardegna, Bibanca, Banca Cesare Ponti, Sardaleasing and BPER Factor. The companies analysed are those belonging to the Loan to Customers portfolio.

58 This value was chosen based on the table provided by USGS, in which the magnitude is associated with the Mercalli scale, modified to have a link with intensity in terms of effects on the environment, property and people. Specifically, a magnitude value of five is associated with damage defined as slight for buildings that are well constructed and compliant with earthquake regulations, while significant damage can occur for poorly constructed or poorly designed buildings.

The analysis was conducted with reference to:
- estimation of the physical risk on the loan portfolio;
- estimation of the impact of environmental risk not linked to climate on a portfolio group of selected companies;
- real estate owned by the BPER Banca Group as at 31 December 2024.

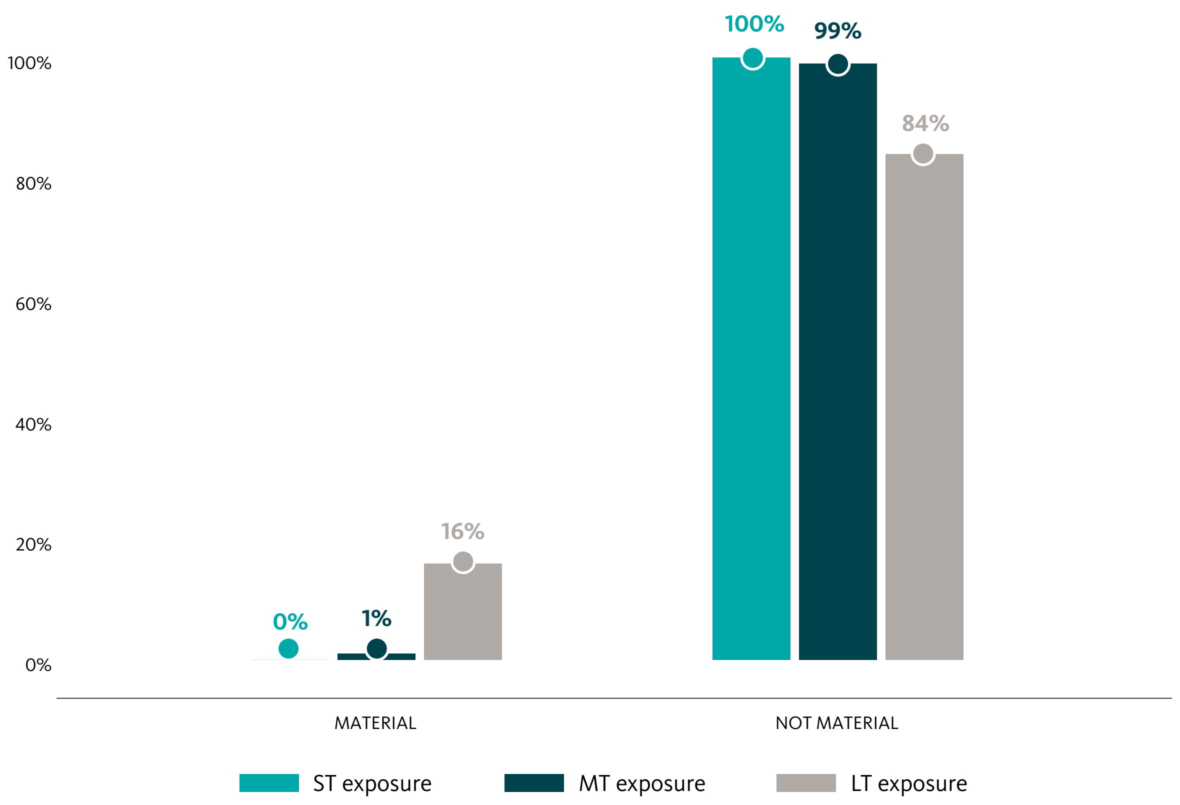
The companies analysed cover all on and off balance exposure (Cash, Signature, Irrevocable margins and Revocable margins) with:
- exclusion of equity positions;
- exclusion of consumer households;
- exclusion of companies classified as default as at the reference year or not negotiable due to unavailability of mandatory information for scenario analysis (e.g. rating model and master scale).

Besides on the lending portfolio of non-financial companies, the physical risk have also been monitored on real estate units, both those put up as collateral as those owned by the BPER Group. 10 acute hazards and 11 chronic hazards were taken into consideration, in addition to earthquakes, which despite not being linked to climate dynamics, are nevertheless relevant for the Italian landscape.

The NGFS climate scenario used for physical risk assessment is the "Current Policies" scenario, as it envisages a simulation with a higher risk impact: in this sense, its use reflects a prudential rationale, as it considers a higher risk than the other scenarios.

Corporate
Considering acute physical risk, it is evident that this risk has an increasing impact as the reference time horizon increases; only a marginal number of the 480,000 companies have a material acute physical risk in the short term (0.3%), rising to 1% in the medium term and settling at 16% in the long term.

ACUTE PHYSICAL RISK - CORPORATE

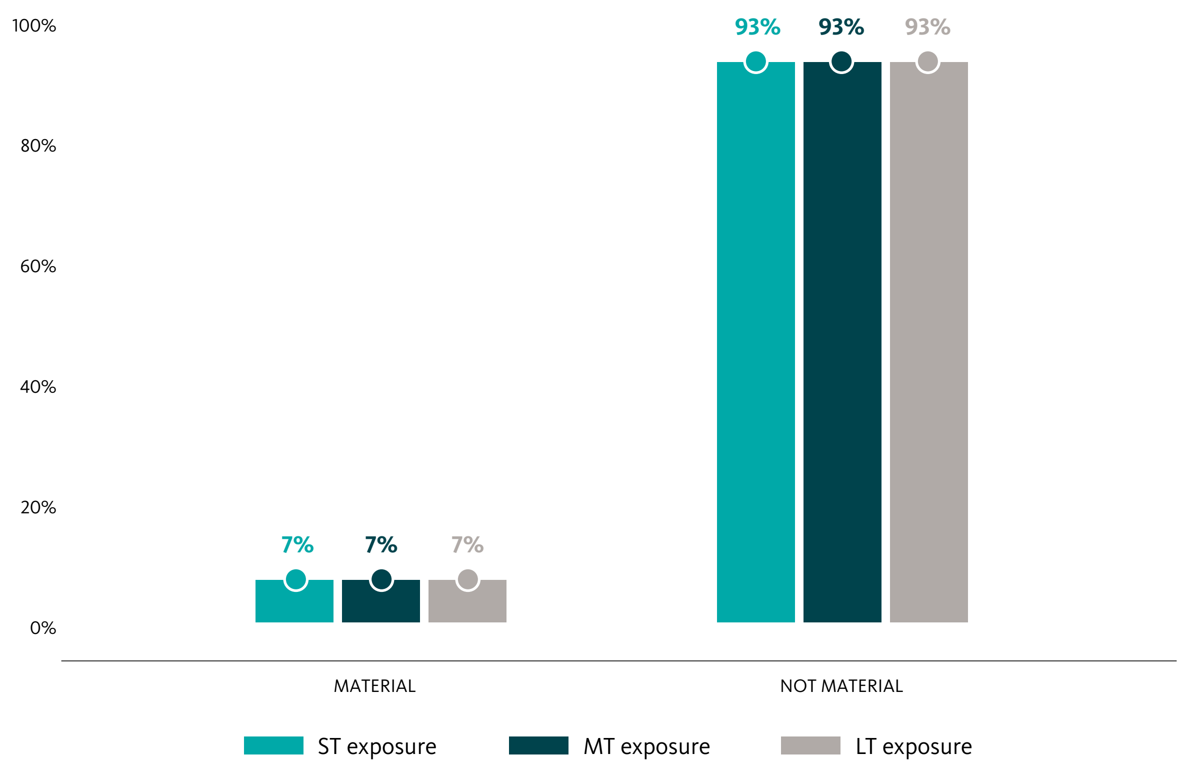


An analysis of the regional distribution of companies with material risk over the long-term horizon shows a preponderance of the region of Sardinia, with almost one-fifth of all properties. Assessing exposure instead, Lombardy shows the highest percentage: more than 20% of long-term material exposure to acute physical risk resides in the region.

Region	% No. Companies	% Exposure
Abruzzo	5.0	2.2
Basilicata	2.2	0.7
Calabria	7.8	2.0
Campania	4.5	2.1
Emilia-Romagna	10.8	17.5
Friuli-Venezia Giulia	0.3	0.6
Lazio	7.7	13.8
Liguria	3.8	4.5
Lombardy	9.4	23.1
Marche	1.3	3.0
Molise	0.9	0.2
Piedmont	4.7	6.2
Apulia	4.3	2.1
Sardinia	22.8	8.9
Sicily	8.9	2.9
Tuscany	2.9	3.7
Trentino-Alto Adige	0.2	1.0
Umbria	0.7	0.6
Aosta Valley	0.0	1.0
Veneto	1.9	3.9
Total	**100.0**	**100.0**

Approximately 55,000 companies and Euro 6 billion of exposure are material with regard to chronic physical risk. These numbers are constant over the three reference time horizons.

CHRONIC PHYSICAL RISK - CORPORATE

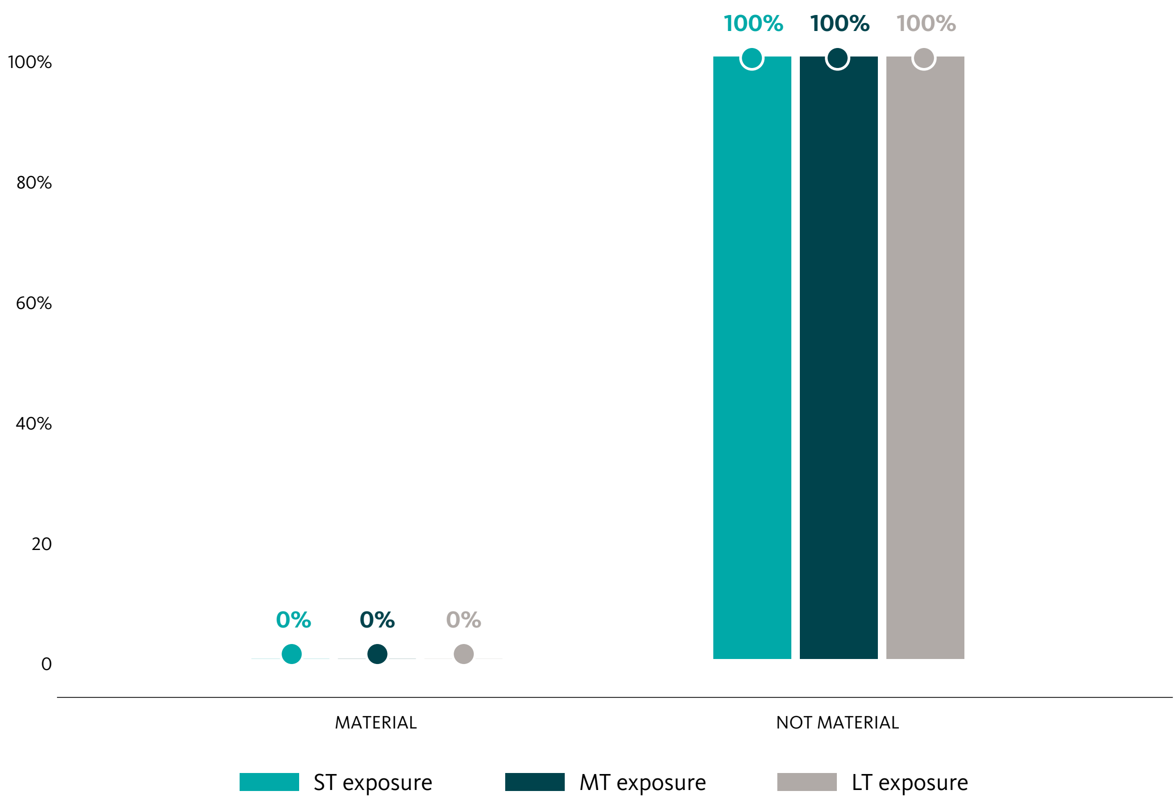


For chronic risks of companies, the largest exposure is also attributable to the Lombardy region, with almost 40% of the total of Euro 82 billion. This is followed by Sardinia with more than 10% of the total; here too, the region shows a preponderance in terms of the number of companies with almost 30%.

Region	% No. Companies	% Exposure
Abruzzo	3.2	2.1
Basilicata	0.7	0.4
Calabria	5.0	1.5
Campania	7.2	5.7
Emilia-Romagna	9.8	8.1
Friuli-Venezia Giulia	0.0	0.0
Lazio	5.0	6.8
Liguria	3.7	2.2
Lombardy	11.2	39.8
Marche	1.7	1.2
Molise	0.2	0.1
Piedmont	2.6	1.8
Apulia	2.1	1.4
Sardinia	27.5	13.5
Sicily	13.9	5.9
Tuscany	1.7	1.7
Trentino-Alto Adige	0.2	0.7
Umbria	0.4	0.2
Aosta Valley	0.0	0.0
Veneto	4.1	7.0
Total	**100.0**	**100.0**

The BPER Group's corporate portfolio is not very sensitive to earthquake risk. The exposure stands at 0.47% of the total over all time horizons, with only a few thousand material units at risk and an exposure of less than Euro 400 million.

EARTHQUAKE PHYSICAL RISK - CORPORATE



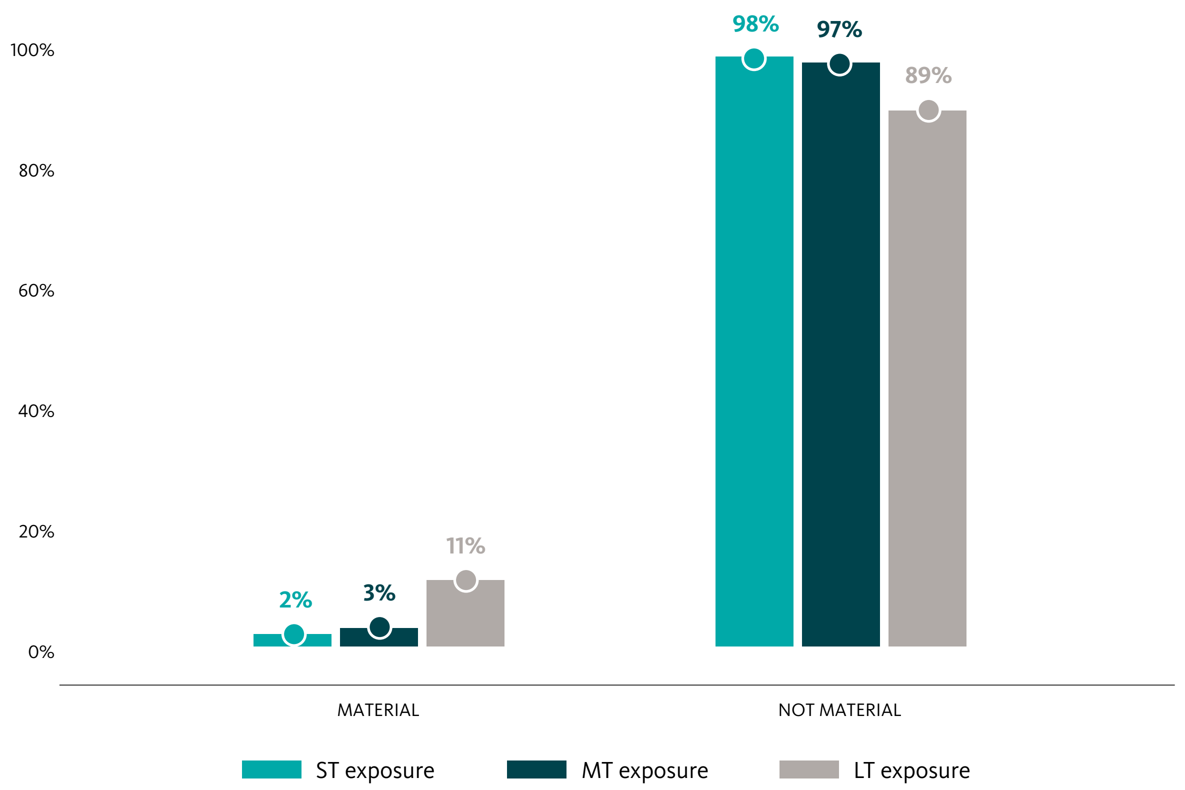
In the regional distribution of companies with material earthquake risk over the long-term horizon, more than two-thirds of the total exposure (Euro 380 million) is associated with the regions of Abruzzo and Emilia-Romagna.

Region	% No. Companies	% Exposure
Abruzzo	44.2	36.8
Basilicata	0.4	0.3
Calabria	0.2	0.0
Campania	11.0	4.3
Emilia-Romagna	15.0	31.5
Friuli-Venezia Giulia	0.2	1.1
Lazio	0.5	0.1
Liguria	0.3	0.4
Lombardy	0.7	1.1
Marche	3.3	2.8
Molise	0.0	0.1
Piedmont	0.3	0.2
Apulia	12.1	6.6
Sardinia	1.9	1.2
Sicily	0.1	0.0
Tuscany	2.5	4.5
Trentino-Alto Adige	0.0	0.0
Umbria	6.9	8.7
Veneto	0.4	0.2
Total	**100.0**	**100.0**

Real estate collateral

The acute physical risk for real estate collateral shows an increasing dynamic, starting from about Euro 1 billion of exposure in the short term (about 11,000 properties of the total 520,000) and reaching almost Euro 5 billion in the long term (11% of total exposure).

ACUTE PHYSICAL RISK - REAL ESTATE COLLATERAL

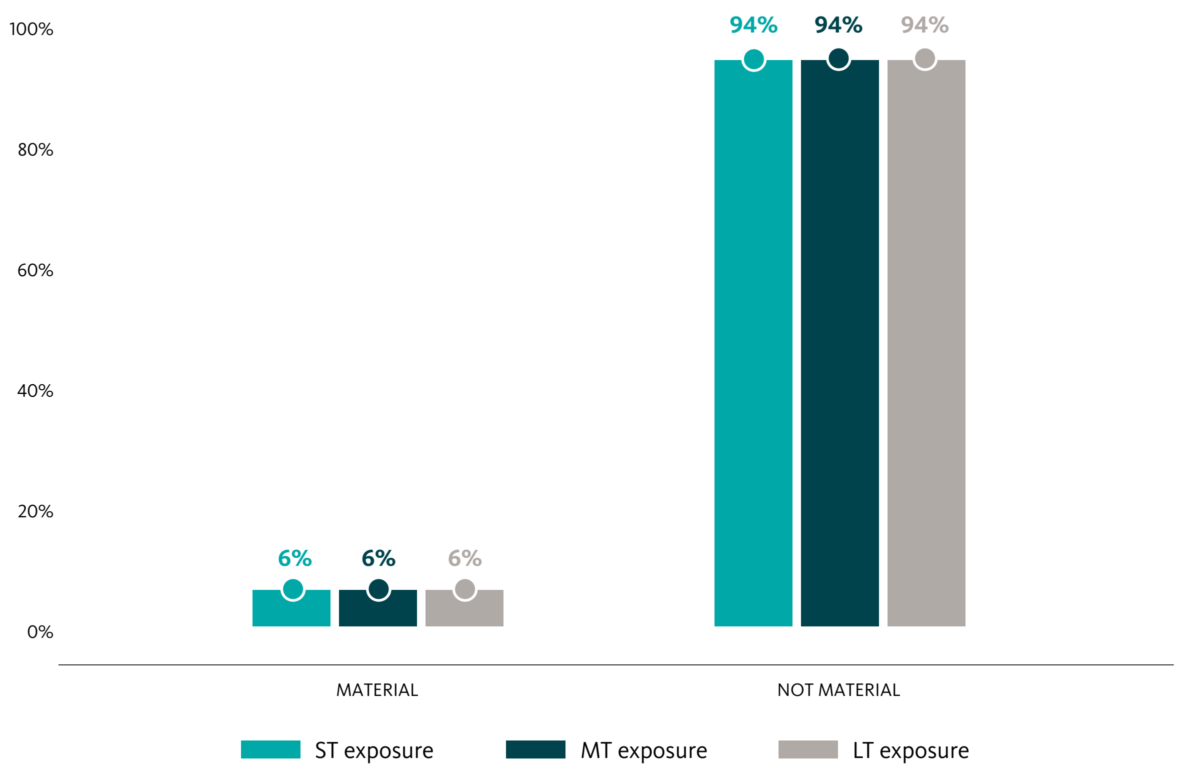


Approximately one quarter of the share of exposure to acute physical risk is attributable to collateral properties located in Lombardy; this share reaches 50% in the association with the other two highest-impact regions: Sardinia and Emilia-Romagna.

Region	% No. properties	% Exposure
Abruzzo	5.4	3.5
Basilicata	1.5	0.8
Calabria	2.6	1.9
Campania	4.0	3.3
Emilia-Romagna	12.2	11.3
Friuli-Venezia Giulia	0.3	0.3
Lazio	7.1	9.7
Liguria	6.0	5.7
Lombardy	21.1	24.9
Marche	4.4	3.5
Molise	0.3	0.2
Piedmont	5.9	5.8
Apulia	2.6	2.2
Sardinia	11.3	11.6
Sicily	5.6	4.4
Tuscany	4.7	5.5
Trentino-Alto Adige	0.2	0.3
Umbria	0.8	0.8
Aosta Valley	0.2	0.3
Veneto	3.7	3.8
Total	**100.0**	**100.0**

The chronic risks are evenly distributed across the time horizons within each risk band. 6% of real estate has material risk exposure across all time horizons, totalling just over Euro 2 billion and about 20,000 properties.

CHRONIC PHYSICAL RISK - REAL ESTATE COLLATERAL

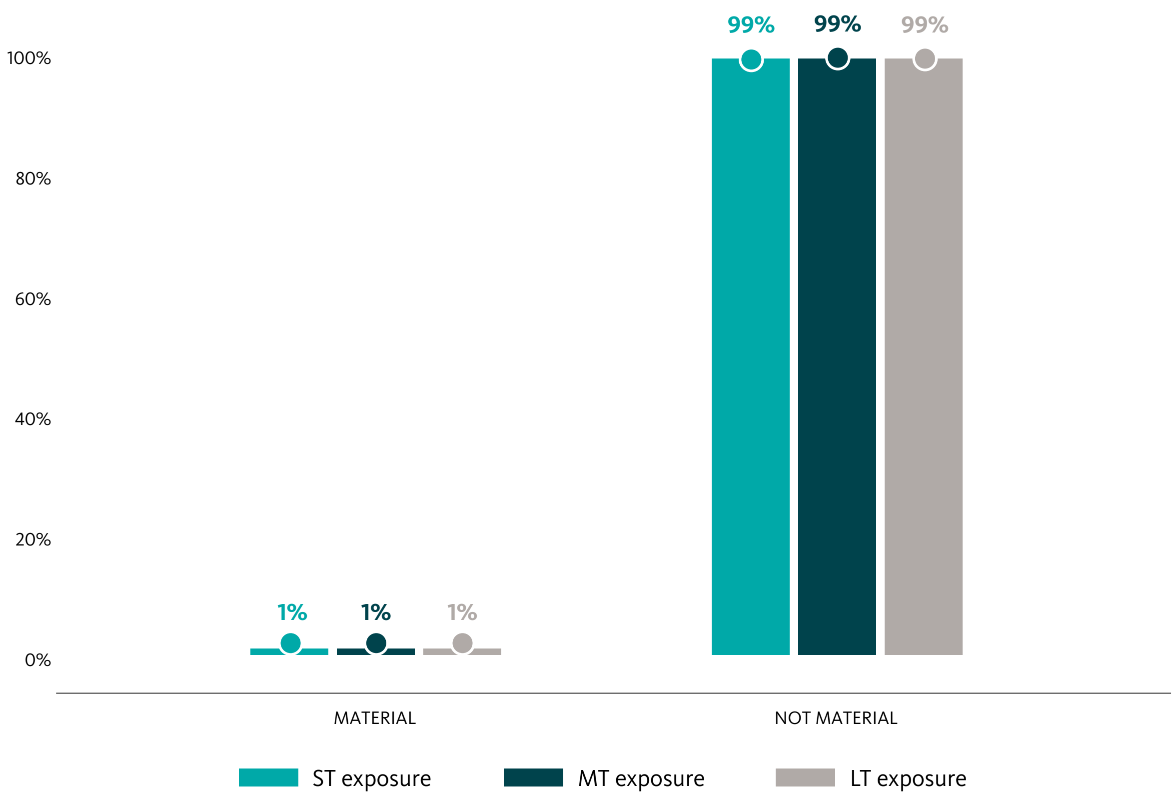


Lombardy remains the region most exposed to chronic physical risk, with just under a third of the total exposure over the long-term horizon: about Euro 640 million for a total of over 4,000 properties. The Emilia-Romagna region is also above 10% exposure.

Region	% No. properties	% Exposure
Abruzzo	2.9	1.9
Basilicata	0.5	0.3
Calabria	6.6	3.9
Campania	8.5	9.3
Emilia-Romagna	9.5	11.0
Friuli-Venezia Giulia	0.1	0.1
Lazio	9.0	9.3
Liguria	9.2	6.3
Lombardy	20.4	29.9
Marche	2.8	2.6
Molise	0.1	0.1
Piedmont	3.5	2.5
Apulia	0.4	0.3
Sardinia	7.7	6.9
Sicily	2.0	1.3
Tuscany	4.7	4.6
Trentino-Alto Adige	0.3	0.2
Umbria	0.7	0.4
Aosta Valley	0.1	0.1
Veneto	11.0	9.1
Total	**100.0**	**100.0**

Slightly less than 1% of the total exposure of the BPER Group's real estate collateral portfolio is material to earthquake risk, amounting to approximately Euro 300 million and just over 3,000 units. The distribution is homogeneous for the short-, medium- and long-term time horizons.

EARTHQUAKE PHYSICAL RISK - REAL ESTATE COLLATERAL



In the long term, more than 40% of the material exposure to earthquake risk is concentrated in Abruzzo, which accounts for around one third of the material exposure of Euro 300 million. Emilia-Romagna has the highest exposure (over 35%) and Apulia also exceeds 10%.

Region	% No. properties	% Exposure
Abruzzo	42.7	34.2
Basilicata	0.3	0.2
Calabria	0.2	0.7
Campania	4.2	2.5
Emilia-Romagna	17.7	35.4
Friuli-Venezia Giulia	0.5	0.3
Lazio	0.4	0.3
Liguria	0.2	0.2
Lombardy	1.3	1.2
Marche	4.5	4.5
Piedmont	0.2	0.5
Apulia	16.9	11.5
Sardinia	2.3	1.5
Sicily	0.0	0.0
Tuscany	1.9	1.8
Umbria	6.5	5.0
Veneto	0.2	0.2
Total	**100.0**	**100.0**

Assessment of risks associated with the Group's real estate

The operational risk management framework identifies and assesses the exposure to operational risks even for acute physical risks. In this context, during the operational risk identification process, specific risks referred to extreme weather events capable of generating material damage to real estate, branches, data processing centres are identified which may result in operational breakdown impacts or interruptions of Group operations.

During the annual assessment of operational risk exposure, performed via Risk Self Assessment, the objective is to estimate, for an annual time horizon, the degree of exposure to operational risks, by defining annual expected loss volumes and extreme impacts and assess the adequacy of the mitigation processes and measures identified at Group level (e.g. insurance coverage, Operational Continuity plans).

By way of example, reconstruction/refurbishing/containment costs incurred as a result of damage to real estate (and their systems) caused by natural events such as flooding, landslides, earthquakes and such are deemed operational losses.

According to the process defined in 2023, in order to increase the awareness of the degree of exposure to risk and also to make the risk quantification process associated with real estate assets more objective, the tools used to support the risk analysis for this kind of instance were strengthened in 2024 by introducing a new synthetic report which is designed to monitor exposure to climate risk of the Group's real estate assets using synthetic risk level indicators and to support the specialist personnel involved in the annual assessment of operational risk exposure.

In detail, the climate and natural risks taken into consideration in the above report are:

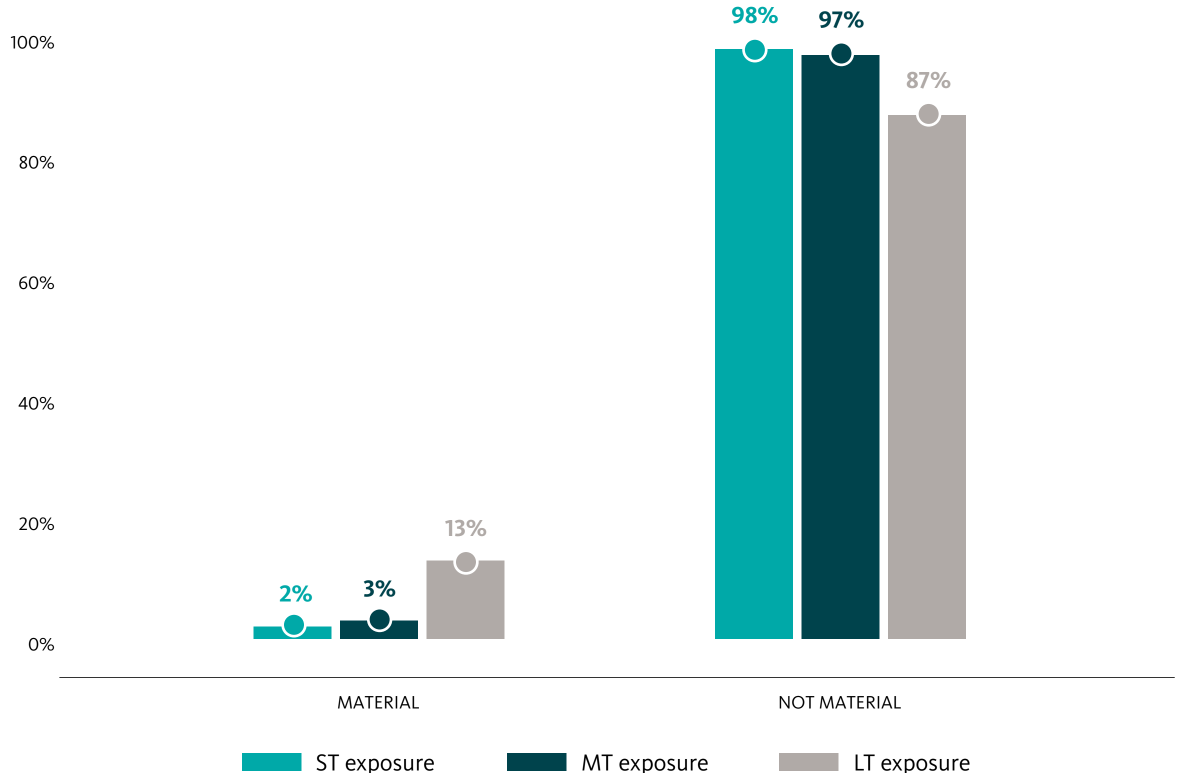
- hydrological risk;
- landslide risk;
- earthquake risk.

For each of the risks listed above, various options are defined for both individual buildings as well as at a national and regional level, as well as aggregate measurements that provide a picture of the overall exposure to natural and physical risks.

The properties owned by the BPER Group that were subjected to the physical risk analysis amount to slightly below 1,500 units for a total market value of Euro 1.8 billion. The properties belonging to BPER Banca amount to slightly fewer than 1,100 units (71% of the total) with an equivalent market value of approximately 1.2 billion (slightly above 60% of the total).

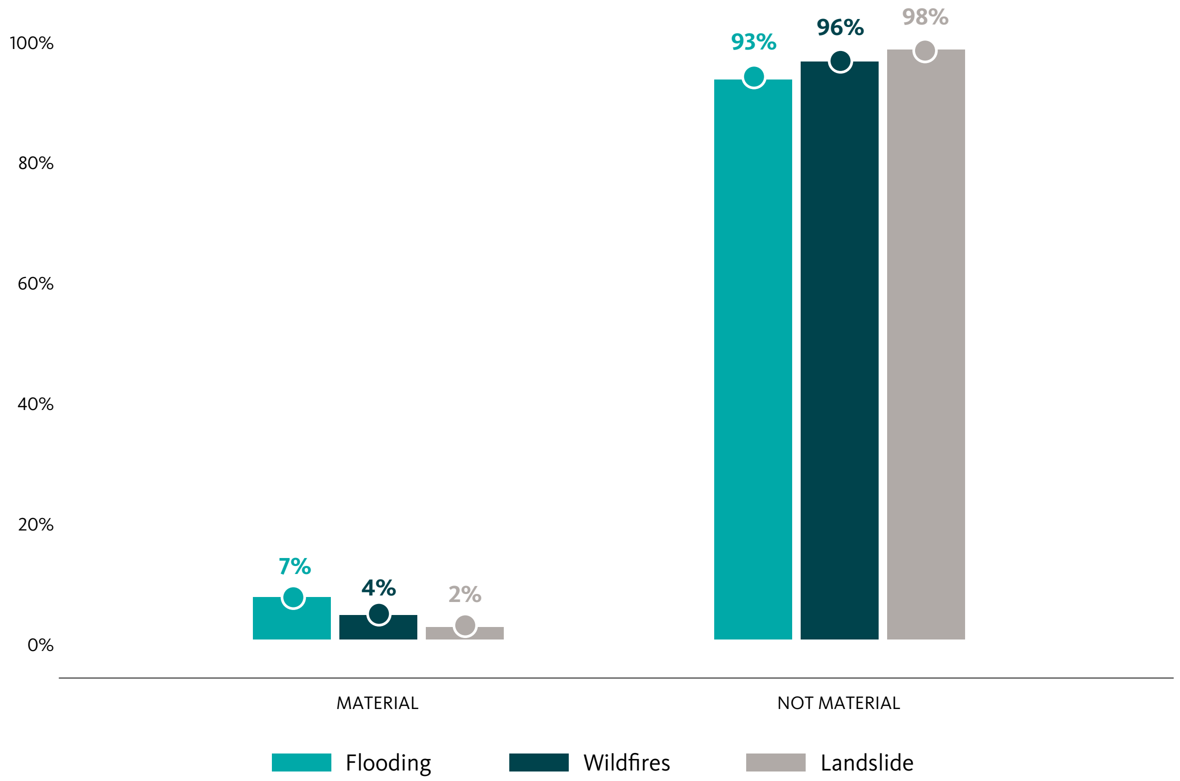
The share of tangible real estate in acute physical risk is increasing over the time horizons, from 2% of total exposure in the short term to 3% in the medium term to 13% in the long term.

ACUTE PHYSICAL RISK - OWNED PROPERTIES



In the ranking of the three most significant acute hazards for real estate, flooding ranks first, reaching over Euro 120 million of exposure in the long term (7% of the portfolio total market value). Fire comes in second place, at just under 4%, and finally landslides, at just under 2%.

ACUTE PHYSICAL RISK TOP3 - OWNED PROPERTIES

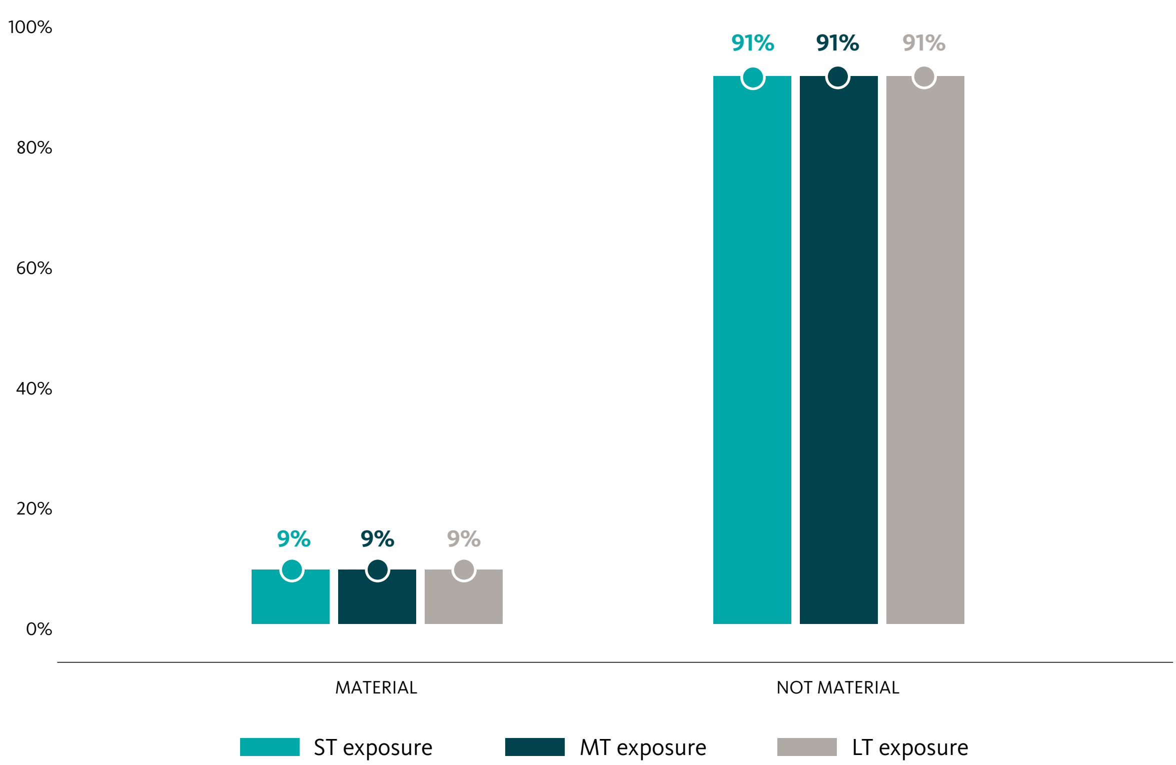


The region with the highest material exposure to acute physical risk is Lazio, with about Euro 65 million of market value exposed in the long term (29% of the total exposed). Sardinia and Liguria also have significant amounts, both with values close to 20%.

Region	% No. properties	% Exposure
Abruzzo	1.2	0.1
Basilicata	4.0	3.3
Calabria	9.2	0.4
Campania	3.5	5.8
Emilia-Romagna	9.8	3.1
Lazio	5.8	29.1
Liguria	13.3	18.7
Lombardy	11.6	10.8
Marche	3.5	2.8
Molise	0.0	0.0
Piedmont	2.9	0.7
Apulia	0.6	0.4
Sardinia	22.5	19.7
Sicily	1.2	0.2
Tuscany	4.6	1.9
Umbria	0.6	0.2
Veneto	5.8	2.7
Total	**100.0**	**100.0**

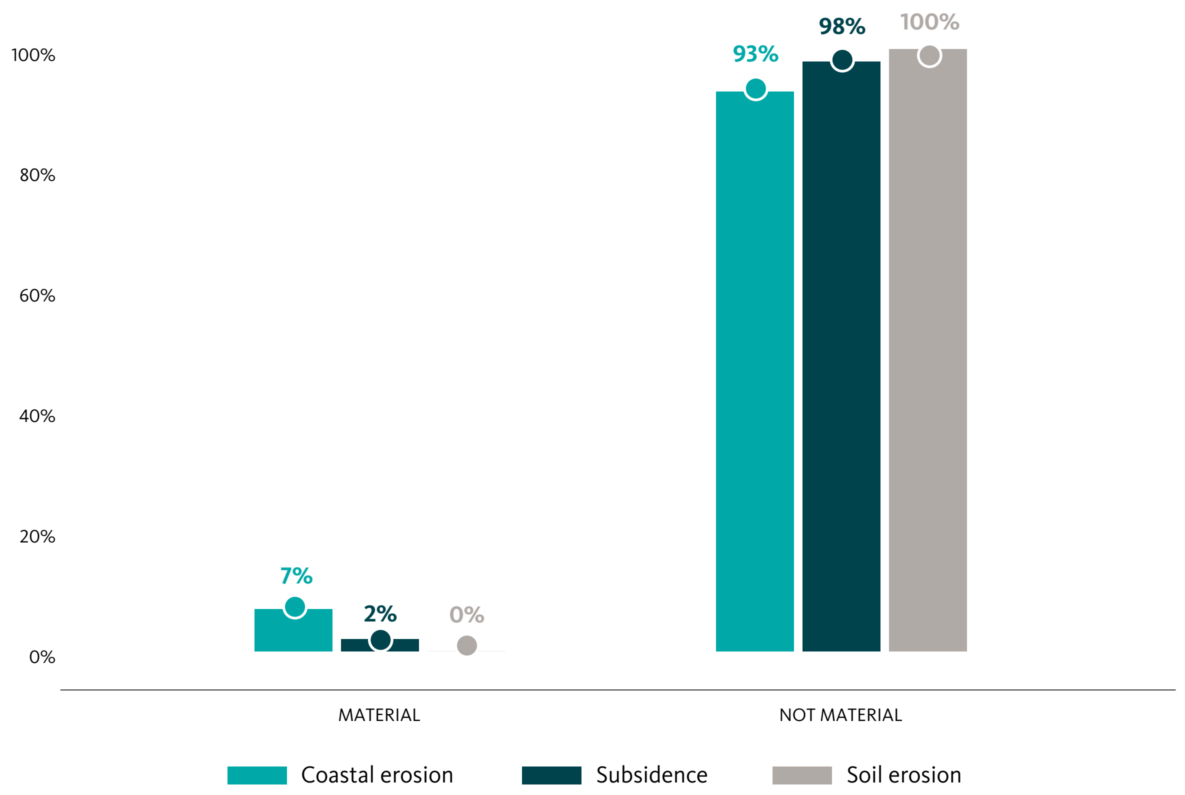
The chronic physical risk shows a percentage of material exposure in the total, which is constant over the time horizons, standing at 9% (about Euro 160 million market value).

CHRONIC PHYSICAL RISK - OWNED PROPERTIES



Coastal erosion is the most impactful chronic hazard, accounting for around 7% of total exposure. This was followed by subsidence with just under 2% and soil erosion with a very small percentage (0.5%).

CHRONIC PHYSICAL RISK TOP3 - OWNED PROPERTIES

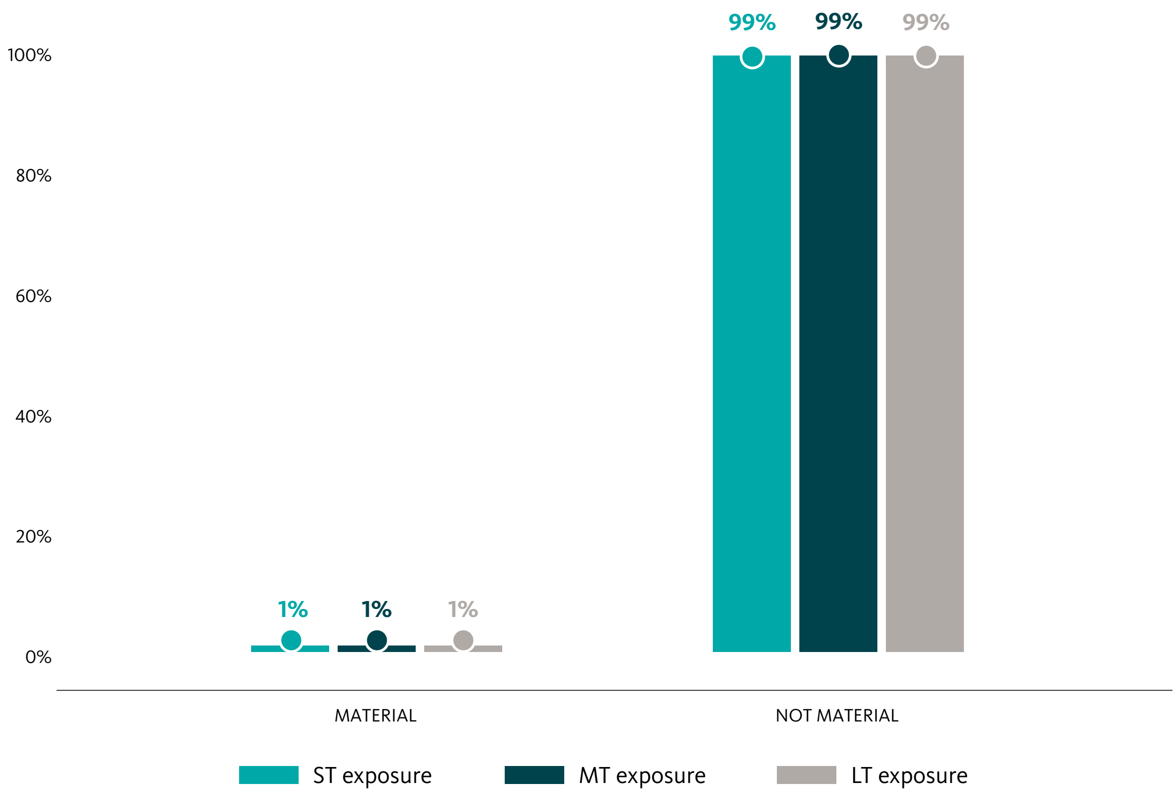


The properties most affected by chronic risk in the long term are located in the regions of Liguria (approximately Euro 40 million of exposure, or 25%) and Lombardy (over Euro 30 million of exposure, or 19%). Marche also exceeds 10% of the total exposure, with approximately Euro 18 million.

Region	% No. properties	% Exposure
Abruzzo	3.1	2.7
Basilicata	0.8	0.3
Calabria	6.2	6.0
Campania	3.9	8.6
Emilia-Romagna	7.8	6.9
Lazio	4.7	6.7
Liguria	32.6	24.8
Lombardy	10.1	19.3
Marche	3.1	11.0
Molise	0.8	0.4
Piedmont	3.1	1.0
Apulia	3.1	3.5
Sardinia	11.6	6.5
Sicily	1.6	0.7
Tuscany	5.4	0.7
Umbria	0.0	0.0
Veneto	2.3	1.1
Total	**100.0**	**100.0**

Similarly to real estate collateral, earthquake risk is also insignificant for owned properties: just over a dozen properties with a market value of less than Euro 20 million are exposed to earthquake risk, with an even distribution over the short, medium and long-term time horizons.

EARTHQUAKE PHYSICAL RISK - OWNED PROPERTIES



Almost all of the BPER Group's properties with material earthquake risk are located in Abruzzo, which accounts for 43% of the units and almost 90% of the total material exposure in the long term.

Region	% No. properties	% Exposure
Abruzzo	42.9	87.1
Basilicata	0.0	0.0
Calabria	0.0	0.0
Campania	14.3	1.4
Emilia-Romagna	0.0	0.0
Lazio	0.0	0.0
Liguria	0.0	0.0
Lombardy	0.0	0.0
Marche	14.3	1.2
Molise	0.0	0.0
Piedmont	0.0	0.0
Apulia	7.1	1.2
Sardinia	7.1	1.6
Sicily	0.0	0.0
Tuscany	7.1	1.4
Umbria	7.1	6.0
Veneto	0.0	0.0
Total	**100.0**	**100.0**

Owned properties - The business continuity plan

Considering the acute physical climate and environmental risks, the BPER Group manages the possibility of suffering economic losses resulting from the reduction in the value of property owned due to its geographical location or due to the occurrence of adverse events; to mitigate this risk, the Bank has stipulated insurance coverage (All Risk Property Policy) which offers, inter alia, the following guarantees:

- atmospheric events;
- flooding;
- snow overload;
- earthquake;
- seaquake;
- floods.

The Policy also provides coverage against the risk of volcanic eruption for certain branches in the Campania region expressly referred to therein.

Another impact caused by acute physical risks are losses due to the interruption of business continuity resulting from natural disasters (e.g., floods, heavy snowfall, extreme temperature changes). It has in any case been identified as a risk and every year the Business Continuity office receives the hydrological risk for each real estate unit where work is performed from the Building & Facility Service.

The BPER Group, on an annual basis, does in fact perform a Business Impact Analysis, to identify the risk level for each individual corporate process, according to a qualitative and quantitative approach. The Business Continuity Plan is then updated, and mitigation actions and the recovery solutions are defined that enable the continuation of the activities of critical processes even when faced with particularly serious events.

The Business Continuity Plan is drafted in compliance with the Bank of Italy's circular 285 of 2013 as subsequently amended, and in accordance with the best practices in the sector.

The Business Continuity Plan lists the buildings where critical processes are performed, and highlights the relative risk levels. In case that extreme weather events take place that compromise BPER's capacity to provide services to customers, the solutions foreseen for the "Unavailability of the service provision site" are activated in order to safeguard service continuity.

If the unavailable site is part of the commercial network, the recovery solutions include:

- moving employees and customers to a neighbouring branch (sister branch);
- execution of the more urgent transactions by personnel in another branch or by central structures;
- in the absence of a "sister branch" or if the distance exceeds 25 km, and if recovery times are extended, containers and/or camper vans are brought to the disaster area to help citizens, which become branches within the perimeter of the disaster and remain operational while technicians restore the damaged premises.

If the damaged site is a central office, the recovery solutions instead include:

- remote work is immediately activated for all employees at that operational unit;
- Business Impact Analyses are carried out to verify the presence of one or more sister units and of remotely competent resources that can intervene to secure operations from different real estate premises (there are many sister functions distributed over different territories in BPER, due to the numerous merger acquisitions in recent years);
- the transfer of resources and operations to alternative sites or recovery sites is considered;
- if machinery or equipment is damaged during the crisis, the data can in any case be accessed from the desired location (campers or sister units), seeing as backups are constantly being made.

BPER carries out an annual operational continuity test, the results of which are presented to the top management, to assess the adequacy of the overall system and the effectiveness of the Plan's solutions, with a view to constant improvement.

During 2024, the Bank proved its operational resilience by handling a number of different emergency situations.

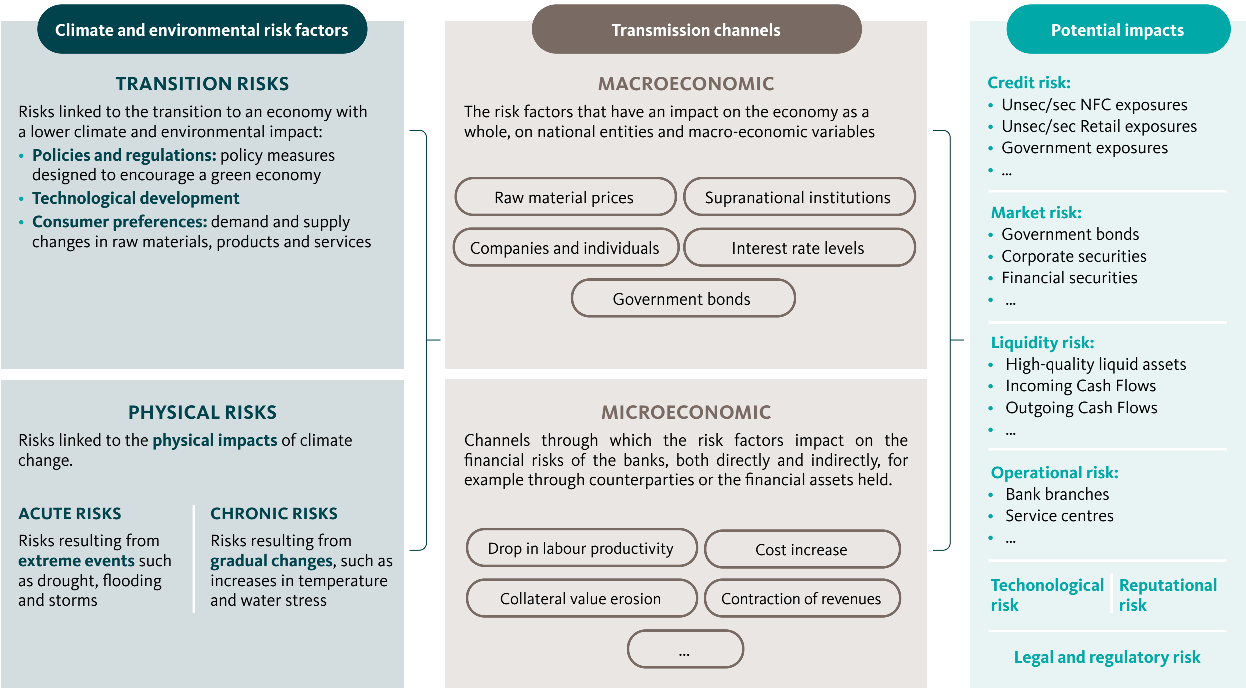
The flooding in Emilia-Romagna in September 2024 potentially affected around 70 branches, in addition to a dozen remote ATMs. The specially convened war room handled communications to the network and the sites concerned. In detail, the impact concerned eight branches closed due to traffic problems/which were unreachable due to flooding of roads, blocked by blackouts or flooded internally. Operations were restored for all the impacted branches within a few hours.

The red alert of 4 October 2024 again necessitated convening the war room, the Business Continuity emergency management team managed the critical issues related to the locations in 6 municipalities, where some branches suffered partial flooding and were reopened in little time. On the night of 20 October, rainfall again swelled the watercourses and critical situations were managed caused by flooding at the Anzola Emilia and Cesenatico branches. Finally, intense rainfall flooded the agency in Giarre on 13 November. The restoration operations allowed the premises to be dried and reopened in one day.

Use of climate scenarios

As already described, the risks related to climate change can be divided into transition risks and physical risks. These risks have an impact on economic activities and consequently on the financial system. This impact can manifest itself via a two-fold transmission channel: at a macroeconomic and a microeconomic level.

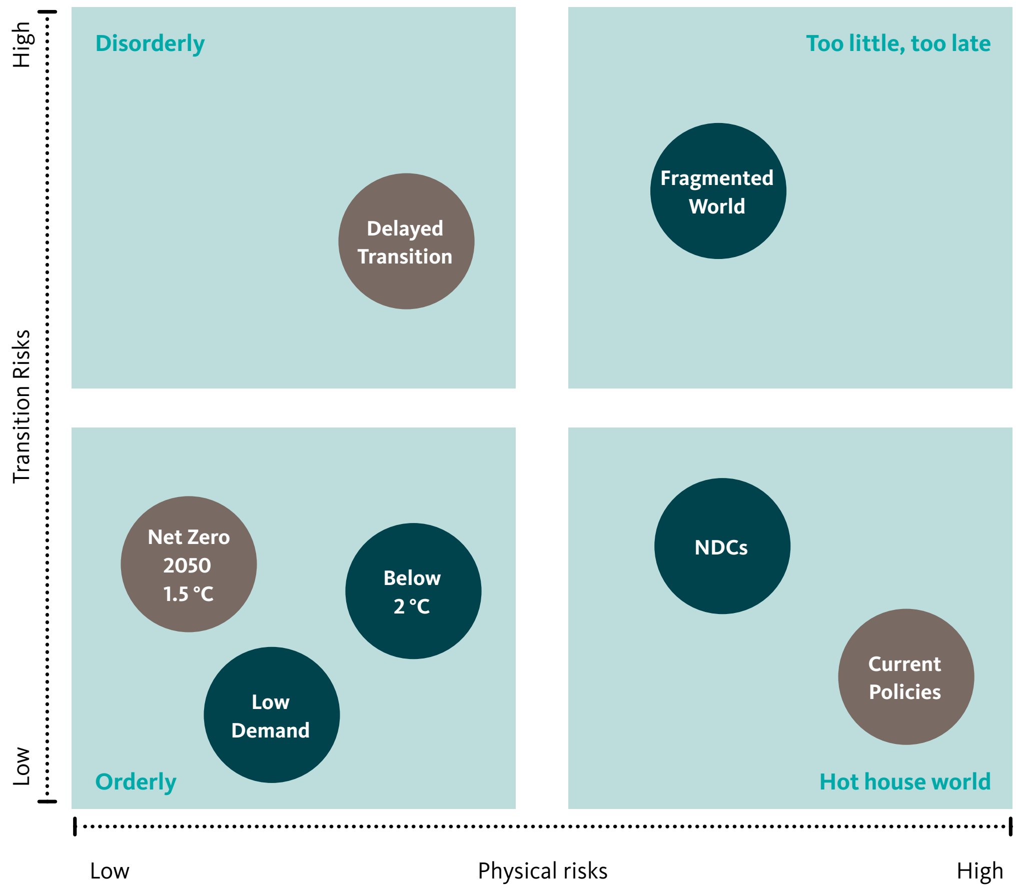
- macroeconomic transmission channel: refers to the mechanisms by which the risk factors affect macroeconomic dimensions, such as labour productivity and economic growth. These impacts have repercussions on the economic context in which the Bank operates;
- microeconomic transmission channel: refers to the mechanisms by which the risk factors impact the Bank's individual customer counterparties, thus transmitting the risk to the Bank and, on a more general footing, to the financial system. The customer companies may see their operations affected, or their ability to access sources of funding. The impact on the Bank can also be indirect, through the specific financial assets of the affected companies held by the Bank.



The scenario analysis presented here is part of the development of a company process that aims to strengthen its ability to identify, assess and monitor Group risks. What is represented is therefore consistent with the materiality and capital adequacy analyses (ICAAP) performed within the context of the aforementioned process. The analyses are based on simulations that depend on the reference scenario with a bottom-up approach, that incorporate all the granular information available to the Group (e.g. GHG emissions of funded counterparties, EPC (Energy Performance Certificate) of collateral, exact location of real estate and their commercial value at the time, geo-morphological characteristics of the area, etc.).

In line with market best practices, to perform the scenario analysis an alignment of the scenarios produced by the NGFS was performed using their most updated version at the analysis date; these scenarios are an adaptation of the physical climate scenarios prepared by the IPCC to represent the evolution of temperatures depending on a range of pathways, referred to as the Representative Concentration Pathways.

NGFS scenarios *framework* in Phase IV



NGFS explores four main scenario categories, classified by level of risk as at 2100:

- **Orderly transition:** presupposes that climate policies are promptly introduced and become gradually more stringent. The physical and transition risks are relatively contained;
- **Disorderly transition:** explores the outcomes of a higher transition risk due to policies being delayed or divergent between Countries and sectors;
- **Hot house world:** implies that some climate policies are implemented in a few jurisdictions, but at global level the efforts are not sufficient to halt a significant global warming. These scenarios entail serious physical risks;
- **Too little too late:** implies that a late and uncoordinated transition is unable to limit the physical risks.

The Stage IV of the NGFS consists in a set of seven macro-climate scenarios and one scenario (termed baseline, in which there is no climate damage) taken as a benchmark. Each NGFS scenario explores different hypotheses on the evolution of climate policies, emissions and temperature. Each scenario differs in terms of level of ambition, timing of the related policies, coordination and technological levers.
In the scenario analyses of the BPER Group two scenarios were considered as relevant:

- **Net Zero 2050:** belongs to the family of NGFS Orderly transition scenarios and limits global warming to +1.5 °C, by means of rigorous climate policies and innovation, managing to achieve zero net global CO_2 emissions around 2050;
- **Current Policies scenario:** belongs to the Hot House World family of scenarios; supposes that existing climate policies remain in place, but their level of ambition is not strengthened.

Below is a summary of the scenario narratives extracted from the NGFS report entitled **"NGFS Climate Scenarios Technical Documentation V4.2"** published in November 2023, which shows the average temperature increase target at the end of the century (green means low risk, grey medium risk, orange high risk) for each scenario.

Category	Scenario	End of century (peak) warning - model average	Policy reaction	Technology change	Carbon dioxide removal –	Regional policy variation +
Orderly	*Low Demand (NEW)*	1.4°C (1.6°C)	Immediate and smooth	Fast change	Medium use	Medium variation
	Net Zero 2050	1.4°C (1.6°C)	Immediate and smooth	Fast change	Medium-high use	Medium variation
	Below 2°C	1.7°C (1.8°C)	Immediate and smooth	Moderate change	Medium use	Low variation
Disorderly	*Delayed Transition*	1.7°C (1.8°C)	Delayed	Slow/Fast change	Low-medium use	High variation
Hot house world	*Nationally Determined Contributions (NDCs)*	2.4°C (2.4°C)	NDCs	Slow change	Low-medium use	Medium variation
	Current Policies	2.9°C (2.9°C)	None - current policies	Slow change	Low Use	Low variation
Too-little-too-late	*Fragmented World (NEW)*	2.3°C (2.3°C)	Delayed and Fragmented	Slow/Fragmented change	Low-medium change	High variation

low risk medium risk high risk

The reconciliation of the NGFS scenarios with the Shared Socio-economic Pathways (SSP) and the Representative Concentration Pathways of the IPCC are shown in the following table; as above, the source is the report "NGFS Climate Scenarios Technical Documentation V4.2".

SSP	RCP scenarios	NGFS scenarios
SSP_2	$RCP_{1.9}$	Net zero 2050, Low Energy Demand
SSP_2	$RCP_{2.6}$	Delayed transition, Below 2°C
SSP_2	$RCP_{3.4}$	Fragmented World, NDCs
SSP_2	$RCP_{4.5}$	Current policies

The scenario analysis was first carried out to provide disclosure consistent with the expectations of the regulatory frameworks, constituting a starting point for the integration of the other strategic analysis processes, especially with regard to credit policies and commercial strategies dedicated to customers most impacted by transition risk, for example the creation of new ad hoc products.

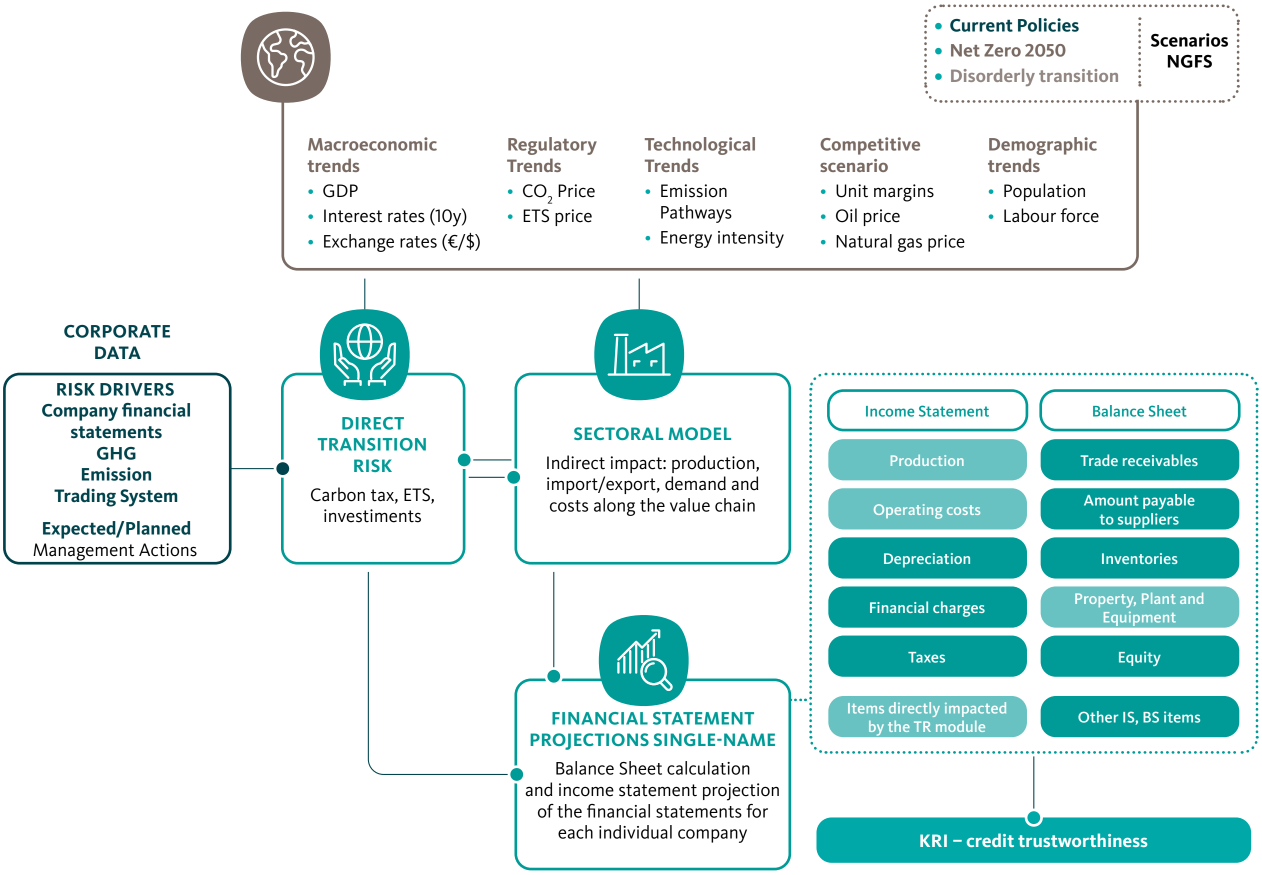
With regard to risks and in keeping with the different methodologies applied for each type of risk, it should be noted that an impact analysis (capital/liquidity) is inherent in the assessments of those of a financial nature; whereas, with regard to risks of a non-financial nature, such as reputational risks, no financial impact analysis is carried out.

Transition risk assessment process

Specific elements of the transition envisage impactful changes related to policies, legislative changes, technological innovations and changes to markets. These changes can be driven by a range of factors:

- legal and policy risks: these are risks linked to the development of policies designed to fight climate change and to support adaptation and the possible related legal disputes;
- technological risks: result from the implementation of innovative technologies to support the transition; they may have a serious impact on companies and on the "business-as-usual" approach;
- consumer preferences: they entail potentially sudden changes in the demand and offer of a few goods and services;
- reputational risks: linked to the customer's perception of the company with regard to its contribution to the transition and possible repercussions on the reputation of the company itself.

With particular reference to transition risk, in the context of the process described above, the various transmission channels through which it passes were analysed, which include the regulatory context, technological innovation and market sentiment[59].



The transition climate risks have therefore been analysed within the perimeter of the lending portfolio for non-financial companies. Among the reported scenarios, the one represented here for the transition risk is NGFS "Net Zero 2050" scenario, as it is the one that predicts a greater impact than the others with regard to transition risks: in this regard its use reflects a prudential approach, because it considers the highest risk among all the other scenarios.

59 This exercise is consistent with the settings, metrics and time frames of the "scenario analysis" described in the previous sections.

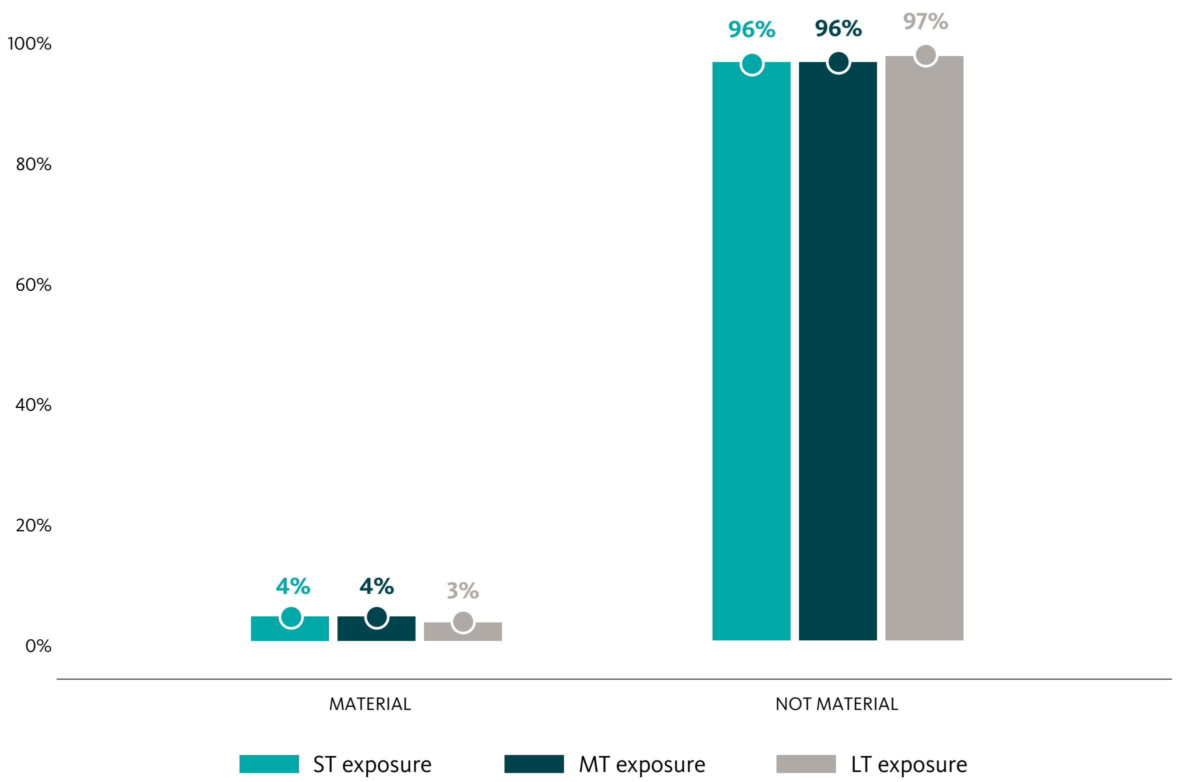
Corporate assets exposed to transition risk

The development of the transition risk analysis is achieved by combining economic data and data linked to climate change with the financial statements of the individual companies. The purpose of the analysis is to establish the potential impact of a transition scenario on the financial position of the individual company.

The transition scenario transmits the impacts of certain set variables, such as for example the application of a tax on emissions and the variations in the price of raw materials, onto the individual companies. A specific de-carbonisation policy does in fact involve the application of a tax on emissions that is levied on counterparties that are not aligned with the foreseen de-carbonisation pathway. A few elements of the scenario are projected onto the company using a sectoral model, which applies the macro variables to production sectors, and thus establishes elements such as production, costs and demand. These elements are then transmitted to the individual company based on the production sector they belong to and projected onto the financial statements, defining operating costs and revenues (and related profit margins) aligned with the reference scenario.
The financial statement simulation will then encompass the specific dynamics of the reference transition scenario and produce a series of indicators related to the companies capacity to react to the scenario, its transition investment requirements and the riskiness dynamic as it affects its relations with the Bank. A summary of the credit rating of the counterparty based on the expected performance of the main items and indicators of the financial statement affected by the transition risk is used as a Key Risk Indicator (KRI). This permits the identification of a critical value for expected impact over recovery capacity.
The NGFS climate scenarios envisage specific pathways for the reduction of GHG emissions for the various production sectors. Each sector, based on the internal dynamic characteristics of the production factors and the available and scalable technology, considers an emission reduction pathway consistent with the reference climate scenario goals.

The transition risk to which the BPER Group's companies are subject is constant when comparing short, medium and long-term time horizons, with a materiality rating of 3-4% of total exposure (which amounts to approximately Euro 82 billion).

TRANSITION RISK - CORPORATE



The companies' long-term exposure is particularly concentrated in the manufacturing sectors categorised by the Global Industry Classification Standard (GICS) "Industrials", "Materials" covering more than 70%. In the NACE (Nomenclature statistique des Activités économiques dans la Communauté Européenne) classification of production sectors, the predominant sectors among the 22 indicated by EBA as most exposed to climate risk are "Refining", "Cement" and "Wholesale", which exceed 10%.

GICS Sector	% No. Companies	% Exposure
Materials	32.3	21.8
Consumer Staples	14.0	13.9
Real estate	4.3	3.0
Utilities	1.1	6.4
Consumer Discretionary	7.1	3.3
Information Technology	1.1	0.2
Energy	2.2	18.1
Communication Services	0.6	0.2
Industrials	36.2	32.4
Health Care	1.2	0.7
Total	**100.0**	**100.0**

NACE Sector	% No. Companies	% Exposure
Agriculture	4.2	2.8
Forestry	2.1	0.6
Mining	0.5	0.3
Food	2.3	2.1
Textile	1.0	1.0
Refining	1.8	15.5
Chemicals	1.7	2.3
Plastics	0.5	0.2
Cement	30.4	18.4
Iron & Steel	1.5	1.2
Machinery	0.9	0.8
Automotive	0.1	0.0
Furniture	0.4	1.2
Power Gen	0.7	4.1
Waste	3.7	5.0
Building	4.4	3.5
Wholesale	11.6	14.0
Transport	14.3	7.2
Shipping	6.3	8.5
Aviation	0.1	0.0
Logistics	3.1	4.4
Real estate	2.2	2.0
Other	6.1	4.8
Total	**100.0**	**100.0**

The transition risk analysis is consistent with and natively linked to the physical risk analysis, on which the same assessment was made in terms of using climate scenarios, described above.

2.2.1 Towards the transition plan for climate change mitigation (E1-1)

Participation in the Net-Zero Banking Alliance

BPER Banca, pursuant to Article 12 of Commission Delegated Regulation (EU) 2020/1818, is not excluded from the EU Paris-aligned Benchmarks.

On 9 March 2022, the BPER Group, through its parent company BPER Banca, joined the Net-Zero Banking Alliance, pledging to achieve zero financed emissions by 2050, through the implementation of concrete actions and by setting interim targets to 2030.

Following its membership, BPER Banca set decarbonisation targets for its portfolios on five of the ten high carbon footprint sectors identified by the NZBA, in line with the Bank's ambitions to support the sustainable transition and the timelines defined by the Alliance, listed below:
August 2023

- Power generation: 36% reduction in the weighted emission intensity of the counterparties in the portfolio, from a baseline of 256 kilograms of CO_2 equivalent per megawatt-hour (256 kg CO_2e/MWh) by 2022 to an average value of 165 kilograms of CO_2 equivalent per megawatt-hour (165 kg CO_2e/MWh) by 2030;
- Oil and Gas: 29% reduction in emissions financed by BPER Banca by 2030, starting from a baseline of 464 thousand tonnes of CO_2 equivalent (464 thousand tCO_2e) in 2022.

December 2024

- Iron and steel: 27% reduction in emission intensity at portfolio level, from a base of 275 tonnes of CO_2 equivalent per exposure in the sector in millions of Euro (275 tCO_2e/€ million) by 2023 to an average value of 201 tonnes of CO_2 equivalent per exposure in the sector in millions of Euro (201 tCO_2e/€ million) by 2030.
- Aluminium: 24% reduction in emission intensity at portfolio level, from a base of 460 tonnes of CO_2 equivalent per exposure in the sector in millions of Euro (460 tCO_2e/€ million) by 2023 to an average value of 350 tonnes of CO_2 equivalent per exposure in the sector in millions of Euro (350 tCO_2e/€ million) by 2030.
- Commercial real estate: 47% reduction in emission intensity at the level of financed property, from a base of 37 kilograms of CO_2 equivalent per square metre (37 $kgCO_2e/m^2$) by 2023 to an average value of 19 kilograms of CO_2 equivalent per square metre (19 kg CO_2e/m^2) by 2030.

The Bank will proceed with the communication of the remaining targets for the carbon-intensive sectors by March 2025.

With regard to the Coal sector, BPER will phase-out its exposure, highlighted as immaterial since its membership in the Alliance and on which, in any case, the Bank has envisaged restrictive policies, as governed by the internal "ESG-linked Loan Origination Policy" since 2023.

Defining objectives has entailed an important step forward in BPER's commitment to align its business with the decarbonisation ambitions set out in the Paris Agreement of 2015 and constitutes a further evolution of its activities in favour of sustainability and mitigating climate changes. Compared to the NZBA decarbonisation targets, the Bank has incorporated their 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.

Decarbonisation Plan

In this context, in August 2024 the Bank published its first "Decarbonisation Plan" for the first two priority sectors mentioned above, namely "Power generation" and "Oil and Gas", which aims to inform key stakeholders on the progress made on its decarbonisation path. The Bank continued the analysis of its loan portfolios, publishing additional targets for the following sectors in December 2024: Iron and Steel, Aluminium and Commercial Real Estate. All the objectives pertaining to the decarbonisation plan have been approved by BPER Banca's BoD.

The "Decarbonisation Plan" defines specific strategies aimed at improving the emission performance of the issuers/projects to which it is exposed and the related impacts on business and risk governance. In fact, loan activities are a key factor in supporting the decarbonisation strategy

Specifically, the "Decarbonisation Plan" for the loan portfolio is based on the following pillars:

- definition of the Net-Zero sector targets and pursuit thereof through the Bank's business and processes; BPER also undertakes to progressively expand the scope of the target-setting analysis to additional exposures and/or asset classes in the portfolio and to constantly update the Net-Zero trajectory on the basis of the most recent data and methodologies available;
- monitoring the portfolio's progress compared to the defined sectoral targets and identifying corrective measures in the event of any deviations;

- management and improvement of data quality and reliability: the Bank aims to find increasingly complete and accurate data through initiatives dedicated to enriching and improving the information used in its carbon accounting activities. With this in mind, the strengthening of information sources and systems is a key factor in the definition of appropriate decarbonisation strategies, consistent with both BPER Banca's commercial and business sustainability as well as the sectoral reference pathways; the Bank therefore restructured its ESG data architecture in 2024, working on the ESG Data Model project;
- identification and management of climate and environmental risk through the integration of ESG factors into all relevant stages of the loan granting and monitoring process in order to improve governance of the various transition risks of portfolio clients and support the development of more sustainable business models;
- implementation of the transition of customers in the portfolio towards the Net-Zero objective through the implementation of strategies that may take different forms depending on the decarbonisation efforts required by the sector, the type of counterparties in the portfolio and the data and information available to the Bank.

"ESG-linked Loan Origination Policy" update

The "ESG-linked Loan Origination Policy" was updated in June 2024. The guidelines are addressed to all companies belonging to the BPER Group, defining the criteria applicable to counterparties and transactions according to their sector of belonging, so as to ensure that the loans granted are in line with the Group's Net Zero targets.

The Policy's updating made it possible to clarify some strategic aspects, such as the precise reference to the Net-Zero Banking Alliance for sectors with specific decarbonisation objectives and the broader integration of the assessment of the possible impacts of ESG factors, in line with the suggestions of the United Nations Environment Programme - Finance Initiative (UNEP FI).

In this regard, the principles applicable to the infrastructure, agriculture, forestry and fishing, real estate and manufacturing sectors were introduced, as well as the amendment of the evaluation criteria for the "Power Generation" and "Oil and Gas" sectors, which were already regulated in the previous version.
In addition to the Policy's revision, the overall credit policy framework was enriched by the development of a credit strategy micro-funded at the counterparty level (by means of a notching model for counterparties considered to be high risk) and by assessments at the transaction level, in order to allow the application of product-based strategies (i.e. development of green and EU Taxonomy-compliant products).
These activities were accompanied by the progressive updating of ESG data and the identification of relevant drivers at the individual counterparty level to support the single-name assessment of climate and environmental risk factors.

It should be noted that the Bank will adapt its decarbonisation strategy in relation to the changing behaviour and needs of its portfolio counterparties, technological developments, regulatory expectations and geopolitical and regional changes.

Aware that the main challenges of the next few years will be played out in the field of ESG data and information, the Group has restructured its ESG data architecture by working on the ESG Data Model project; the aim of the project is the complete census and modelling of all ESG data in use or required for regulatory and management purposes, as well as the definition of a process outlining the roles and responsibilities of the actors involved throughout the data governance and management phases.
Furthermore, as of 2022, the Bank has set up a first pilot project for the provision of ESG questionnaires designed to acquire single name data, addressed, in the first year, to a cluster of approximately 350 customers, with a gradual expansion of the scope of companies covered over the course of 2023, taking into account the counterparties which, owing to their exposure threshold or to the sector to which they belong, are considered most representative. The campaign of administering questionnaires to a selected group of companies of significant size continued in 2024. Approximately 200 invitations to complete the questionnaire were sent out and the target companies were also involved through the managers of the report to emphasise the initiative's value. To facilitate participation, a direct link was created on the Bank's website and two versions were prepared according to counterparty size.

2022-2030 Energy Plan

In addition to the "Decarbonisation Plan", the Bank established a "2022-2030 Energy Plan", published in 2022 and updated in 2024 at the launch of the new 2024-2027 Business Plan "B:Dynamic|Full Value 2027".

With the definition of the "2022-2030 Energy Plan", the Bank has set as its goal the reduction of Scope 1 and 2 emissions in line with the demands of the Paris Agreement to limit the global average temperature increase in 2050 to within 1.5°C compared to pre-industrial levels and the best available market practices for climate change mitigation. Specifically, the goal is to reduce direct Scope 1 emissions by -35% by 2027 and halve them (-50.2%) by 2030 compared to the 2021 baseline, as well as to use 100% electricity from renewable sources. In this context, as at 31 December 2024, the BPER Group had purchased 100% energy from renewable sources, with the issue of Guarantees of Origin (GO).

During the course of 2024 the BPER Group has consolidated the gradual implementation of the energy efficiency measures foreseen by the 2022-2030 Energy Plan.

The actions contained in the 2022-2025 Energy Plan[60] that led to a reduction of -23% by the end of 2024 relate specifically to:

- conversion of gas-fired generators to heat pumps: during the course of 2024, 50 sites fuelled with methane gas combustion heat generators have been converted to heat pumps. Gas-fired generators are the BPER Group's main cause of climate-changing emissions, and a gradual replacement process has been initiated in recent years;
- car fleet electrification: gradual process of converting the company car fleet of "endothermic" cars to hybrid plug-in and/or electric cars[61];
- F-gas leak detection platform: still being implemented in 2024 due to the completion of the master data update process. This platform will guarantee the containment of F-gas leaks with a resulting drop in CO_2 emissions;
- optimisation of the use of functional management spaces: the refurbishing project of the BPER Banca's Management Centre continued in 2024 for the rationalisation of the use of a number of management buildings in Modena, in order to optimise space and reduce both operating costs and CO_2 emissions. Additionally, once again as part of the optimisation of operational spaces, 449 branch offices have been closed from 2022 to date;
- BEMS (Building Management Energy System) centralised management platform with AI (Artificial Intelligence) algorithms: a POC (Proof Of Concept) was carried out in 2024 to test compatibility with BPER's internal infrastructure systems. The implementation of such a platform in 2025 is being considered;
- extension of the perimeter of the BEMS control and monitoring systems: during 2024, an additional ten devices were installed on as many medium to large sites with the aim of reducing waste and CO_2 emissions, in addition to the other equipment installed on the management sites in previous years;
- installation of 50 new BEMS units in as many BPER Banca branches which allow the management and monitoring of energy consumption and optimise energy usage;
- conversion of oil-fired boilers to heat pumps: during 2024, eight sites fuelled with oil have been converted to heat pumps.

In addition to the initiatives of the Energy Plan, in 2024 a PPA (Power Purchase Agreement) contract was signed with a national player for the supply of energy directly produced by a photovoltaic plant built in the country, which will guarantee the coverage of about 10% of BPER Banca's energy needs.

As at 31 December 2024, construction sites contributing to the achievement of the overall -21% CO_2e emissions reduction had been started, monitored and completed. The remaining part of the 2% emission reduction, useful for achieving the planned -23% reduction, which could not be achieved due to the early closure of the 2022-2025 Business Plan, was offset through the DKV Myclimate Card initiative.

C&E Thematic Review

In relation to the C&E Thematic Review launched in January 2022 and its July 2024 update by the ECB, during the second half of 2024 the Group continued its activities to strengthen and integrate ESG issues within the Bank's processes and provided evidence of this to the ECB in December.

The Group also continued monitoring the carbon footprint of its credit and investment portfolios, expanding the scope of companies included in the estimate, and confirmed its endorsement of the Principles for Responsible Banking, identifying climate change among its areas of commitment, for which relative SMART Targets have been defined.

The new 2024-2027 Business Plan "B:Dynamic | Full Value 2027"

In October 2024, with its new 2024-2027 Business Plan "B:Dynamic|Full Value 2027", the Bank reaffirmed its commitment to achieving Net-Zero and the energy transition through a modernisation process that also takes ESG commitments into account, through the following main points:

- reduction of direct and financed emissions in line with the NZBA decarbonisation commitment;
- just transition support by improving customer offers such as financing for energy upgrades, ESG advisory to companies and ESG AuM solutions;
- full integration of ESG criteria into the Bank's creditworthiness assessment process;
- > Euro 7 billion of new ESG loans;
- 45% of the ESG AuM;
- Euro 1 billion Green Bond issue;
- update of the Energy Plan with reference to the three-year period 2024-2027, with related Scope 1 emission reduction targets of -35% compared to the 2021 baseline.

60 The previous Energy Plan should have ended on 31 December 2025, but was brought forward to 31 December 2024 due to the publication of the new 2024-2027 Business Plan "B:Dynamic|Full Value 2027". Therefore, the projects planned in 2025 were brought forward to 2024.

61 Efficiency gains as a result of this initiative will be achieved through corrective actions, as post-Covid activity resumed in full force in 2023 with a significant resumption of travel and related mileage. The gradual replacement of endothermic company vehicles with environmentally friendly ones (plug-in, full hybrid and full electric) continues.

The transition plan is currently being finalised, the BPER Group's climate commitments are currently set within the "Decarbonisation Plan", with reference to Net-Zero targets on the loan portfolio and within the "2022-2030 Energy Plan". Among the planned initiatives, targets for the Bank's proprietary investments will be set in 2025.

This plan will be prepared taking into account ongoing regulatory developments, including the EBA's "Guidelines on the management of environmental, social and governance (ESG) risks", which require institutions, as of 11 January 2026, to develop specific plans to address risks arising from the transition by making forward-looking ESG risk considerations in their risk management strategies and processes.

2.2.2 Loan products and services with environmental purposes

Policies related to climate change mitigation and adaptation (E1-2)

Group Policy for the governance of credit risk

The impacts, risks and opportunities associated with lending activities are governed by the "Credit Guidelines and Credit Governance Policy" and "BPER Group Policy for the governance of credit risk".

The "Group Policy for the governance of credit risk" governs the principles for the governance of credit risk in accordance with the provisions of the Supervisory Regulations (Bank of Italy Circular 285 of 17 December 2013 and subsequent updates), the prudential regulations for banks and banking groups (Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms), as well as the regulations in force from time to time.

The Chief Risk Officer (CRO) and the Chief Lending Officer (CLO) are responsible for updating the "Policy for the governance of credit risk" for the parts under their responsibility, which is proposed to the Chief Executive Officer, discussed in depth within the Management Risk Committee and subsequently examined and approved by the Parent Company's Corporate Bodies. The Chief Executive Officer is responsible for the implementation of the Policy's provisions, who in turn delegates the operational management of credit to Senior Management of the Parent Company and Group Companies within the scope of the delegated powers in force from time to time. The Chief Risk Officer cooperates with the Chief Executive Officer in defining and implementing the risk management process.

In particular, this Policy defines the principles requiring compliance in the governance of credit risk, in line with supervisory regulations and prudential rules for banks. The governance of credit risk involves the definition of risk appetite and exposure limits, the processes governing risk taking and mitigation, and the risk management processes underlying identification, measurement, monitoring and reporting.

With reference to credit risk arising from climatic factors, the Policy defines the indicators and related thresholds that represent the maximum amount of risk the Group is willing to accept in order to limit the exposure to risks arising from the transition to more sustainable economies (transition risk) or from possible impacts from climate events (physical risk):

- high physical risk exposure;
- high physical risk mortgage loans;
- exposure to high transition risk.

The indicators and compliance with the supervisory thresholds are subjected to periodic monitoring by the Risk Management Function, which handles communication at the appropriate levels by preparing dedicated reports.

The Policy is issued through directives to Group Companies that generate credit risk (Italian and foreign Group Banks, as well as the Group's credit finance companies): following its transposition by the Boards of Directors, it is disseminated to employees of the Parent Company and Group Companies through the corporate intranet.

The Parent Company conducts a quarterly monitoring process of the implementation of the aforementioned Guidelines in order to be able to identify any deviations of the current portfolio from the guidelines provided and be able to identify and transmit the appropriate corrective actions.
With respect to the BPER Group's value chain, the Policy therefore covers lending activities to customers. By its very nature, the Policy does not address aspects related to mitigation or adaptation to climate change, energy efficiency, spread of renewable energy.

ESG-linked Loan Origination Policy

The "ESG-linked Loan Origination Policy" (also called "ESG Credit Policy") defines how environmental, social and governance considerations are integrated into the BPER Group's lending activities, aligning with the sustainability commitments contained in the BPER Group's "ESG Policy" and in line with the broader risk governance system and in particular with the "Group Policy for the governance of credit risk". It deals with issues related to climate change mitigation and adaptation, energy efficiency and the spread of renewable energy in the Group's lending activities.

Through this Policy, the Group develops and adopts an approach aimed at articulating the methods for assessing and managing potential ESG risks (climate and environmental, reputational, operational, etc.) that may arise in connection with financing customers operating in controversial sectors, involved in serious events that have resulted or may result in negative impacts on the counterparty, with special attention to impacts on their creditworthiness. At the same time, the Group intends to support the path of transition and improve the environmentally sustainable exposures of its loan portfolio, in accordance with the EU Taxonomy. With respect to the BPER Group's value chain, the Policy therefore covers lending activities and is effective vis-à-vis customers.

The Policy aims at steering the governance of climate-related, environmental and other ESG-related risks as part of the Banking Group's lending framework, providing general principles and guidance for the assessment of specific risk factors in the BPER Group's loan origination and monitoring processes, with a special focus on:

- raising awareness and encouraging the application of responsible lending principles and processes within the Group;
- reducing risks and indirect impacts associated with core business operations managed by the Group;
- preventing engagement in activities that are inconsistent with the ethics and integrity at the core of the Group's business;
- mitigating the impact that climate and environmental risks may have on the Parent Company's soundness and solvency;
- providing a framework for the analysis of the exposures to climate-related and environmental risks and for the achievement of the Group's ESG strategic goals on the loan portfolio.

To this end, the document defines:

- general limitation and exclusion criteria for counterparty and/or project financeability, consistently with the "ESG Policy" of the BPER Group and its voluntary commitments;
- the detailed criteria applicable to individual ESG 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.

The Policy refers to the following IROs:

- Impacts
  - contribution to climate change adaptation of Corporate customers through the provision of adequate financing;
  - financial support related to the effects of extreme weather events by offering loans to support customers (companies and individuals) or granting moratoria on existing loans to customers who have suffered damage;
  - indirect GHG emissions (Scope 3) related to the securities and loans portfolio, corporate travel, purchases of goods and services and customer asset management;
  - supporting the transition of companies through funding aimed at reducing the carbon footprint of counterparties;
  - reduced emissions financed through the provision of loans for the purchase and renovation of buildings with high performance energy classes.
- Risks
  - the PD and LGD risk parameters are directly impacted by the probability of extreme weather events occurring and/or the effectiveness of energy transition policies implemented by portfolio counterparties. As a complement, collateral valuations could also be revised in light of physical risk exposure based on geographical location;
  - in the presence of strong transition policies and the increase in the frequency and intensity of acute and chronic physical events in certain geographical areas, a failure to promptly react and adjust to contextual changes could jeopardize the viability and sustainability of the business model;
  - the national and European policies that tend towards a low carbon emission economy, featuring greater energy efficiency, could cause major adaptation costs and less profitability, especially for economic sectors/areas with high direct and indirect GHG emissions. Therefore, depending on the level of exposure of the Group in these sectors, there is a possibility that the risk profile of the counterparties could worsen, in terms of increased default and migration risk with a direct impact on impairment policies.
- Opportunities
  - improved financial performance through effective pursuit of climate strategy and support of customers' green transition.

As part of its periodic management reporting framework, the BPER Group has defined a number of monitoring and control activities to verify and assess the trend of its exposure to ESG risks, as well as the broader composition of its portfolio and counterparties classified as higher risk within the sectors described in the Policy, in order to prevent the occurrence of situations that may have a critical impact on the BPER Group's operations, asset quality and/or reputation. In order to ensure the sustainability of the Group's portfolio, the following factors are periodically monitored:

- specific KRIs and ESG limits set in the Risk Appetite Framework;
- performance of ESG indicators considered as critical when granting and managing credit, so as to assess the possible areas of intervention on specific clusters of customers (e.g. counterparties with "high ESG impact" belonging to high ESG impact sectors);
- performance of Group portfolio exposures to high ESG impact sectors.
- composition of the financed real estate portfolio with reference to the exposure to physical and/or transition risks (energy labelling).

In line with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), the BPER Group adopts the parameters related to greenhouse gas emissions (GHG) as primary evidence of the impact of the activities carried out by customers on the environment and, therefore, of their exposure to the risk of transition to a low-emission economy, committing to reduce the emissions financed, in line with the objectives declared within the Net-Zero Banking Alliance.

In this sense, specific metrics or KPIs related to clients' GHG emissions (e.g. Financed Emissions) can guide asset allocation according to a logic of progressive lending book recomposition. In its quality as a signatory of the Principles for Responsible Banking, the BPER Group carries out periodic impact analyses and reports on progress towards identified targets, thereby ensuring the alignment of its overall strategies and practices with the future vision of society as defined by the Sustainable Development Goals and the Paris Agreement.

At sector level, the Group has mapped the main impact areas defined by the UNEP FI, identifying the most relevant areas, including the impact on climate change.
The analysis of corporate customers is thus carried out by examining the most critical aspects, according to an integrated "top-down" - "bottom-up" matrix and by applying the valuation standards defined by the UNEP FI to assess the impact of corporate activities.
The assessment of the overall "ESG impact" is carried out with a view to "double materiality" and exposure to transition risk, physical risk and/or other factors of high environmental, social or governance impact, also taking due account of the financial capacity of the customer company to cope with the expected impacts in a transition to a low-emission economy.
These factors incorporate the determination of the credit strategy applied to customers, and may imply, by way of non-limiting example:

- limitation or expansion of commercial appetite, e.g. potential caps to the credit exposure or development of commercial initiatives dedicated to specific clusters of customers;
- restrictions in the offer of products or commercial services, such as a recommended or binding offer of green or sustainable products in order to support and accelerate the transition of the most exposed, but financially most creditworthy customers;
- the acquisition of specific covenants linked to the achievement of non-financial targets, such as the reduction of absolute emissions within a time horizon consistent with the Group's commitments.

The implementation of credit strategies is monitored and reported on a regular basis with quarterly reports to the Board of Directors. As part of the process for the management and monitoring of counterparties, the BPER Group also adopts management and procedural controls aimed at detecting anomalies and timely classifying exposures, so as to promptly detect any deterioration that may lead to changes in the prospects for repayment by customers.

The criteria defined in the Policy are applied according to the principles of proportionality and gradual approach, taking into account the characteristics of the counterparty and the activities it carries out, as well as the overall exposure at Group level. The "ESG-linked Loan Origination Policy" is in fact addressed to the Group's Italian and foreign banks, as well as to the Group's financial credit companies.

The assessment of counterparties subject to sustainability reporting requirements includes the application of exclusion criteria and sector-specific assessment criteria, on the basis of the documentation analysis related to the company and the group it belongs to, including in particular:

- the Sustainability Report, in relation to the financial reports and budgets, as well as the business plans provided and/or disclosed by the counterparty;
- official and recognised ESG ratings;
- official and/or public data, also collected via infoproviders;
- specific questionnaires for counterparties, adopted by the BPER Group for the purposes of an in-depth ESG assessment;

- project and/or specific environmental and social due diligence documents, related to loans being applied for and/or outstanding.

With regard to the assessment of counterparties not subject to sustainability reporting requirements, in line with Commission Recommendation 2023/1425, a constructive and proactive approach is adopted, aimed at enhancing and supporting counterparties that have embarked on a virtuous path, following an assessment of their eligibility requirements. In this context, requirements for access to green, sustainable and/or Taxonomy-aligned products/services specifically developed by the BPER Group are relevant as positive screening elements for these counterparties.

The Chief Lending Officer (CLO), who is responsible for the lending process, within the scope of the powers conferred, steers the adjustment of lending policies, as well as loan origination, customer management and monitoring processes, ensuring the incorporation of ESG-related strategic guidance and compliance with the relevant Supervisory expectations.

The Departments reporting to the CLO integrate, each for its own tasks, the specific activities that enable the implementation of the Group's policies and therefore, in summary:

- the Credit Policies and Support Department proposes credit policies and strategies to the CLO for subsequent approval by the BoD;
- the Credit Department makes credit decisions according to the system of delegated powers;
- the Credit Management & Workout Department considers the elements useful for the management of counterparties with credit anomalies.

In incorporating sustainable development into its lending strategy, the BPER Group is inspired in particular by the following regulatory sources, agreements and principles: Paris Agreement on Climate Change, Effort Sharing Regulation, commitments made by the BPER Group within the Net-Zero Banking Alliance, Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and Task Force on Nature-Related Disclosures (TNFD), United Nations Global Compact (UNGC), as well as the UNEP FI Principles for Responsible Banking which BPER has endorsed since 2021.
The BPER Group encourages the application of Regulation (EU) 2020/852, known as the "European Taxonomy", in order to support environmentally sustainable activities.
Furthermore, the Bank complies with its sustainability reporting obligations to the public, pursuant to Italian Legislative Decree 125/2024 and Regulation (EU) 2022/2453, as well as those related to its membership in international initiatives such as the Net-Zero Banking Alliance and UNEP FI, in addition to the regulations in force from time to time.
The regulations issued by the European banking authorities and the ECB on ESG matters are carefully analysed in order to guide their application in lending processes, and are also subject to verification by the internal control functions in their implementation.
A benchmark analysis is also carried out to identify any gaps with respect to ESG practices observed in the market by the main competitors.

The annual updating process of the "ESG-linked Loan Origination Policy" calls for the involvement of the internal stakeholders involved in the lending process (commercial and credit chain), as well as the ESG Strategy and Risk Management Function, in order to ensure overall consistency with the Group's ESG and commercial strategies and with the materiality analyses conducted also for the purpose of assessing the adequacy of prudential capital.

Internal stakeholders are involved in the annual update of the ESG Policy on lending, during which the Function drafting the document:

- deepens, with the support of the Risk Management Functions, any relevant aspects of transition risks and physical risks or other ESG risks as a result of the materiality analyses conducted, and addresses them within the Policy;
- drafts and submits to the Credit and Commercial Functions and the ESG Strategy Office any additions in the main general or sectoral articulations, incorporating their input;
- submits the updated version of the ESG Policy to the CLO for subsequent approval by the BoD, subject to the favourable opinion of the Sustainability Committee and the Board of Statutory Auditors.

The "ESG-linked Loan Origination Policy" in force is available on BPER Banca's institutional website, while employees can access the full version via the Intranet. For those stakeholders whose activities are directly affected by the ESG Credit Policy (the commercial functions, which are involved right from the origination phase, and all functions involved in the decision-making process), the credit applications have also been supplemented with schematic versions and operational indications of the "ESG-linked Loan Origination Policy", in order to allow immediate consultation and usability during the process.

Actions and resources in relation to climate change policies (E1-3)

Participation in the Net-Zero Banking Alliance

Consistent with the NZBA Guidelines, BPER Banca has reclassified its loan portfolio according to the carbon-intensive sectors: Agriculture, Aluminium, Cement, Coal, Commercial and Residential Real Estate, Iron and Steel, Oil and Gas, Power Generation and Transport. Starting with the reconciliation of the Bank's portfolio with the categories envisaged by the methodology developed by the PCAF (Partnership for Carbon Accounting Financials), the perimeter of the relevant asset classes for reporting financed emissions was identified based on the following elements:

- availability of data extracted from the relative databases;
- applicability of the PCAF methodology according to the highest data quality score;
- relevance of emissions financed at the asset class or sector level for decarbonisation targets.

For each loan portfolio allocated to the carbon-intensive sectors, the emissions financed according to the PCAF standard were calculated. As a result of the analyses carried out, the scope has been restricted to the loan portfolio, specifically, to General Purpose loans and Commercial & Residential Real Estate loans.

In line with the Alliance's timeframe and methodologies, targets were published for the following areas:

- "Power generation";
- "Oil and Gas";
- "Iron and Steel";
- "Aluminium";
- "Commercial real estate".

The Bank has therefore formulated specific strategies based on the management levers available to the Group to implement actions aimed at improving the emissions performance of the issuers/projects to which it is exposed and their impact on business and risk governance.

Progress has been periodically monitored from target setting to date to ensure the progressive achievement of the targets set, with an initial reporting of the results already achieved also within the latest report, "Principles for Responsible Banking", published in April 2024. In line with the commitments made in joining the NZBA, the Bank plans to gradually extend target setting activities by March 2025 to include and communicate decarbonisation targets for the remaining carbon-intensive sectors identified by the Alliance.

The BPER Group undertook specific projects in 2023 to integrate ESG factors into the credit macro-process and steer lending towards sustainable investments, in support of the Group's strategic objectives.

This process preliminarily included the revision of the "ESG-linked Loan Origination Policy" updated in June 2024, which is a key factor in supporting the decarbonisation strategy through mitigation initiatives applied to the Group's lending activities.

Moreover, a substantial lack of relevance of the specific sector "Coal" has emerged, on which the Bank - as of 2023 - has in any case envisaged restrictive policies, formalised in the "ESG-linked Loan Origination Policy" approved by the Board of Directors in December 2022, and on which BPER will manage its exposure with a view to phase-out.

In general, as a demonstration of its commitment to obtaining more complete data on the emission profile of the companies it finances, in 2023 BPER Banca launched initiatives dedicated to enriching and refining the data underlying its carbon accounting activities, with the aim of strengthening information sources as well as developing information systems to support internal processes.

Actions in credit policies and disbursement

The BPER Banca Group develops and adopts an approach aimed at identifying and assessing potential climate and environmental, reputational, operational, and other ESG risks arising from financing in companies operating in controversial sectors, involved in serious events that have led or may lead to negative impacts on counterparty valuation, with particular attention to the impact on their creditworthiness; at the same time, it intends to take the opportunity to direct and support the transition path.
The main actions conveyed in relation to credit during 2024 are outlined below.

ESG-linked Loan Origination Policy

For more details, please see the disclosure requirement "Policies related to climate change mitigation and adaptation" (E1-2).

Integration of ESG factors into credit policies

The indications of the strategy may tend to be expansive or restrictive, according to a notching model that considers various credit-relevant elements (e.g. sectoral positioning, profitability and capitalisation of the customer company, profitability of the relationship, etc.).

The notching model has also been integrated with ESG elements (first and foremost in relation to the identification of climate risk exposure, in line with the Group's Risk Appetite Framework) using a modular approach with growing intensity, so as to be able to be governed while applying more or less intensity in accordance with the Group's strategic objectives, market and regulatory developments, and the type of data available. In particular, the integration of the assessment of physical and transition risk metrics requires the possible adjustment of the credit strategy, taking into consideration forward-looking elements of particular vulnerability of the counterparties according to environmental policies or regulations and decarbonisation targets set forth in the European context.

In this sense, in 2024:

- the strategy assigned to counterparties operating almost exclusively in the Coal sector, and that have so far not developed strategies to change their business models, is confirmed for gradual disengagement, including in compliance with the objective declared by the Group for a phase-out by 2030 (for OECD countries); it should also be noted that the BPER Group's overall exposure to this sector is insignificant;
- for counterparties belonging to the Oil and Gas sectors, a selective strategy is activated based on the counterparty's emission profile, with penalisation of the strategy leading to overall non-expansion in terms of less virtuous counterparties;
- for counterparties belonging to the Iron, Steel and Aluminium sectors, for which the NZBA targets for the reduction of financed emissions were communicated in December 2024, the preparatory analyses on the overall portfolio positioning did not determine the need to intervene on the notching mechanism, also in light of the decarbonisation trajectories and targets already declared by the BPER Group's main customers, which are in line with the declared targets.

In addition to the leverage applicable by acting on the notching mechanism at the counterparty level, specific actions to support the commitment made in favour of companies' decarbonisation are conveyed in the applications adopted during the granting of credit, with the aim of pursuing, in the relationship with customers belonging to the sectors regulated by the ESG Credit Policy, the best practices applicable. These include:

- acquisition of decarbonisation plans or official commitments to defining targets for the reduction of their own GHG emissions and reliance on fossil fuels;
- the acquisition of specific ESG covenants, formalising shared commitments to improve counterparty KPIs;
- the placement of green or sustainable products to support the transition or climate change mitigation.

The single-name strategies are defined on the basis of ESG elements especially for emission-intensive sectors and on which the Group has already disclosed its reduction targets to all origination functions and has fully integrated them in the applications supporting the network, where they are visible together with the summary indications of the "ESG-linked Loan Origination Policy".

Corporate customer engagement and data collection

The BPER Group has activated various initiatives to engage Corporate customers since 2022, in order to help spread awareness of sustainability issues. In cooperation with the Catholic University of Piacenza and local trade associations (such as the Chambers of Commerce and Confindustria), it organised 10 sessions in 2022/2023 of a national roadshow aimed at informing and educating SMEs on the topic of sustainability reporting and ecological transition. The sessions also continued in 2024.

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.

In order to acquire the most relevant ESG data in the assessment of its corporate customers, the BPER Group began cooperating with CRIF s.p.a. in 2022 to administer ESG questionnaires to its customers through the Synesgy platform.

With this collaboration, the Group wanted to choose a market tool that allows the company itself to obtain immediate feedback, expressed by an ESG score, on its positioning and which can also be shared with other players. Targeted ESG data collection campaigns have been carried out since 2023, directly engaging customer companies in order to engage in fruitful dialogue on the needs of individual businesses as a result of the assessment.

The use of the Synesgy platform is also aimed at gradually reducing the use of sectoral proxies in the assessment of companies, both for the definition of the BPER Group's own decarbonisation trajectory and in the risk management and credit granting processes, also in accordance with the requirements of the Banking Supervisory Authorities.

The Group also closely monitors and has participated in the work of the MEF table "Sustainability Dialogue between SMEs and Banks", aimed at simplifying the dialogue between banks and businesses and reducing the impact of filling out ESG questionnaires.

Integration of ESG analyses into the credit granting process

A specific ESG Form was issued for all companies in 2024; it allows the manager to analyse the main characteristics of the counterparty's sustainability profile, both according to its sector of belonging and on the basis of precise information, also collected through ESG questionnaires.
In addition to the applicability of the ESG Credit Policy according to the client company's sector of operation, specific physical and transition risk scores are highlighted, consistent with the metrics assumed at the overall portfolio level in the Risk Appetite Framework. In addition, a summary view of any critical areas is offered by means of a counterparty ESG score, which expresses the counterparty's ranking in all assessment KPIs in the environmental, social and governance areas defined by the EBA with a traffic light indicator, also according to its sector of belonging. For the most significant counterparties, the reports annotated by specialised analysts on the individual or consolidated financial statements of customers are also accompanied by the analysis of the Sustainability Reporting (formerly NFS) of customer companies, if any.
Consistent with the above principles, the credit-granting applications have been integrated to provide evidence of "ESG Best Practices", which are aimed at rewarding the placement of green, Taxonomy-aligned or sustainable-linked loans, or at incentivising the redevelopment of the customer's real estate assets.
In particular, in the case of mortgage financing, the purpose of the financing is checked, rewarding new construction or the upgrading of existing buildings, especially if they belong to the worst energy classes (F or G).
As of December 2024, the ESG Best Practices have been integrated into all Group Banks and Companies that are aligned in terms of IT.
In relation to the new decarbonisation targets, with respect to the loan portfolio published in December 2024, no additions to the Credit Policies are expected, at least for the first year. Decarbonisation strategies will be implemented - in concert with Business Functions - through advisory and transition accompaniment actions of the financed counterparties. With respect to the Commercial Real Estate target, the management levers available to Credit Policies do not act on the recomposition of the current Real Estate portfolios; therefore, in consultation with the Business Functions, future commercial actions on both the existing portfolio and the trend portfolio will have to be defined to ensure that the targets are met. BPER recognises its role in supporting corporate customers through financing for sustainable real estate and the energy efficiency improvement of existing stock. However, the decarbonisation of the sector also depends on the actions of all stakeholders, including the implementation of public policies to support the energy transition, such as the EU Directive on the energy performance of buildings[62], which must be transposed at the national level.

Real estate collateral assessment and reassessment process

The collateral assessment and reassessment process has been reinforced taking into account the potential effects resulting from exposure to physical and/or transition risk. In this sense, a specific mandate was given to providers to acquire detailed information, in addition to the collection of the Energy Performance Certificate, regarding, for example, any elements of exposure or mitigation of physical hazards that emerged during the inspection, the situation of the building and whether it has undergone recent renovations, in particular if focused on energy efficiency. As for the acquisition of the EPC on real estate collateral, it has been fully integrated into the process whenever there is contact with the customer - at the time of filing the loan request, with delivery of the report to the relationship manager; when carrying out the appraisal, with delivery to the appraiser; when renewing the customer's exposure. For automatic data acquisition, an OCR (Optical Character Recognition) engine was developed to acquire the EPC documents which enables the automatic detection of the data related to energy performance contained in the certificates analysed by the Group's IT systems.
The information acquired and necessary for an appropriate evaluation of collateral is procedurally integrated into the 'Real Estate Form" application for use by the network. In addition, appraisals of residential properties are conducted according to a "Taxonomic" process, which makes it possible to acquire, thanks to the appraiser's inspection, all the elements necessary to identify with certainty at an early stage whether the property, depending on its purpose, corresponds to the Taxonomic requirements and can therefore contribute to the Group's Green Asset Ratio. In addition, as of January 2024, a "Green Addendum", i.e. a summary in table form of the main requirements of the financed property with particular reference to the Taxonomic valuation elements, will be issued by the appraiser along with each property appraisal.

Detecting the Taxonomic alignment of exposures

The BPER Group has specific processes in place to detect the Taxonomic alignment of exposures.
In addition to the process outlined above with regard to real estate credit, the following have been integrated:

- an ad hoc map, in the "Electronic Loan File" (Pratica Elettronica di Fido - PEF), for detecting alignment with the criteria of Substantial Contribution and "Do Not Significantly Harm" of green products;
- a specific "Taxonomy Alignment Tool "(TAT), dedicated to assessing in detail the requirements of the EU Taxonomy of credit exposures.

Within the PEF application, as of January 2025, the "EU Taxonomy" map will be compiled on all green products with an environmental objective, while access to the Taxonomy Alignment Tool will be allowed for "Corporate & Investment Banking" exposures.

62 Energy Performance of Buildings Directive.

BPER Data Platform

Since 2022, BPER Banca has enriched the BPER Data Platform with the ESG Data Island, i.e. the unique centralised ESG database managed according to a holistic and transversal approach, usable by all the Group's functions, including credit granting and monitoring activities, risk management activities pertaining to Risk Management, the preparation of Supervisory Reporting (Pillar III) and CSRD.

In more detail, the availability of data through the BPER Data Platform guarantees:

- effective and efficient data protection;
- consistency of the information assets used for different purposes so far identified in the strategic and regulatory fields;
- the scalability required to cover new information needs.

The ESG Data Island is populated with counterparty-level information, e.g. ESG scores, GHG emissions, as well as credit line-level data, e.g. data pertaining to real estate collateral, including the EPC and information needed to assess physical risk, and green or Taxonomic alignment characteristics of individual exposures. All the data collected is subjected to the safeguards of the Data Governance framework.

BPER Banca is constantly engaged in analysing and verifying possible information gaps in order to set in motion appropriate remediation actions, and in 2024 the further project "ESG Data Model" was initiated, with the objective of fine tuning the data improvement process even further.
In the first half of 2024, BPER Banca defined the objectives and set-up of the "ESG Data Model" project (for more information, please see the section Transition plan for climate change mitigation E1-1), which will be implemented through a dedicated project, part of the new 2024-2027 Business Plan "B:Dynamic|Full Value 2027".
Indeed, the management of ESG data is an enabling factor for the progressive development of bank processes with the integration of ESG factors.

The implementations described in the disclosure requirement Actions in credit policies and disbursement refer to the BPER Group's activities with regard to the disbursement of credit, without limitations or exclusions.

The actions reported have been implemented over the two-year period 2023-2024 and are the prerequisite for further developments in terms of the effectiveness and robustness of the analyses conducted by the Group and the gradual redevelopment of the portfolio according to ESG principles and related risk governance. The actions planned as part of the new "B:Dynamic|Full Value 2027" Business Plan are aimed at the efficiency and effectiveness of the credit processes responsible for assessing counterparties and transactions from an ESG perspective, with the goal of contributing to the creation of value also through the reduction of internal and external costs.

The most relevant actions include:

- the integration, consistent with the materiality analyses conducted by the Group, of additional ESG risk elements in the definition of credit strategies;
- the ESG evolution of credit applications, also consistent with the overall process efficiency objectives set out in the Business Plan as well as with the relevant Supervisory Guidelines;
- the adjustment, on an annual basis, of the "ESG-linked Loan Origination Policy".

For the functions involved in the processes of credit origination and resolution, specific ESG training courses have also been set up, which will involve more than 1,000 colleagues working in the BPER Group's corporate centres and credit functions over the two-year period 2024-2025.

Products and services with environmental purposes - Retail Banking

The Bank's retail offer consists of two types of loans: mortgages and personal loans.
The Green Loan is reserved for customers who purchase eco-sustainable real estate units that are included in the A, B and C energy classes, in order to promote the purchase of buildings with a high energy efficiency rating. Personal Loans have been devised for those who wish to install renewable energy systems, heat and water systems, thermal insulation, or buy electric or hybrid cars, scooters and electric bikes or latest-generation appliances. Its objective is to improve the energy efficiency of one's home, making it more ecological and sustainable, or to acquire other eco-sustainable instruments.

In line with the growing national and European initiatives aimed at encouraging energy saving and modernising real estate assets, with the aim of rewarding customers' ecological choice to purchase high-efficiency and energy requalification properties, dedicated ceilings were allocated in 2024 to promote the purchase of residential properties in energy class A, B or C through the use of promotional conditions dedicated to Green Mortgage Loans and Green Mortgage Subrogation.

Tax Credit

The BPER Group had already set up a business line in 2020 dedicated to the purchase of building tax credits foreseen by the "Superbonus 110%" tax relief measure. This benefit introduced by the Relaunch Decree (Italian Decree Law 34/2020, converted by Italian Law 77/2020), allowed a 110% deduction of the expenses incurred for energy efficiency measures in buildings, installation of sustainable energy infrastructures (photovoltaic systems, electric vehicle charging stations, etc.) and/or reduction of buildings' vulnerability to seismic risk. This rate is now reduced to 90%, 70% and 65%, according to the legislation in force at the time.

Ecobonus

The Ecobonus is a tax benefit provided by the Relaunch Decree (Italian Decree Law 34/2020, converted by Italian Law 77/2020 and subsequent amendments) which allows a 110%, 90%, 70%, 65% deduction - based on the legislation valid from time to time - for expenses incurred with reference to specific interventions aimed at improving energy efficiency, reducing seismic risk, installing photovoltaic systems or infrastructure for recharging electric vehicles in buildings.

Compared to the previously applicable provisions, new ways of using the tax bonus have been introduced:

- transfer of the tax credit to banks and other financial intermediaries;
- "invoice discount" by the supplier of goods/services related to the subsidised interventions.

With specific reference to the "transfer of tax credit to banks" modality, which provides the possibility of purchasing the tax credit from banks with immediate settlement of the tax bonus in place of the annual tax deduction, the Parent Company BPER Banca implemented this offer by also offering customers (subject to assessment of creditworthiness) possible ordinary credit lines that advance the sums, thereby allowing greater financial flexibility. Cooperation with an external partner is always active, for which BPER uses its internal Due Diligence service. For customers without their own advisor, it is possible to request specialised technical/fiscal consultancy from the partner at favourable conditions.

Again in 2024 it was considered sensible to continue the suspension of the PwC Platform (activated on 19 July 2022), allowing the Bank to accurately monitor the BPER Group's Tax capacity thanks to a meticulous storeroom maintenance activity. Steps therefore continued mainly to purchase the Tax Credits of procedures already present in the platform, after a rigorous check of the requirements foreseen by the regulation both for the transferor of the credit as well as connected subjects.

Thanks to the introduction of the "sale of tax credits to Bank customers" product, the internal fiscal capacity has been further unburdened, making it possible to grant new loan ceilings linked to specific initiatives.

In parallel with the continuous regulatory changes, internal controls have always been adapted with a view to the sound and prudent management of projects submitted by customers. The constant maintenance of the BPER and Banco di Sardegna websites, as well as the updating of transparency sheets, contribute to the timely communication of developments in the Bank's activities towards the consumer.

Consistent with previous years, periodic training sessions were continued in 2024 with the specialist figures identified in the various Regional Departments with the aim of conveying regulatory and operational product updates to network colleagues.

The actions identified refer to the commitment to provide credit to Private customers; these products are available to customers on an ongoing basis.

Products and services with environmental purposes - Corporate Banking

The BPER Group aims to be a benchmark for its customers and for the territories in which it operates, supporting the business world and the economic system in general by offering solutions that are consistent with the evolving needs of the market, with a particular focus on ESG issues and the ecological transition.

Fin Helios Corporate banking

Financing dedicated to the installation of photovoltaic systems for electricity designated for self-consumption or sale and to the expenses sustained for the removal or disposal of "Eternit" and/or asbestos, in relation to the roof pitch on which the photovoltaic system will be installed.

Regional Funding Multipurpose Loan - Energy sector

Unsecured low-interest loan designated for companies of the Emilia-Romagna Region, with mixed funding, 70% from public resources (Por Fesr 2021-2027) and the remaining 30% from funds provided by the banks that have agreements in place with ARTIGIANCREDITO. The investments are aimed at promoting energy efficiency and developing the use of renewable energy in companies within the Emilia Romagna region.

Confidi Systema! Green

This is a loan to support the activities and development of partner companies and facilitate their access to credit within the context of investment projects designed to support the ecological transition and combat climate change, in compliance with the European Community's environmental goals. In particular, relating to energy efficiency and GHG and CO_2 emission reduction (Green characteristics) investment projects.

Immobiliare Green Corporate

This is the first loan for companies operating the Real Estate sector with characteristics that are aligned with the European Taxonomy. These are loans for the purchase, construction and refurbishing of real estate for any intended use: residential, office, commercial or logistics with green characteristics (high energy performance and efficiency) or compliant with the alignment requirements of the EU Taxonomy.

Fin Sustainability

This is an unsecured or mortgage loan for SMEs and Small Mid Cap companies that qualify as "Sustainable Businesses" or that make "Green Investments" guaranteed by the European Investment Fund. The guarantee is issued as part of the Invest EU measures. The loan supports the ecological transition, with the aim of promoting and encouraging sustainable and green investments.

BPER Sustainable Loan for SME and Midcaps

The BPER Group entered into a funding agreement with the EIB (European Investment Bank) called "BPER Sustainable Loan for SME and Midcaps" for a total of Euro 500 million.

The EIB credit line is intended for medium/long-term unsecured or mortgage loans to SMEs and MidCaps (companies with up to 3,000 employees) operating throughout Italy.

At least 30% of the Loan must be allocated to financing dedicated to investment projects in the field of Climate Action and Environmental Sustainability (CAES), which then address targets for the Green Economy (e.g. renewable energy production, energy saving/efficiency, environmentally sustainable building construction).

FIN BEI Guarantee

Unsecured or mortgage financing with an EIB guarantee, the purpose of which is to support the implementation of projects by companies of MidCap size (min. 250 - max. 3,000 employees).

To be eligible for the guarantee, the projects must contribute to at least one of the five EU objectives set by the EIB, two of which are directly related to supporting the transition through green investments:

- urban and regional sustainability (environmental protection, sustainable communities and sustainable transport);
- energy sustainability and natural resources.

Sabatini Green

The New Sabatini ter subsidy includes investments with a low environmental impact by micro, small and medium-sized companies that have been awarded the appropriate environmental product or process certification.

Fin Sabatini will therefore be able to finance green investments linked to the purchase or procurement in the case of financial loan transactions, of brand new machinery, systems and equipment for production purposes, with a low environmental impact, within the context of programmes designed to improve the eco-sustainability of products and manufacturing processes.

SACE Garanzia Futuro

Medium to long-term unsecured or mortgage financing dedicated to companies set up as corporations, including cooperatives, of any size.

Among the purposes eligible for the specific guarantee, SACE has identified some that are directly related to supporting the ecological transition: construction, expansion or maintenance of Energy Infrastructure (production, including from renewable sources and "waste to energy", storage or transport of electricity on the national electricity grid; transmission and distribution pipelines for the transport of natural gas and biogas, reception, storage and regasification or decompression facilities for liquefied natural gas or compressed natural gas) or Water Infrastructure (mitigation of damage related to water scarcity and upgrading and retrofitting water infrastructure, increasing the resilience of water systems and reducing water losses).

Investments aimed at seismic or hydrogeological risk reduction are also included.

SACE Green Loans

Financing disbursed following an agreement signed with SACE that envisages financing, for a minimum amount of Euro 50 thousand up to a maximum amount of Euro 50 million, green projects which meet the six environmental objectives defined by the European Taxonomy.

Green Loans and loans for environmental purposes

Green Loans are aimed at accelerating the transition of companies towards greater environmental sustainability of their business model, linking it to predefined objectives (e.g., reduction of CO_2 emissions).

In recent years, the Group participated in the pool financing with other Italian and international banks of the largest "green" loan ever granted in Italy and for the transport sector worldwide, aimed at the construction of trains that allow significant CO_2 reductions and whose production materials are 98% recyclable.

SACE GREEN - Outside of convention

Medium-term financing in accordance with the European Taxonomy introduced by Italian Decree Law 76 of 16 July 2020 - Conversion Law 120 of 11 September 2020 - "Urgent measures for simplification and digital innovation" (known as the Simplification Decree), converted into Italian Law 120 of 11 September 2020.
This loan is subject to expert due diligence by SACE which, based on the type of intervention and the environmental purpose to be pursued, determines the terms and conditions of the guarantee provided in favour of BPER.
This guarantee supports the energy transition and the pursuit of the environmental objectives of the Green New Deal.

"FRI Green New Deal": facilitating the circular and ecological transition of Italian companies

BPER Banca is the "financing bank" of the Green New Deal Company Revolving Fund "FRI Green New Deal", the incentive which includes granting contributions aimed at achieving environmental sustainability and energy efficiency in Italian companies. With a budget of Euro 750 million, the measure was activated by the Ministry of Enterprise and Made in Italy and is aimed at transposing European legislation to address climate and environmental problems. The "FRI Green New Deal" specifically supports industrial research, experimental development and, for SMEs, the industrialisation of research and development results.

Sustainable financing associated with the green NRRP calls: supporting the energy transition of Italian companies

Thanks to the opportunities arising from the National Recovery and Resilience Plan "NRRP", BPER Banca has taken steps to support companies wishing to embark on an energy transition path through the provision of sustainable and customised financing solutions associated with the NRRP's "Green" calls. With total funding of Euro 235.1 billion, the NRRP forms part of the European Union programme known as Next Generation EU and was approved by Italy in 2021 to kick-start the economy following the Covid-19 pandemic with a view, inter alia, to achieving the country's environmental sustainability. The "Green" calls that BPER Banca has focused on concern investments that contribute in a substantial way to the mitigation of climate change and are selected based on the sector, as is the case for tourism, where the measures related to "Incentivi Finanziari Imprese Turistiche" (Financial subsidies for Tourism related companies) (IFIT) were selected with the aim of upgrading tourist facilities in various ways while also improving sustainability. The product "FIN Turismo 100%" is associated with these subsidies while the product "FRI Turismo" is affiliated with the "Fondo Rotativo Imprese sezione Turismo" (Rotating Corporate Fund Tourism section).
In the agri-food sector, the "FRI Agrifiliera" and "FIN Agrivoltaico" products were prepared, associated respectively to the NRRP calls for tenders "Contratti di Filiera e di Distretto" and "Parco Agrisolare", initiatives targeted at the sector's energy efficiency and energy development.
FIN Agrivoltaico is a product for small and medium-sized companies. Installations of photovoltaic systems to be built on the roofs of buildings used in the agricultural, livestock and agro-industrial business, with a peak power of no less than 6 kWp and no more than 500 kWp, are eligible for financing through the incentive provided under NRRP Agrisolar Park Measure M2C1I2.2 (Ministry of Agriculture, Food Sovereignty and Forestry).
Furthermore, as part of the Transition 5.0 Plan, a key measure of the NRRP and an essential tool for improving both the sustainability and digitisation of Italian companies, BPER launched the "Transizione 5.0" (Transition 5.0) service. Through this service, the Bank offers its corporate customers adequate financial support through financing and leasing products, and specialised consultancy also provided through specific agreements with market-leading companies.

Financing for the circular economy: support for productive conversion for a better use of resources

BPER Banca is a "Circular Economy lending bank", part of the incentive that promotes the conversion of production activities towards an economy model that maintains the value of products, materials and resources for as long as possible and minimises the production of waste. With a budget of Euro 217 million, the measure was activated by the Ministry of Economic Development and is managed by Invitalia. The Fund supports industrial research and experimental development aimed at the creation or improvement of products, processes or services.
"Circular Economy" is dedicated to all companies of any size that carry out industrial and agro-industrial services, provide services to industry and research centres, to public and private research Organizations as co-proponents in joint projects; about half is earmarked for projects carried out in the South.
In support of the transition to the circular economy, BPER Banca has also adhered to Italian Decree Law no. 76 of 16/7/2020 "Urgent measures for simplification and digital innovation" (a.k.a. Simplifications Decree), converted into Law no. 120 of 11 September 2020, which introduced the possibility for SACE to issue guarantees to support financing related to "Green New Deal" projects, specifically aimed at:

- facilitating the transition to a clean and circular economy and integrating production cycles with low-emission technologies for the production of sustainable goods and services;
- accelerating the transition to sustainable and intelligent mobility, with particular reference to projects to promote the advent of automated multimodal mobility, capable of reducing pollution and pollutant emissions, including through the development of intelligent traffic management systems made possible by digitisation.

Farm loans

As part of the agri-food system, agriculture is a strategic sector of the economy and beyond; in addition to being essential for food production, it has the delicate task of helping to preserve soil and biodiversity.

Confirming its calling as a Bank with strong ties to the territory and its strong sensibility to the issues of respect for the environment, low-interest short/medium/-long-term farm loans were proposed again in 2024.

The commitment that the agricultural sector demanded from the banking world was significant due to the emergence of natural calamities and plant diseases, as well as the consequences of the Russian-Ukrainian crisis, that have seriously compromised the business results of many agricultural companies. In close collaboration with local and national authorities, the activation of ceilings and specific initiatives that met the need for working capital were arranged. The beneficiaries remain individual or associated farmers and agri-food companies.

BPER continued its commitment to supporting the agricultural enterprises seriously affected by the floods that took place in the spring of 2023 in Emilia-Romagna, with specific initiatives agreed with Trade Associations.

In 2024, the Bank decided on a specific "Calamità Naturali Agri" (Natural Agricultural Calamity) ceiling to help companies operating in the agricultural, livestock and fishing sectors manage moments of difficulty resulting from natural disasters or other adversities that may occur in certain areas or affect specific sectors.

BPER therefore supports the ecological transition of the primary sector with green financing in the form of loans, also with public guarantees and non-repayable grants for energy efficiency works, for the installation of photovoltaic systems, and for the purchase of machinery, equipment, digital technology and software.

The NRRP for agriculture includes measures concerning the circular economy and sustainable agriculture, supply chain and district contracts, and land and water protection. It will therefore be possible to benefit from incentives, for example, for the development of logistics, farm digitalisation and the innovation of agricultural machinery (agriculture 4.0), the installation of photovoltaic panels, the improvement of the agri-food supply chain, and the efficiency of irrigation systems.

BPER has a range of products and services designed for the agricultural and agri-food entrepreneur to find both ordinary and extraordinary activities such as, for example: agrarian management loan, agrarian advance loan on annual PAC (Common Agricultural Policy) contributions, agrarian mortgage for investments and wine and cheese advance with a revolving pledge. Leasing for agriculture is also proposed for purchasing capital goods, real estate and vehicles for operations.

Customer engagement on ESG issues - "SME Project"

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 planned a national Roadshow in the three-year period 2022-2024 aimed at informing and educating SME customers and prospects on the topic of sustainability and the related opportunities for reporting their ESG performance, also in light of the recent legislative developments. This is in full awareness of the strategic and priority role that regulation demands of the banking system: a task of great responsibility for driving and stimulating the above-mentioned transition and raising corporate awareness of sustainability issues.

This project was structured so as to engage SMEs by outlining the opportunities that will open up for them by embarking on the path of sustainable development and properly reporting their ESG performance.

After an initial assessment phase on the companies, the Project planned several physical events throughout the country.

During these events, the following topics were also presented:

- analysis of the context and development of reference ESG regulations;
- importance of planning or implementing an ESG strategy in order to maintain or improve competitive features and access to loans and financial markets, etc.;
- territorial best practices in the ESG sphere;
- dedicated services and products offered by the Bank (green loans, SLLs, Taxonomy aligned loans, etc.).

Sustainability Linked Loan ("SLL")

Starting in April 2024, a new loan product became available termed Sustainability Linked Loan, linked to regular objectives that the beneficiary companies must achieve (KPIs), measured using Sustainability Performance Targets (SPTs).

Target Net Zero - a tool to support the calculation of emissions and the definition of decarbonisation plans for SMEs

In order to specifically support SMEs, the BPER Group has developed an innovative service designed in partnership with leading business consulting group Bluethink and, in particular, with its subsidiary Bluefoundation, a boutique specialising in energy engineering services, with the aim of offering the digital platform Target Net Zero free of charge to support the energy transition of SMEs and strengthen the competitive presence of the BPER Group by offering important services to companies in the field of sustainability. In particular, "Target Net Zero" allows to:

- measure the SME's carbon footprint (Scope 1 and 2 GHG emissions to its customers according to the GHG Protocol);
- define an emissions reduction target for the company in line with international standards, identifying a tailor-made decarbonisation trajectory;
- construct an action plan based on improvement measures to reduce consumption and emissions, identified by energy consulting experts based on the best cost/performance synergies;
- quantify the characteristics of the interventions/investments in technical, economic and sustainability terms in advance;

- develop an investment plan for reducing emissions according to SBTI principles;
- identify suppliers capable of providing and implementing the necessary interventions.

Through this new instrument, BPER supports SMEs in drafting their decarbonisation/energy transition plan and will be able to propose green financing in line with the European Taxonomy to support the necessary investments.

BPER - SORGENIA Agreement
The Group has signed an agreement with Sorgenia to support investments in photovoltaic plants and to support companies interested in improving their energy performance and that have embarked on a path towards the sustainable transition.
The agreement envisages carrying out a feasibility study on the possible construction of the plant, including an estimate for the intervention.

Green linked loans pricing tool
BPER Banca has a dedicated tool for calculating the company cost for financing to support sustainable investments (i.e., SACE Green Loan Fin Sustainability). This tool calculates and gives evidence of the price reduction granted, given by the choice of pursuing a green initiative.

The Group Companies develop actions that focus on the downstream value chain (customers). Each action identifies specific target customers within the companies. The Group has defined its objectives and time horizons in relation to the above actions consistent with the Business Plan, in force at the time of reporting, and the commitments arising from its membership in NZBA.

Products and services with environmental purposes - Project Finance

Project Finance concerns financing projects for the construction of plants for producing energy from renewable sources (wind, photovoltaic, hydroelectric, biomass, etc.) or for leased infrastructure initiatives (ports, hospitals, car parks, road infrastructure, gas distribution networks, etc.) as well as structured ESG loan transactions in the mainly Real Estate and Large Corporate sectors with high quality standards and energy and environmental sustainability objectives. The distinctive element of project finance is to allow the implementation of projects of typically collective interest by bearing a large part of the cost thanks to medium-long term financing formulas, based essentially on the assessment of the individual projects' ability to support themselves.

The ESG Loans (Sustainable Linked Loans) are instead transactions that include specific KPIs as CO_2 emission reduction goals and/or in relation to governance and gender equality. In real estate, these are greenfield or brownfield developments with high quality standards and energy and environmental sustainability objectives, particularly in the student and hospitality sectors.
The year 2024 confirms and consolidates the growth posted in 2023 regarding structured transactions for environmental purposes.
The transactions have varying medium- to long-term durations in an average range of 5 to 12 years.

2.2.3 Investments with environmental purposes

Policies related to climate change mitigation and adaptation (E1-2)

Environmental, Social and Governance (ESG) Investment Policy for the Management of Proprietary Portfolio

Sustainability risks, in particular the risk of climate change, can adversely affect the soundness of individual intermediaries and the stability of the financial system.

The Parent Company considers the impact of these risks in its analysis and investment strategy. As an investor, it defines its approach to sustainable finance by setting the principles that guide the financial portfolio of the BPER Group in its investment activities.
The Group considers it appropriate to incorporate environmental, social and governance (ESG) principles into its investments and management standards.
To pursue these objectives, the Group develops and adopts an approach aimed at identifying and assessing potential ESG risks arising from loans to and investments in companies operating in controversial sectors, with a low ESG rating, involved in serious events that have resulted, or may result, in negative environmental, social or governance-related impacts.
The purpose of the Policy is, therefore, to define the general principles and guidelines for investment activities carried out on behalf of the BPER Group, with the assessment of ESG factors forming part of the decision-making process.
In particular, these 'guidelines' (including climate and environmental risks) aim to:

- raising awareness and encouraging the application of responsible lending and investment principles and processes across the Group;
- reduce risks and indirect impacts associated with core business activities managed by the Group;
- avoid engaging in activities and investments that are inconsistent with the ethics and integrity at the core of the Group's business;

- mitigate the impact that climate and environmental risks may have on the Parent Company's soundness and solvency;
- define the level of appetite for environmental, social and governance risks;
- provide a framework for analysing exposures to climate and environmental risks, so as to enable the body that has the function of strategic supervision and Board-internal committees to make decisions.

The Policy refers to the negative impact: "Indirect GHG emissions (Scope 3) related to the securities and loans portfolio, corporate travel, purchases of goods and services and customer asset management".

The CFO, to the extent applicable and taking into account ESG elements, incorporates them into the company's strategic choices, seeing to their implementation and monitoring through adequate management control systems, while the CRO oversees the governance of ESG risks to which the Group is exposed by defining guidelines, through the integration of the Risk Appetite Framework and related monitoring mechanisms (with adequate KPIs to be integrated into specific risk governance policies). The Finance Committee provides a collegial forum for the analysis and evaluation of issues of particular relevance to the Bank's overall operations and activities and, among others, evaluates and proposes the Group's financial instrument portfolio management activities.

This Policy applies to the proprietary portfolios of the BPER Group (including its subsidiaries), which comprise the liquidity banking book, the investment banking book and the trading book (the Group's equity investment portfolio and customer trading portfolio are excluded from the policy scope).
The criteria laid down in the Policy only apply to new investments undertaken exclusively by the organisational units of Finance (thus excluding the instruments of the liquidity banking book, the investment banking book, the trading book dealt with by units other than Finance) and will only pertain to the issuance of bonds and securities by Corporate entities (thus excluding sovereign counterparties, including agencies and regions, supranationals, as well as ABS and Covered Bond issuances); issuances that qualify as sustainable (green bonds, social bonds and similar) are not part of the scope of application of the ESG criteria, as, by their own nature, they can be purchased without the need to carry out specific ESG assessments.

BPER Banca's BoD approves strategies, management policies, risk limits and risk control procedures; it defines and approves the proxies for portfolio management and defines the instruments that can be traded.
The Finance Committee provides a collegial forum for the analysis and evaluation of issues deemed of particular relevance to the Bank's overall operations and activities. The Committee members have the task of supporting the Chair and, therefore, the Chief Executive Officer, in the implementation of strategies and monitoring market, counterparty, liquidity and interest rate risks, in accordance with the respective Group Risk Governance Policies and Process Regulations.
In particular the Committee:

- analyses market trends, on its own behalf and on behalf of the Group's subsidiaries;
- analyses the asset and liability structure of the Parent Company, the individual Group banks and the relative tax risk;
- assesses and proposes asset and liability management policies, from an ALM (Asset Liability Management) perspective, at Group level;
- evaluates and proposes the Group's financial instrument portfolio management activities;
- monitors the risks inherent in the Group's financial instrument portfolio;
- assesses and proposes guidelines for the Group's liquidity risk management.

The Policy refers to the ESG principles followed with regard to investments in Proprietary Portfolio Management.
The Policy is based on the main international agreements and initiatives in the field of sustainable development, including the 2030 Agenda for Sustainable Development (Agenda 2030), the United Nations Global Compact, the Paris Agreement on Climate Change, as well as the legislation in force at the time. The Policy can be consulted on BPER Banca's website and is made available to internal resources via the corporate intranet.

Actions and resources in relation to climate change policies (E1-3)

ESG Investment Actions for the Management of the Group's Proprietary Portfolio

The BPER Group has changed the way it manages its financial investments, attributing greater weight to factors that favour sustainable growth attentive to society and the environment by adopting, since December 2022, a specific "Environmental, Social and Governance (ESG) Investment Policy for the Management of the Group's proprietary portfolio".
The resources allocated to investments in companies with the best social, environmental and governance practices have, therefore, increased. This decision is dictated by the goal of enhancing companies with good performance in terms of managing ESG factors and improving the management of financial and reputational risk.

The BPER Group fully falls within this context, committed to contributing to sustainable economic development by giving preference, in its investment choices and in general in the management of its financial portfolio, to companies that adopt virtuous practices centred on the use of environmentally-friendly production methods, on the guarantee of inclusive working conditions that respect human rights, and on the adoption of the best standards of corporate governance. 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.

As at 31 December 2024, the Group held an overall financial portfolio of Euro 28.5 billion, of which 9% (9.0% as at 30 June 2024 and 8.4% as at 31 December 2023) with ESG characteristics. 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.

With particular reference to “green” investments as at 31 December 2024, these amounted to approximately Euro 1.25 billion, or about 4.4% of the total portfolio.

Green investments in the bond portfolio mainly refer to green bonds. These bonds are debt instruments issued to finance projects with a positive environmental impact, such as renewable energy, energy efficiency, sustainable transport and water management.
Green bonds are a growing part of the global bond market and offer investors the opportunity to support sustainable projects. Investors can contribute to the transition to a low-carbon economy and promote environmental sustainability through the green bonds in their portfolio.

When choosing investments, the BPER Group also pays particular attention to the issues of States, Government Agencies and Sovereign Bodies classified as “green”.

(in millions of Euro)

Investment	31.12.2024	
	Total	Portfolio percentage
Green Bonds	1,247.43	4.4%
Sustainability Bonds	631.64	2.2%
Social Bonds	575.47	2.0%
Bonds w/sustainability-linked coupon	92.55	0.3%
Equity with ESG Score	10.62	0.0%
Etica Equity Fund + Arca Green Fund	9.99	0.0%
Total portfolio with ESG score	**2,567.71**	**9.0%**

BPER and the Legal Entities rely on external data providers with the aim of identifying an ESG rating for each investment and being able to have a specific analysis for environmental, social and governance issues (for example, ESG scores of the main information providers).

Green, Social and Sustainability Bond Framework
The BPER Group is formally committed to driving the transition of companies towards a low-carbon economy, in line with the objectives of the Paris Agreement, and promoting social and financial inclusion. BPER published the ‘Green, Social and Sustainability Bond Framework’ as a confirmation of its commitment.
This framework, updated in 2023, and aims to become the reference document for the issuance of Green, Social and Sustainability Bonds (“Sustainable Debt Instruments”) by BPER Group entities.
The rationale of the BPER Group’s Framework is to attract dedicated funding for loans and investments that bring positive environmental or social impacts and support the Group’s commitment to building an innovative, inclusive and sustainable economy. The BPER Group’s framework complies with the International Capital Market Association’s (“ICMA”) 2022 Guidelines, Green Bond Principles (“GBP”), Social Bond Principles (“SBP”) and Sustainability Bond Guidelines (“SBG”) and the EU Taxonomy Substantial Contribution Criteria.

The BPER Group aims to update its framework over time to remain in line with best market practices, policies and legislation on sustainable finance. More generally, this Framework may be subsequently updated as the BPER Group’s sustainable financing needs change, new products are launched for customers and/or the sustainable financing market evolves.

Fondo Sì
BPER Banca has joined Fondo Sì Social Impact promoted and managed by Sefea Impact s.p.a., asset management company based in Padua. The Fund invests in SMEs which, as part of their business activities, are able to generate social, environmental and cultural impacts.
The Bank joined the initiative by committing an investment of Euro 2 million.

Investcorp-Tages Impact Fund
BPER Banca has joined the Investcorp-Tages Impact Fund launched by Investcorp-Tages Limited, the 50/50 joint venture established in May 2020 between Investcorp and Tages Group.
It is a Fund of private equity funds that invests in European managers providing capital to companies with a focus on creating social impact in line with the United Nations Sustainable Development Goals ("UN SDGs"). The Bank joined the initiative by subscribing Euro 5 million.

Algebris Green Transition Fund
BPER Banca joined the Algebris Green Transition Fund launched by Algebris Investments, a leading international asset manager. The Fund is an Article 9 private equity initiative within the meaning of the SFDR (Sustainable Finance Disclosure Regulation), active in investing in companies mainly located in Italy operating in the energy transition, circular economy and smart cities/ smart agriculture sectors. The Bank joined the initiative by committing an investment of Euro 5 million.

Banca Carige ESG securitisation
In June 2021, as the first in Italy and among the first in Europe, Banca Carige completed the structuring and issue of a securitisation of a high-standing loans portfolio, such as to fall within the ESG definitions, as certified by the third-party verifier ISS. In particular, a loans portfolio was sold for a gross book value of approximately Euro 383 million, with a counterpart issue of two different classes of securities amounting to, respectively, Euro 320 million of a senior tranche, corresponding to approximately 83% of the gross book value (which was assigned investment grade ratings A3 by Moody's and A by Standard & Poor's), and Euro 62.7 million of a junior tranche.

The senior and junior securities have coupons of 0.40% and 3.0%, respectively, and have been initially subscribed and retained by the originators Banca Carige and Banca del Monte Lucca. The Bank also used ISS Corporate Solution as a third party verifier to obtain the SPO (Second party opinion) certifying the alignment with the ICMA ESG Social principles of the framework and the issuer, and PCS (Prime Collateralised Securities EU) to obtain the STS (Simple, Transparent and Standardised) certification. The Framework and its SPO are available on the Bank's website and the institutional BPER site.

These actions fall within the BPER Group's chain of proprietary portfolio investment activities and are carried out on an ongoing basis.

Green Bonds issuance

In the first half of 2024, the BPER Banca Group issued two Green Bonds for an overall amount of Euro 1 billion. Both issuances were placed in accordance with the Group's Green, Social and Sustainability (GSS) Bond Framework, targeting institutional investors. The issuance, whose proceeds will be used to finance and/or refinance Eligible Green Assets, complements BPER's ESG strategy and represents the concrete achievement of environmental sustainability objectives.

The issuances are dedicated to Institutional Investors (such as funds and banks) and take BPER Banca's assets eligible for the relevant GSS Framework as a reference. The Framework currently envisages the use of credits already disbursed.
On 13 February 2024, the first Senior Preferred Bond issuance was completed with an allocated amount of Euro 500 million, 6-year maturity and a call after year 5.
On 15 May 2024, the second Senior Preferred Bond issuance was completed with an allocated amount of Euro 500 million, 7-year maturity and a call after year 6. The final allocation was primarily in favour of investment funds, banks and private banking.

2.2.4 ESG investment proposition for customers

Policies related to climate change mitigation and adaptation (E1-2)

Policy for governing the risk of non-compliance in relation to sustainability in the provision of investment services

With regard to the negative impact of "Indirect GHG emissions (Scope 3) related to the securities and loans portfolio, corporate travel, purchases of goods and services, and customer asset management", the "Policy for governing the risk of non-compliance in relation to sustainability in the provision of investment services" sets forth the guidelines and general principles for the integration of sustainability risks and the consideration of adverse impacts on sustainability in the provision of Financial Advisory and Portfolio Management services well as the roles and responsibilities of the corporate Bodies and Organisational Units involved.

In addition, the Policy refers to the following risk: “In the presence of strong transition policies and the increase in the frequency and intensity of acute and chronic physical events in certain geographical areas, a failure to promptly react and adjust to contextual changes could jeopardize the viability and sustainability of the business model”.

In particular, the document defines the specific guidelines of the BPER Group for the following areas:
- integration of sustainability risks in the Portfolio Management Service, in the Advisory Service and in the remuneration Policies;
- assessment of any adverse impact that investment decisions and advisory activities may have on sustainability factors;
- classification of the Group’s management guidelines pursuant to articles 8 and 9 of the SFDR Regulation;
- fulfilment of the transparency obligations as regards sustainability;
- marketing communications;
- governance of processes;
- methodologies for the classification of financial products for ESG purposes.

The Policy includes the consideration of greenhouse gas emissions as one of the main indicators (PAI) to assess the negative impacts of investment decisions on sustainability factors. It also includes measures to assess the resilience of issuers to sustainability-related risks, which may include climate change adaptation.

The Policy applies to the BPER Group Companies which are impacted by the SFDR Regulation, i.e. Banks acting as financial market Participants as they provide portfolio management services and Companies acting as Financial Advisers by providing investment advisory services.

The Policy also calls for regular updates to reflect new implementations and regulatory changes. The updates are approved by the Board of Directors and communicated to the various committees and departments involved.
With reference to Policy monitoring, the Chief Private & Wealth Management Officer:
- approves the definition of thresholds for the inclusion or exclusion of products among those categorised as ESG;
- approves the quality score calculation methodology for sustainable products;
- approves the definition of objectives and priorities with regard to the assessment of negative effects on sustainability factors arising from investment and advisory choices and the results of related ex-post monitoring.

After being discussed with the ESG Strategy Office and with the Financial Risks Unit, the methodologies adopted are examined and assessed by the Sustainability Committee and submitted to the Board of Directors for approval.

The Policy is based on regulatory references such as: SFDR Regulation, Taxonomy Regulation, Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, Delegated Acts of 6 August 2021 amending and supplementing the MiFID (Directive 2014/65/EU), IDD (Directive 2016/97 EU), Solvency (Directive 2009/138/EC), AIFMD (Directive 2011/61/EU) and UCITS (Directive 2009/65/EC) derived regulations, as well as the legislation in force from time to time.

The following stakeholders are involved:
- customers: the Policy provides for the collection of customers’ sustainability preferences, ensuring that their objectives are increasingly respected in investment recommendations. Furthermore, customers are transparently informed about the impacts of their investment decisions, including sustainability risks and adverse effects;
- investors: the Policy focuses on transparency and the disclosure of sustainability-related information, as required by the SFDR. This also includes the publication of the “Statement on the main negative effects of investment decisions on sustainability factors”, as a financial market participant, enabling investors to make informed decisions;
- Group employees: the Policy includes training programmes for employees, ensuring that they are adequately prepared to integrate ESG factors in the provision of investment services and activities. The Policy aims to ensure that investments are managed responsibly, taking into account sustainability risks and negative impacts. Furthermore, the roles and responsibilities of corporate bodies and organisational units are clearly defined, thus ensuring effective governance;
- regulatory: the Policy aligns with various international sustainability regulations and guidelines, such as the SFDR, the European Taxonomy Regulation, the MiFID directive, etc;
- community: the Policy considers the effects of investment decisions on the environment and society, promoting practices that positively contribute to sustainable development.

An abstract of the Policy is available on the BPER Group’s website; the full version is instead made available to internal resources via the corporate intranet.

ESG Policy – Arca Fondi SGR

With reference to the negative impact of “Indirect GHG emissions (Scope 3) related to the securities and loans portfolio, corporate travel, purchases of goods and services, and customer asset management”, in particular with regard to managed portfolios, the “ESG Policy” describes the controls and logic adopted by Arca Fondi SGR (henceforth Arca or Arca Fondi) to:

- integrate strategy, organisational structure and business processes, and to ensure the compliance of managed portfolios with applicable ESG investment regulations;
- provide evidence of the internal control system in place to ensure compliance with the applicable legislation and the rules adopted by the Company;
- define the methodological approach for climate and environmental risk assessment.

The Policy also presents the rules adopted by Arca with reference to the objectives set out below:

- to classify a managed portfolio as an Article 8 or Article 9 product under Regulation 2019/2088, alignment with the Taxonomy, or other initiatives relating to sustainability issues;
- define and implement ESG investment policies;
- produce the reporting envisaged by the regulations.

The ESG Policy thus relates to ESG investment management for Arca Fondi and includes the consideration of greenhouse gas emissions as one of the main indicators (PAI) for assessing the negative impacts of investment decisions on sustainability factors. It also includes measures to assess the resilience of issuers to sustainability-related risks, which may include climate change adaptation.

The limits defined by the ESG Policy are continuously monitored by the portfolio managers responsible for management activities. Ongoing Policy compliance monitoring is carried out by the Compliance Function, which reports on the results of its activities to the Risk and Sustainability Control Committee and the Board of Directors.
The Investment Department is responsible for managing portfolios on the basis of the strategic determinations made by the Company, taking into account legal and regulatory investment limits, risk metrics and other evaluation elements. With regard to ESG issues, the Investment Department is responsible for compliance with ESG rating targets and other limits set out in the Policy.

The Policy ensures alignment with the legislation in force and applicable at the time on ESG investments (e.g. SFDR, Taxonomy Regulation, ESMA Guidelines, “Supervisory Expectations on Climate and Environmental Risks” issued in April 2022 by the Bank of Italy).
The Policy is also a result of the Group’s endorsement of the Principles for Responsible Investment (PRI), the guiding principles on Socially Responsible Investment (SRI) promoted by the United Nations, and forms the basis for fulfilling the regulatory obligations set forth in the aforementioned Regulation 2019/2088.

The Policy is available on the company intranet for consultation by Arca employees.

Actions and resources in relation to climate change policies (E1-3)

The green investment proposition for customers

In line with the principles set out in the “Policy for governing the risk of non-compliance in relation to sustainability in the provision of investment services”, work continued in 2024 on integrating sustainability criteria within the advisory service provision processes, in order to manage customers’ sustainability preferences. The questionnaire was updated with new questions aimed at better understanding customers’ inclination towards eco-friendly investments, sustainable investments and those that consider the negative impacts of investments on sustainability factors (PAI). This step is crucial to ensure that customers’ investments are increasingly in line with their values and sustainability goals.

As part of its commitment to promoting sustainable practices, the Group further enhanced its ESG reporting for customers by including information on the alignment of investments with the United Nations’ Sustainable Development Goals (SDGs). This integration provides clients with a clear and immediate view of the positive impact of investments, promoting sustainable and responsible growth.

During the year, three new portfolio management lines were added to the range of investment products and services offered to customers, which promote environmental and social characteristics in accordance with Article 8 of the SFDR, take into account the main negative effects on sustainability factors (at product level) and are characterised by a minimum level of sustainable investments.
The Group also expanded the underlying investment options of the multi-class products undergoing placement, through the inclusion of a segregated fund classified as Art. 8 SFDR and an additional selection of external funds classified as Art. 8 and 9 SFDR.

The compulsory annual MiFID II" training plan now includes four courses specifically dedicated to sustainability. The plan is designed for everyone who might provide investment consultancy services.

The Group takes into consideration the main negative effects on sustainability factors of its investment decisions taken as a participant in financial markets, within the context of its portfolio management service, and as a financial consultant within the context of its provision of consultancy services. In this context the following PAI indicators have been identified as being pre-eminent;

- PAI 2 - Carbon footprint;
- PAI 3 - GHG intensity (of investee companies);
- PAI 5 - Share of non-renewable energy consumption and production;
- PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- PAI 15 - GHG intensity (Sovereign issuers and International organisations).

On 30 June 2024, the Group published as a market participant its second statement on the main negative effects of investment decisions on sustainability factors. Compared to the previous statement, there was a gradual improvement in most indicators for the various sustainability factors, both for corporate issuers and for sovereign issuers and supranational bodies. In addition, there is a significant improvement in both environmental and social indicators.

To further reduce the adverse impacts on sustainability factors, the Group has defined supplementary measures in its Policy related to the offer of ESG investments to customers, including the adoption of actions to mitigate exposure to issuers that show a particularly significant negative impact on PAI 10 (violations of UN Global Compact principles and OECD Guidelines), on PAI 14 (exposure to controversial weapons) and on PAI 16 (investee countries subject to social violations).
Moreover, in order to mitigate the negative effects on investment choices, safeguards have been adopted to exclude issuers that are involved in serious sustainability-related disputes or with an ESG score below a certain threshold of attention.

Compared to last year, there has been an increase in sustainable funds to which customers can subscribe and in sustainable AuM (Assets under Management) (Art. 8 and 9 SFDR).

At the end of December 2024, the Group offered its customers 1,105 sustainable funds (1,025 classified as Article 8 SFDR and 80 Article 9 SFDR) of which 192 underlying the multi-class and unit-linked insurance policies on offer.
The sustainable AuM amount to Euro 21.7 billion with an increase of 25% compared to the previous year (Euro 17.3 billion) and equal to 41% of total managed assets.

Carried out on an ongoing basis, these actions refer, within the BPER Group's value chain, to investment activity. In addition, training activities on sustainability issues are aimed at the employees of the BPER Group.

With regard to the investments made, the path of integrating ESG factors, sustainability risks and sustainability preferences into investment services involved various IT interventions:

- revision of the suitability check: introduction of a new case of customers adjusting sustainability preferences;
- revision of the disclosures in the reporting: modification of the texts to provide greater clarity for the customer when adjusting sustainability preferences;
- integration of new adaptation cases: addition of a new sustainability preference adaptation case and related disclosure in reporting;
- enhanced reporting: inclusion of information on the alignment of investments with the UN's Sustainable Development Goals (SDGs);
- new questions in the MiFID questionnaire: introduction of questions to capture customers' detailed preferences on ESG investments, including eco-friendly and sustainable products, and those that consider the PAIs;
- documentation update: modification of the pre-contractual information document and reporting to include the new detailed preferences.

The proposition of ESG investments - Arca

The ESG model adopted by Arca Fondi, in accordance with the "ESG Policy", which includes the ESG rating determination activities for each financial instrument included in the portfolios and the exclusion activities, is based on data from the MSCI info provider and allows an ESG rating to be assigned to almost all the financial instruments invested in. In addition to the ESG aggregate, ratings are also available for the three ESG "pillars". The ratings in the model range from CCC and AAA with a scale that assumes the same granularity as for credit ratings (e.g., the A rating is divided into A-, A and A+).

Both corporate and governmental equity and bond instruments are rated on the basis of data provided by MSCI and also supplemented by proprietary data, drawn up on the basis of internally produced questionnaires (mainly for small and medium-sized enterprises in the Italian market). Composite financial instruments (derivative financial instruments, quotes of "Collective investment undertakings", UCITS, etc.) are given a score based on the rating of their component instruments.

Each instrument is also associated with a flag provided by MSCI that indicates whether the issuer is involved in a dispute concerning its operations and/or products. Depending on the severity of any dispute, the score assigned to the instrument is reduced to levels consistent with a BB rating. In addition, issuers belonging to specific sub-sectors (Aerospace & Defence, Casino & Gaming) are penalised with an algorithm that gives these issuers a minimum score. The model also provides for the presence of a "Black List" that includes the set of government issuers and corporate sub-sectors that cannot be included in the portfolios because they are considered not in line with environmental, social and governance sustainability issues. Sectors and companies that have a proven negative impact on society and the environment, such as producers of controversial weapons, including anti-personnel mines, cluster bombs, as well as chemical or biological weapons, and a list of countries considered controversial, are excluded from all investments.

The developed methodology enables the calculation of ESG scores and ratings by overweighting environmental factors over social and governance factors. The managed portfolios and the benchmarks used are assigned a rating calculated as a weighted average of the ratings of the financial instruments held. During 2024, the "ESG Policy" and related internal procedures were updated and the materiality analysis was completed within the three-year plan referred to in the Bank of Italy's Supervisory Expectations. With regard to climate and environmental risk, the proprietary model was also used for the year 2024 to quantify the potential impact of the worsening climate crisis on the managed portfolios.

During 2024, the range of UCITS classified under the SFDR as Article 8 or Article 9 was expanded. At the end of December 2024, the assets of the products classified under Art. 8 and Art. 9 pursuant to Regulation (EU) 2019/2088 amounted to approximately 28% of the assets managed.

Below is the overall representation at the end of 2024:

(in thousands of Euro)

ESG portfolios	no. UCITS	UCITS AuM	Pension Fund no.	AuM Pension Fund	Total AuM
Products pursuant to Art. 8	25	6,127,776	3	3,924,793	10,052,569
Products pursuant to Art. 9	8	2,698,643	-	-	2,698,643
Total	**33**	**8,826,419**	**3**	**3,924,793**	**12,751,212**

Below are the details for Art. 9 products:

(in thousands of Euro)

OICR art. 9	AuM
A AZIONI AMERICA CLIMATE IMPACT	714,364
A AZIONI EUROPA CLIMATE IMPACT	697,989
ARCA BLUE LEADERS	70,990
ARCA GREEN LEADERS	166,985
A OXYGEN PLUS 30	114,017
A OXYGEN PLUS 50	676,775
A OXYGEN PLUS 60	68,161
A GREEN BOND	189,361

The assessment for the second half of 2023 and the first half of 2024 showed that, for each asset class, Arca Fondi achieved a four-star rating, with values above the average of the signatories participating in reporting activities. Tree planting and other team-building initiatives were also carried out in 2024.

The actions reported (updating the "ESG Policy", adopting and maintaining the climate risk model, and increasing the product range under Art. 8 and Art. 9) mainly concern the product development process and the process of investing third-party portfolios managed by Arca Fondi.

The following actions will also be undertaken in 2025: "ESG Policy" management, offer document updating, UNPRI assessment, planting activities, in line with what was done in 2024.

2.2.5 Management of direct environmental impacts

Policies related to climate change mitigation and adaptation (E1-2)

ESG Policy

The "ESG Policy" identifies the BPER Group's sustainability commitments, with the aim of fostering a culture of ESG within the Group and guiding the governance, processes, structures and Corporate Functions through which to ensure the pursuit of sustainable success, with particular reference to environmental, social and governance issues. The "ESG Policy" refers to the areas of: climate change mitigation, energy efficiency, the spread of renewable energy and is addressed to the Group's banks, special purpose companies (with the exception of BPER Trust Company), credit and non-credit financial companies. The highest management level responsible for the policy's implementation is the CFO.

Specifically, the Policy describes the BPER Group's five ESG guiding principles:

1. integrity and transparency;
2. development of society;
3. fair business practices and customer protection;
4. protection of workers, diversity and equal opportunities;
5. incorporation of sustainability into the value chain and environmental protection.

With reference to the latter point, the BPER Group pays attention to the protection of the environment as a primary resource for the well-being of man, and directs its choices so as to ensure compatibility between economic initiatives and environmental requirements in accordance with the reference legislation.
The Group has identified the main environmental impacts around which to organise its commitment through suitable planning and the identification of specific goals.
They are divided into direct and indirect environmental impacts. With regard to direct impacts (a.k.a. direct transition), the Group promotes the efficient use of energy resources and the reduction of greenhouse gas emissions through the implementation of highly energy-efficient technologies and the promotion of renewable sources. With regard to the indirect impacts of its operations, or connected to financing or investment activities (a.k.a. indirect transition), the Group undertakes to incorporate sustainability into the value chain and improve its processes and behaviour to reduce the associated environmental impacts. The Policy therefore refers, by its very nature, to all impacts, risks and opportunities related to climate change.

The BoD defines Group guidelines and strategies relating to sustainability and climate-related issues.
In order to strengthen the oversight of sustainability and climate issues, the Policy has also assigned roles and responsibilities to the Internal Board Control and Risk and Sustainability Committees. In particular, the Sustainability Committee 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 goals through ongoing dialogue with all stakeholders.
The ESG Management Committee contributes by facilitating the coordination of the Corporate and Group Functions with regard to sustainability issues, as well as supporting the CEO in managing ESG and sustainability issues at both Parent Company and Group level; the Committee promotes and manages ESG strategy and sustainability issues, consistently with the Business Plan's definition that integrates sustainability issues, with the support of the ESG Strategy Office. Furthermore, in addition to managing processes, articulations, and safeguards in the field of sustainable development, the ESG Strategy Office coordinates the ESG Managers, who meet at ESG Tables and assist the Office in the implementation of ESG projects. In fact, the ESG Managers analyse the impacts of ESG issues in their structure of operation, for the issues within their competence, identifying risks and opportunities[63].

The Policy is inspired by the sustainability principles set out by international bodies and institutions such as the European Union, the Organisation for Economic Cooperation and Development and the United Nations, and takes into account the main ESG regulations in force at the time, such as the 2030 Agenda for Sustainable Development (Agenda 2030), the UNGC, the Universal Declaration of Human Rights, the Paris Agreement on Climate Change, the UNEP FI - Principles for Responsible Banking (PRB), TCFD Recommendations, the Net-Zero Banking Alliance initiative, the OECD Guidelines for Multinational Enterprises.

The Policy is available on the Group's website and on the corporate intranet.

63 For more details on the governance of sustainability issues, please see the description in disclosure requirement "The role of the administrative, management and supervisory bodies" (GOV-1).

Policy governing the management of environmental and energy issues

With the intention of pursuing its transition path towards a low-carbon and sustainable economy and, in line with the Energy Plan 2022-2030, the BPER Group has implemented an Integrated Environment and Energy Management System that complies with the two standards UNI EN ISO 14001:2015 and UNI EN ISO 50001:2018, respectively, on a perimeter of 20 representative properties.
During 2024, the BPER Group approved the "Policy governing the management of environmental and energy issues", which identifies the environmental commitments aimed at reducing the direct and indirect impacts of the BPER Banca Group, especially with regard to resource savings and attention to climate change. The Policy therefore defines the commitments with reference to BPER Group Companies' own operations, with the exception of non-credit financial corporations.

The Policy refers to the following impacts, including those related to energy efficiency, renewable energy generation and direct and indirect GHG emissions (Scope 1, 2 and 3);

- improved financial performance through effective pursuit of climate strategy and support of customers' green transition;
- consumption of energy from renewable and non-renewable sources, resulting in negative impacts on the environment and reduction of the energy stock;
- reducing operating costs by adopting more efficient technologies that reduce emissions and promote the energy transition to a more sustainable model.

The Policy governs the general principles adopted by the BPER Banca Group and other subsidiaries, on the management of environmental and energy issues relating to the use of property, plant and equipment under the objectives set out in the Energy Plan.
Additionally, the Policy defines the roles and responsibilities of the Corporate Bodies and structures involved in the referenced issues. BPER Banca is committed to reducing its direct and indirect environmental impacts across its areas of operations.
In particular, by implementing the Integrated Energy and Environmental Management System (EEMS), the Bank:

- prevents, manages and, whenever possible, mitigates both environmental impacts and energy use and consumption effects generated by its activities;
- promotes a rational use of energy;
- concretely commits to combating climate change through practices, products, services and initiatives to contribute to achieving the European goal of eliminating CO_2 emissions by 2050 following Group-wide endorsement of the Net-Zero Banking Alliance.

For the above-mentioned properties perimeter, the Bank identifies appropriate performance indicators, sets improvement goals and monitors the achieved results. The same Key Performance Indicators (KPIs) and Energy Performance Indicators (ENPI's) are mapped and monitored every six months to verify whether the set targets have been met.

The BoD is responsible for implementing the Policy, defines the Group's sustainability guidelines and strategies, approves the Sustainability Statement, Business Plan, Risk Appetite Framework and risk governance policies, and integrates sustainability elements over time. The Policy is monitored through regular meetings coordinated by the Energy Team with the aim of verifying that efficiency actions are in line with what is planned in the Energy Plan.

The Policy makes reference to UNI EN ISO 14001:2015 and 50001:2018, Italian Inter-ministerial Decree 179 of 12/05/2021, "Implementation procedures of the provisions related to the role of the Mobility Manager"; Italian Legislative Decree 231/2001; Italian Legislative Decree 102/2014; Italian Legislative Decree 128/2017; CONSOB Regulation 20249 of 28/12/2017; Agenda 2030 for Sustainable Development; the Ten Principles of the Global Compact; EU HLEG on Sustainable Finance, "Financing a sustainable European economy", the plan "Sustainable finance: Commission's Action Plan for a greener and cleaner economy, as well as the legislation in force at the time.

In defining the Policy, BPER Banca took into account the needs and expectations of internal and external stakeholders through internal and external document analysis, interviews and in-depth calls.
The Policy is available on BPER Banca's institutional website and is made available to all internal and external stakeholders. The same internal and external stakeholders can promote a continuous improvement of the contents to be modified or included in the Policy, reporting their comments using an email address provided in the document.

Actions and resources in relation to climate change policies (E1-3)

Actions related to the car fleet/mobility/home-work commute

The Parent Company has appointed a Mobility Manager who promotes the implementation of actions for the organisation and management of staff mobility demand by preparing the Home-Work Commute Plan (Piano degli Spostamenti Casa-Lavoro, PSCL).

Several sustainable mobility initiatives and services have been activated thanks to the involvement of employees:

- an inter-company car pooling platform (Jojob) is available to employees for sharing cars between several people in the home-work-home commute, which has led to a considerable reduction in the number of cars on the road with consequent benefits on pollution, improved social relations between people and economic savings in terms of per capita costs of fuel, oil, tyres and motorway tolls. The use of the app significantly increased in 2024, thanks to which the introduction of 10.414 tCO_2 were avoided (78,045 km avoided), while in 2023 4.1 tCO_2 were saved, with a total of 31,898 km avoided;
- in 2024, 18 Home-Work Commute Plans were approved for the various BPER Group offices with more than 100 employees, as required by Italian Decree Law 34 of 19 May 2020 (Relaunch Decree), converted into Law 77 on 17 July 2020;
- the E-bike sharing service made available by a few branches and the Headquarters in Modena has been active since 2023. This initiative contributes to a healthier and more sustainable lifestyle for employees and encourages the improvement of micro-mobility by using modern, zero-emission vehicles;
- a daily corporate shuttle service that connects the Modena Rail Station to the Modena Headquarters has been activated in order to make it easier to commute and promote the use of public transport.

"Piantiamola di inquinare!" (Let's stop polluting!) - The sustainable mobility project in cooperation with Wecity

BPER Banca also launched the initiative "Piantiamola di inquinare!" (Let's stop polluting!) in 2024 with the support of the Wecity platform, in order to reduce CO_2 emissions into the atmosphere.
Now in its fourth year, the initiative has involved around 208 employees spread across the Group's various branches who cycled, walked or rode a scooter to work for three months, covering a total of almost 42,000 km, thereby reducing almost 6 tonnes of CO_2, equivalent to the result produced by more than 839 adult trees in one year by photosynthesis[64].
For each trip, the Wecity app calculated the CO_2 saved (1 kg for every 7 kilometres travelled) and created a ranking based on this value. The initiative was well integrated with the various initiatives within the "European Sustainable Mobility Week" (16-22 September 2024).

The Group's Vehicle Fleet

The BPER Group is constantly and continuously pursuing the process of reducing its environmental impact through the use of low-emission cars.

Firstly, the rationalisation and renewal of the Group's fleet has been pursued for some years according to "green" criteria, especially where the Parent Company is concerned: the vehicles that from time to time reach the end of their life cycle are replaced with new hybrid, electric or less polluting diesel engine vehicles, and additionally, the BPER Group managers, when assigned a car, among a range of benefits received a card to recharge their plug-in hybrid vehicles using the columns powered with energy produced by the photovoltaic systems installed in some of the Group's sites.

The pilot project "Ricarica gratuita" (Free recharging) launched in 2023 continued in 2024. It offers employees working at the Modena Headquarters the option of recharging their electric vehicle for free (up to a maximum of 15 hours a month) thanks to special columns that provide energy directly from BPER Banca's photovoltaic systems.
In 2024, a total of 11,826 kWh of electricity was used to recharge the electric cars of Group employees, almost three times the previous year's figure of 3,988 kWh (up 196.5%).

The same electricity from the photovoltaic plants in Modena is drawn to recharge the electric cars of BPER Group Executives, there was a significant increase in 2024 here as well, with a total supply of 30,074 kWh (up 51.2% on the previous year).

In order to limit emissions, a CO_2 emission cap of 180 g/km was included in the new regulations for the company vehicle management and allocation process. In addition, for mixed-use cars, the company grants an additional contribution if the assignee chooses plug-in hybrid or full electric cars from the car list. Lastly, to reduce travel between the various operational premises, all Legal Entities have undertaken to increase the use of video conferencing.

These activities, some of which are compulsory and others voluntary, are in line with the BPER Group's commitments declared in the "Policy governing the management of environmental and energy issues" to reduce both direct impacts through the gradual replacement of endothermic cars in favour of hybrid and electric ones, and indirect impacts through the development and maintenance of sustainable mobility initiatives for its employees.

64 An average of 700 kg of CO_2 absorbed by a tree in 10 years was used for the calculation.

These actions for employees and referring to the Bank's own operations are carried out on an ongoing basis.

Actions to reduce paper consumption

In order to reduce its direct impact on the environment and at the same time initiate efficiency improvement and cost-saving actions, the BPER Group has included several very challenging initiatives in the areas of responsible management of raw materials and providing support for the fight against climate change in its 2022-2025 Business Plan.

In addition to the 2022-2025 Energy Plan, the projects initiated include a review of the supply chain impact and an ambitious target to reduce the amount of paper used by 2025, which was achieved by 31/12/2024 at -21%.

Paper is one of the main raw materials used in the banking sector. In 2024, as in 2023, 99% of the paper used in the Company's offices and branches was recycled paper, the remaining 1% has an international certification that guarantees its origin from forests managed in a sustainable and responsible way.

As far as the process dematerialisation project is concerned, it is worth emphasising that any increase in the Bank's level of digitalisation is also important to increase "resilience" in terms of process "business continuity".

The main initiatives undertaken by the BPER Group to reduce paper consumption[65, 66] are listed below:

- promotion of the use of Authorised Electronic Signature (AES) and Qualified Electronic Signature (QES), an initiative active since April 2021, to allow bank documents to be signed without printing them. In 2024, the consumption of 429.75 tonnes of paper was avoided (a saving of 54.9% over the previous year), resulting in a further benefit to the environment in terms of avoided CO_2 emissions into the atmosphere of 448.79 tCO_2e (AES and QES), an improvement over the previous year of 121.5%;
- in 2024, Arca Fondi SGR:
  - optimised digital tools for placement agents and expanded online resources, reducing the number of sheets by 680,000;
  - eliminated the coupon distribution statement[67], saving an additional 202,000 sheets;
  - initiated dematerialisation for new customers, saving 112,000 sheets;
  - together, these initiatives saved 4.73 tonnes of paper reams and avoided the emission of 4.94 tonnes of CO_2[68];
- BPER CARD online account statements: 69% of credit card statements were sent via email, a considerable increase over the previous year and a paper saving of 7,806,706 sheets, equivalent to 37.16 t[69];
- F24 form dematerialisation with processing re-insourced in the branch: the F24 digitalisation procedure update avoids processing by the external service with consequent savings in paper not sent. In 2024, all the F24 tax forms were dematerialised with a decrease of about 19.3% compared to the previous year, equal to a reduction in the use of 2,668,756 sheets of paper (12.7 t)[70];
- postal project: a project designed to optimise the costs related to postage, which among the other repercussions has led to a substantial reduction of printouts and paper transmission of documents sent on a regular basis to customers related to the main relationships through unilateral measures designed to increase the use of Online Mail for digital customers. The plans set in motion in 2023 (on credit card, security deposit and asset management reports) continued in 2024 (on current accounts, mortgages and debit cards, prepaid cards), enhancing the paper-saving benefits and reducing paper mailings. An overall benefit was recorded of approximately 78.5 t of paper in 2024;
- "Edicola digitale": substitution of subscriptions of magazines and paper newspapers with those in digital format;
- replacement of printers with night-time printing block and elimination of faxes in all branches;
- BPER Factor's WIP (Web Interactive Platform).

The combination of the above-mentioned actions implemented with respect to own operations, aimed at employees and customers and carried out on an ongoing basis, resulted in a reduction of 562.90 tonnes of paper in 2024 (an increase in savings of 28.2% compared to 2023).
In 2024, 1,175,010 kg of paper were used, of which:

- 1,156,800 kg as recycled paper (99%);
- 9,507.5 kg of paper certified solely from sustainably and responsibly managed forests (0.8%);
- 8,703 kg of paper with other sustainable certifications (0.2%).

65 A4 size sheets weighing 4.76 g were considered for estimating the paper saved.

66 Conversion factor: UK Government GHG Conversion Factors for Company Reporting - Sheet Material Use - Paper and Board - Closed-loop- source 1.04431834 tCO_2e

67 A sheet per mailing was considered in order to calculate the numbers of sheets of paper.

68 An average of 4.3 sheets per customer/year was considered for the calculation.

69 An estimated amount of 10 sheets saved per account.

70 An average of 3 sheets per form was considered for calculating the sheets of paper.

Actions under the Energy Plan

During the course of 2024 the BPER Group has consolidated the gradual implementation of the energy efficiency measures foreseen by the 2022-2030 Energy Plan. The BPER Group achieved an overall reduction of 2,547 MWh in 2024 compared to 2023. Please see the section Transition plan for climate change mitigation (E1-1) for details of the initiatives implemented, within the Group's own operations, and the emission reductions achieved.

The projects described are being continued as part of the Energy Plan, with an initial reduction target of -23% achieved by 31 December 2024, an intermediate target of -35% by 2027 and 50.2% by 31/12/2030.

In 2024, the Group produced 1,713.81 MWh renewable energy through its systems, rising by 6.3% compared with the previous year. The installed capacity compared to the previous year increased by 51.3 kWp, from 2,394.7 kWp to 2,446 kWp (of which active systems equal to 1,724.54 kWp and three systems installed at the Sassari premises with a total capacity of 721.87 kWp and activation scheduled by June 2025).

The BPER Group also reached the objective of 100% electricity provision from renewable sources as early as 2023 by entering into specific contracts with its suppliers.

The BPER Group is also engaged in acquiring the certifications that testify to the environmental sustainability of its real estate. LEED certification will specifically be pursued for the Ancona offices in Via Stamira completed in December 2024, which attests the level of a building's sustainability with reference to its entire life cycle.
Similar activities have been started for the buildings for office and museum use located in Naples in Via Petronio, Rome in Via Bissolati and Ferrara in Corso Giovecca, for which extraordinary maintenance works are underway that will last throughout 2025 and are therefore expected to be certified in 2026. Lastly, a three-year redevelopment project is underway for the Modena Headquarters; when completed (estimated 2027), it will obtain LEED certification.

BPER Banca joins M'illumino di Meno 2024

The Bank again joined the M'Illumino di Meno initiative in 2024, the International Day for Energy Saving and Sustainable Lifestyles conceived in 2005 and promoted by Caterpillar and Rai Radio 2 with Rai per il Sociale. For its 20th event, the day was dedicated to the theme of "No-borders", inviting municipalities, schools, universities and the entire community not only to act in their daily lives, but above all to seek alliances and develop international projects to "silence borders" and cross them in the name of a concrete, sustainable turnaround. For the occasion, BPER Banca switched off the signs of its headquarters in Modena and 650 branches nationwide for one night.

Paper on the correct use of energy with guidelines

A handbook was produced for employees, which included tips and actions to implement in order to foster the development of a corporate culture of responsibility regarding the use of air conditioning/lighting devices and systems. Through its Handbook, the BPER Group intends to raise awareness among its employees on the subject of energy saving, and to promote virtuous behaviour also through the dissemination of information on the impacts of bad habits.
The Group aims to reduce energy waste in headquarters and branches through this employee engagement initiative, with significant effects on the direct environmental impacts it generates.

Power Purchase Agreement (PPA) subscription

In 2024, BPER Banca signed a Corporate Power Purchase Agreement (PPA) with CVA - Compagnia Valdostana delle Acque for the multi-year supply of electricity generated from renewable sources. The photovoltaic plant is located in Sicily and has a capacity of 5 MW, with an estimated production of 8 GWh per year from 1 January 2025, which according to the agreement will be used to meet 100% of the energy consumption of BPER's major sites in Italy, including the Modena, Genoa, Milan, Turin and Brescia offices, and will cover approximately 10% of the Bank's total electricity consumption. The remaining 90% will continue to be supplied by renewable energy certified through Guarantees of Origin, for completely "green" bank electricity consumption.
The energy produced by the new renewable plant, which roughly corresponds to the consumption of 3,000 households, will avoid the emission of around 4,000 tonnes of CO_2 per year into the atmosphere.

ISO 14001 and 50001 Certification

With the aim of improving its environmental/energy performance, in 2024 BPER Banca initiated and concluded a process that led to the attainment of two certifications meeting the UNI EN ISO 14001:2015 (Environmental Management System) and UNI EN ISO 50001:2018 (Energy Management System) standards on an initial significant sample of 20 properties.
This process stems from the need to both respond to the ever-increasing demands of national and international regulations to identify, manage and monitor various more or less material environmental and energy aspects (for example consumption and emissions), and to meet the needs and expectations of the various categories of internal and external stakeholders potentially affected or influenced by the various activities carried out by BPER Banca.
Obtaining these certifications for part of the Group's own operations is consistent with what is defined in the "Policy governing the management of environmental and energy issues".

BPER Banca therefore obtained certification in October 2024; the next steps, namely third-party audits, will be carried out by October 2025 to maintain it.

2.2.6 Main indicators

Energy consumption and mix (E1-5)

The energy consumption details are reported below. The companies within the BPER Banca Group's perimeter that operate in high climate impact sectors are: BPER Real Estate (which merged BPER Reoco by absorption as of 1 July 2024 for accounting and tax purposes), Modena Terminal, Adras and Annia[71].

Energy consumption and mix

Energy consumption and mix	Non high climate impact sectors	High climate impact sectors	Total
Fuel consumption from coal and coal products (MWh)		-	
Fuel consumption from crude oil and petroleum products (MWh)		31.69	
Fuel consumption from natural gas (MWh)		939.60	
Fuel consumption from other fossil sources (MWh)		-	
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)		701.99	
Total fossil energy consumption (MWh)	**38,565.25**	**1,673.28**	**40,238.53**
Share of fossil fuel sources over the total energy consumption (%)	31.32%	16.32%	30.17%
Consumption from nuclear sources (MWh)	-	-	-
Share of nuclear sources over the total energy consumption (%)	0.00%	0.00%	0.00%
Fuel consumption from renewable sources, including biomass (MWh)	-	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	83,464.05	8,082.41	91,546.46
Consumption of self-generated non-fuel renewable energy (MWh)	1,099.60	499.73	1,599.33
Total renewable energy consumption (MWh)	**84,563.65**	**8,582.14**	**93,145.79**
Share of renewable sources over the total energy consumption (%)	68.68%	83.68%	69.83%
Total energy consumption (MWh)	**123,128.90**	**10,255.42**	**133,384.32**

Energy production

	31.12.2024
Energy production from non-renewable sources (MWh)	-
Energy production from renewable sources (MWh)	1,713.81
Total energy production from non-renewable and renewable sources (MWh)	**1,713.81**

Energy intensity per net revenue for high climate impact sectors

	31.12.2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/Euro thousand)	**0.63**
Total energy consumption from activities in high climate impact sectors (MWh)	10,255.42

For companies operating in high impact sectors, the first line of the reconciliation table below shows the revenues, recalculated according to the rules reported in the section "Emission intensity and revenue calculation methodology" for fully consolidated subsidiaries and equity-consolidated companies, respectively.

71 In line with disclosure requirement ESRS E1 - 5 "Energy consumption and mix", information is required on energy intensity, understood as total energy consumption relative to net revenues, for activities in high climate impact sectors. In addition, the amounts of net revenues from activities in high climate impact sectors must be reconciled with the relevant item(s) in the financial statements. In this regard, it should be noted that with respect to the voluntary data points, where it is not possible to establish a direct cross-reference between net revenues and an item or disclosure in the financial statements, the quantitative reconciliation referred to above may be represented in tabular format as set out in AR 38. For the identification of revenues for high climate impact sectors, EFRAG FAQ ID 338 "Activities in high-climate impact sectors" clarifies that credit institutions must only consider the sectors, determined at NACE code level, in which they are directly active. EU Delegated Regulation 2022/1288 defines "high climate impact sectors" as those listed in Sections A to H and Section L of the NACE economic activities.

Reconciliation of net revenue from activities in high climate impact sectors

(in thousands of Euro)

	31.12.2024
Net revenue from activities in high climate impact sectors used to calculate energy intensity	16,368
Net revenue (other)	7,551,988
Total net revenue (financial statements)	**7,568,356**

Gross Scopes 1, 2, 3 and total greenhouse gas emissions (E1-6)

Total GHG emissions disaggregated by Scopes 1 and 2 and significant Scope 3

	31.12.2024
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO_2e)	10,614.44
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (tCO_2e)	28,817.41
Gross market-based Scope 2 GHG emissions (tCO_2e)	685.16
Significant Scope 3 GHG emissions	
Total gross indirect (Scope 3) GHG emissions (tCO_2e)	**68,929,234.62**
Category 1 - Purchased goods and services	1,314.81
Category 2 - Capital goods	6,631.70
Category 5 - Waste generated in operations	17.48
Category 6 - Business travel	970.13
Category 7 - Employee commuting	2,929.96
Category 13 - Downstream leased assets	744.20
Category 15 - Investments	68,916,626.35

Due to rounding off, the sum of some separate itemised amounts may differ from their respective aggregate amounts.

With respect to Category 15 - Investments, details are provided below:

Details of total GHG Scope 3 emissions - Category 15

(in tCO_2e)

Scope	Financed emissions		Total Financed emissions
General Purpose	2,404,150.81 (Scope 1 and 2)	62,804,578 (Scope 3)	65,208,728.81 (Scope 1, 2 and 3)
Real estate	706,073.61 (Mortages)	173,273.76 (Commercial Real Estate)	879,347.37
Total loan book			**66,088,076.19**[72]
Securities - Corporate issuers	102,538.66 (Scope 1 and 2)	884,751.07 (Scope 3)	987,289.72 (Scope 1, 2 and 3)
Securities - Sovereign issuers			1,827,996.05 (Scope 1)
Total Securities portfolio			**2,815,285.77**[73]
Total investments in investee companies	**576.08 (Scope 1 and 2)**	**12,688.31 (Scope 3)**	**13,264.39 (Scope 1, 2 and 3)**
Total Scope 3 – Category 15			**68,916,626.35**

The following Scope 3 categories are excluded from the inventory:

- Category 3 - Fuel and energy-related activities (not included in Scope 1 or 2) - not significant;
- Category 4 - Upstream transportation and distribution - not applicable;
- Category 8 - Upstream leased assets - not applicable;
- Category 9 - Downstream transportation and distribution - not applicable;

72 For the General Purpose perimeter, the calculation of financed emissions was possible for 60% of the portfolio exposure to which the methodology is applicable; the remaining portion derives from exposures excluded due to the lack of necessary data for the calculation.

73 With respect to the perimeter under analysis which includes Corporate and Sovereign issuers - specified in more detail in the remainder of this chapter - to which the reference methodology is applicable, the calculation of financed emissions was possible for 90% of the portfolio exposure (75% and 100% coverage for the Corporate and Sovereign perimeters, respectively).

- Category 10 - Processing of sold products - not applicable;
- Category 11 - Use of sold products - not applicable;
- Category 12 - End-of-life treatment of sold products - not applicable;
- Category 14 - Franchises - not applicable.

Total GHG emissions (location and market-based)

	31.12.2024
Total GHG emissions (tCO_2e)	
Total GHG emissions (location-based) (tCO_2e)	**68,968,666.47**
Total GHG emissions (market-based) (tCO_2e)	**68,940,534.22**

The GHG emissions between 2023 and 2024 are not comparable due to a change in the reporting methodology, perimeter extension and emission sources considered mainly in relation to Scope 3 emissions.

Emission intensity and revenue calculation methodology

	31.12.2024
GHG intensity per net revenue	
Total GHG emissions (location-based) per net revenue (tCO_2e)/Euro thousand)	**9.11**
Total GHG emissions (market-based) per net revenue (tCO_2e)/Euro thousand)	**9.11**

The reconciliation of the Income Statement items in Article 27 indicated above with the financial statements in accordance with Circular 262/2005 is shown below:

Reconciliation of Income Statement items with the Financial Statements

(in thousands of Euro)

Income Statement item Art. 27 Directive 86/635/EEC	Income Statement items Circular 262/2005 Consolidated Financial Statements	31.12.2024
1. Interest receivable and similar income;	10. Interest and similar income	5,013,543
3. Income from securities;	70. Dividends and similar income	41,821
4. Commissions receivable;	40. Fee and commission income	2,297,982
6. Net profit or net loss on financial operations;	80. Net income from trading activities	95,428
	90. Net income from hedging activities	1,773
	100. Gains/losses on disposal or repurchase	70,672
	110. Net income on other financial assets and liabilities measured at fair value through profit or loss	-136,110
7. Other operating income;	230. Other operating expense / income[74]	183,247
Total net revenue (financial statements)		**7,568,356**

In relation to CSRD disclosure of revenues, ESRS uses the terms "revenue", "total revenue" and "net revenue[75]" as synonyms. ESRS 2 refers to "revenue" or "total revenue", while ESRS E1 and the other environmental ESRSs mainly refer to "net revenue". The ESRSs do not use the term "net turnover" as defined in the Accounting Directive (Directive 2013/34/EU, Article 2), for credit institutions referred to in point (b) of the first paragraph of Article 1 (3) of the Directive in accordance with point (c) of Article 43 (2) of Council Directive 86/635/EEC; and for undertakings falling within the scope of Article 40a(1) of the Directive, "net turnover" corresponds to revenues defined by or under the financial reporting framework on the basis of which the financial statements of the undertaking are prepared.

74 Only other operating income is included, net of tax recoveries and other income components that cannot be properly classified as income, as shown in Table 16.2 "Other operating income: breakdown" in Part C of the Notes to the Consolidated Financial Statements. In particular, as at 31 December 2024, other operating income amounted to Euro 507,367 thousand, including tax recoveries of Euro 303,733 thousand, recoveries of appraisal expenses from customers for new loans of Euro 16,705 thousand and recoveries of insurance premiums of Euro 7,983 thousand; net of these components, other operating income amounted to Euro 178,946 thousand.
Other operating income includes, with respect to IAS/IFRS financial reporting, the revenues of subsidiaries consolidated using the equity method operating in high climate impact sectors (see also what is specified in the section "Energy consumption and mix (E1-5)", as reported under item "A) Value of production" of the Financial Statement tables attached to the Consolidated Financial Statements of the BPER Banca Group as at 31 December 2024.

75 EFRAG – ESRS Q&A Platform – FAQ 395 "Revenue/Net Revenue".

With European Regulation (EC) 1606/2002 of 19 July 2002, the European Union introduced, as is well known, the obligation to apply IAS/IFRS accounting standards in the preparation of the financial statements of EU companies with equity and/or debt securities listed on one of the regulated markets of the European Union, starting in 2006.

The Financial Statements of BPER Banca and the Consolidated Financial Statements of the BPER Banca Group are prepared on the basis of the provisions of the Bank of Italy, to the extent applicable, set out in the 8th update of Bank of Italy Circular 262, which regulates the preparation of bank financial statements in accordance with IAS/IFRS.

The provisions contained in Circular 262/2005 were issued pursuant to Article 43 of Italian Legislative Decree 136 of 18 August 2015[76] which transposed Directive 2013/34/EU of 26 June 2013.

The criterion of net turnover needs to be adapted for credit institutions and for insurance undertakings by referring to the definition of net turnover in Council Directives 86/635/EEC and 91/674/EEC instead of the general definition laid down in Directive 2013/34/EU".

Consistent with the provisions of the CSRD, European Regulation (EC) 139 of 2004 on the control of concentrations between undertakings, the "EC Merger Regulation", states in Article 5, paragraph 3 that for credit institutions and other financial institutions the sum of the income items as defined in Council Directive 86/635/EEC, after deduction of value added tax and other taxes directly related to those items, where appropriate, shall be used in place of turnover.

Council Directive 86/635/EEC reads in Article 43:
"The information referred to in the first two indents of Article 9 (2) of Directive 83/349/EEC, namely:

- the amount of the fixed assets and
- the net turnover

shall be replaced by: the sum of items 1, 3, 4, 6 and 7 in Article 27 or B 1, B 2, B 3, B 4 and B 7 in Article 28 of this Directive".

Article 27 of Council Directive 86/635/EEC states the following in items 1, 3, 4, 6 and 7 (applicable in the case of a scalar income statement, such as the one adopted in Circular 262/2005 and used by the BPER Banca Group):

- 1. Interest receivable and similar income;
- 3. Income from securities;
- 4. Commissions receivable;
- 6. Net profit or net loss on financial operations;
- 7. Other operating income.

The calculation of emissions is made with reference to all Legal Entities of the BPER Banca Group that fall within the scope of Sustainability Statement. The net revenue used to calculate GHG intensity is therefore considered to be the same as the total net revenue[77].

Emissions calculation methodology

In line with the PCAF[78], in 2024 the GHG emissions calculation takes into account not only Scope 1 and 2 emissions but also Scope 3 emissions, reported separately. This testifies to the BPER Group's commitment to monitoring the emissions associated with its portfolios, which represent the most significant emissions out of the total produced. With reference to Scope 3 - category 15, the BPER Group continued the carbon footprint analysis of its loans and securities portfolio, expanding its reporting scope for the latter by including the "Sovereign debt" asset class.
The Carbon Footprint of the BPER Group's portfolios was calculated on the Bank's data updated to 31 December 2024, in line with the PCAF methodology, and the financed emissions were calculated for the following asset classes:

- loans with unknown use of proceeds (General Purpose loans) to listed and unlisted corporate counterparties;

76 Implementation of Directive 2013/34/EU relating to financial statements, consolidated financial statements and related reports of certain types of companies, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Directives 78/660/EEC and 83/349/EEC, for the part relating to the annual accounts and consolidated accounts of banks and other financial institutions, as well as the publication of the accounting documents of branches, established in a Member State, of credit institutions and financial institutions with registered offices outside that Member State, which repeals and replaces Legislative Decree 87 of 27 January 1992. (15G00151).

77 In line with ESRS disclosure requirement E1 - 6 "Gross Scopes 1, 2, 3 and Total GHG emissions", information on GHG intensity, understood as total GHG emissions in relation to net revenues, must be provided. In addition, the net revenue amounts used to calculate GHG intensity must be reconciled with the relevant item or notes in the financial statements. In this regard, it should be noted that where it is not possible to establish a direct cross-reference between net revenues and an item or disclosure in the financial statements, the quantitative reconciliation referred to above may be represented in tabular format as set out in AR 55.

78 https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf

- loans for the purchase of real estate, divided between commercial and residential real estate in line with the PCAF standard, ascribable to the Commercial Real Estate and Residential Real Estate categories, that only include mortgage loans for the purchase of previously built and fully operational real estate units;
- securities portfolio with corporate issuers (listed equity, unlisted equity and corporate bonds asset classes) and, as a supplement to previous reporting, government issuers (PCAF sovereign asset class).

Details on the methodology used and the analyses performed are presented below.

General Purpose loan portfolio and mortgage loans for the purchase of residential and commercial real estate
In line with the PCAF standard, NZBA guidelines and other relevant industry guidelines, the model for calculating financed emissions involves the product of the following two factors:

- attribution factor: uniformly calculated among the various PCAF asset classes, which establishes the percentages of emissions produced by the funded company to be attributed to the institute that has issued the loan (or investment). This calculation is based on the ratio between the existing loan (or investment) amount and the value of the funded company/project financed;
- emission profile: the PCAF provides a series of calculation methods based on a score system related to the quality and availability of the data used. The scores define a range from 1 (the highest, that applies to counterparties for which the verified glasshouse gas emissions are available) to 5 (the lowest, where the financed emissions are estimated based on sectoral data).

The main data sources used for the calculation refer to:

- internal Parent Company databases related to the exposures and the financial statement data of counterparties that are of use in calculating the emission attribution factor;
- Bank databases and data supplied by qualified infoproviders related to the characteristics of the real estate units to calculate the emission factors for the real estate loan portfolio;
- data supplied by qualified infoproviders regarding Scope 1, 2 and 3 emissions of the counterparties, useful to calculate the emissions for General Purpose loans.

The analysis included about 102,500 General Purpose counterparties and about 337,000 properties (divided between commercial and residential properties, in line with the PCAF standard) with a total exposure of Euro 70.96 billion and attributable to the following Legal Entities of the Group: BPER Banca, Banco di Sardegna, Bibanca, Sardaleasing, BPER Factor and Banca Cesare Ponti.

It should be noted that the PCAF methodology adopts an approach based on the use of revenue to calculate the emission profile; it is therefore supposed that the loans/General-purpose investments fund all activities of the emitting company and the counterparty's overall emission profile is taken into account for the purposes of carbon accounting.

Therefore, to calculate the carbon footprint for the General Purpose loans portfolio, the GHG Scope 1 and Scope 2 emissions of the emitting companies in portfolio have been considered as acquired from qualified data providers and the Scope 3 emissions, where available. For each of the Scopes considered, the quality and reliability of the databases are key requirements for the analyses to define the climate impact of the portfolio in line with NZBA guidelines. Several limitations were encountered in the calculation of financed emissions, caused by systemic difficulties in the collection of public information for various parts of the portfolio.

With reference to the General Purpose loans the PCAF methodology supposes that, regarding their generic purpose, they fund all the activities of the emitting company. Therefore, one takes into account the overall emission profile of the counterparty which, in line with the PCAF Score 2, the BPER Group has acquired from qualified infoproviders.

The formula used to calculate financed emissions pursuant to the Score 2 of the PCAF methodology for General Purpose loans is shown in detail below:

$$(\sum \text{Gross loans/Total assets on the Balance sheet}) * \text{GHG Emissions.}$$

It should be noted therefore, that it has not been possible to carry out the calculation for counterparties for which a value of GHG emissions has not been provided and/or for which the balance sheet information required to calculate the total assets on the Balance Sheet is not available.

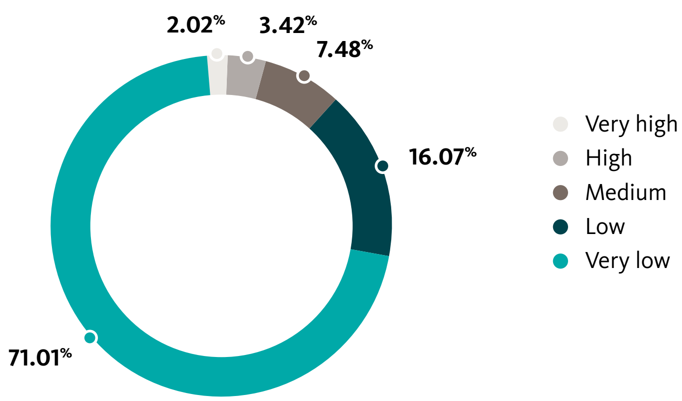
For the General Purpose perimeter, the calculation of financed emissions was possible for 60% of the portfolio exposure to which the reference methodology is applicable; the remainder derives from exposures excluded due to the lack of data required for the calculation.
The following table provides details of Exposure, Financed Emissions and average Intensity according to the sectoral classification of the GICS (Global Industry Classification Standard) standard. These are useful in monitoring the exposure of the BPER Group with regard to the main climate sensitive economic sectors.

Exposure, Financed Emissions and Average Emission Intensity of the General Purpose loan portfolio according to GICS aggregation

GICS Sector	Exposure [%]	Financed Emissions (S1+S2) [%]	Average intensity [gCO_2e/Euro]	Average GHG Scope 1&2 [tCO_2e]
Industrials	34.72%	23.42%	58.23	1,141.42
Consumer Discretionary	14.64%	6.80%	34.93	407.64
Consumer Staples	14.50%	14.16%	68.54	2,196.45
Real estate	11.45%	1.46%	60.24	88.69
Materials	10.00%	31.82%	257.30	10,033.05
Utilities	4.93%	4.08%	296.45	55,990.41
Health Care	4.43%	2.16%	41.69	1,403.75
Information Technology	1.94%	0.48%	16.26	307.40
Energy	1.87%	15.45%	134.65	205,752.70
Communication Services	1.53%	0.17%	25.53	818.69
Financials	0.00%	0.00%	21.84	25.35
Total	**100.00%**	**100.00%**	**64.47**	**2,666.59**

It should be noted that 3.47% of total financed emissions is attributable to counterparties for which the GICS sector could not be identified.
Furthermore, it should be noted that the GICS Real Estate sector includes General Purpose exposures towards counterparties belonging to the real estate sector, other than investments with revenue to be used to purchase commercial and residential properties for which a more detailed analysis is provided below.
By analysing the results by GICS sector, the highest exposure sector is the "Industrial" sector (34.72% of total exposures"). However, the Industrial sector shows a lower average intensity than more-carbon intensive sectors such as Materials (10.00%) or Utilities (4.93%).
As shown in the chart below, in line with what had been observed in the previous years, the BPER Group portfolio is more exposed in sectors with average or low emission intensities.

Carbon footprint of the General Purpose loan portfolio by exposure and intensity class



In particular, the thresholds have been attributed according to the following criteria:

- Very high: Scope 1 + Scope 2 intensity greater than 500 gCO_2e/Euro;
- High: Scope 1 + Scope 2 intensity less than 500 gCO_2e/Euro and greater than 300 gCO_2e/Euro;
- Medium: Scope 1 + Scope 2 intensity less than 300 gCO_2e/Euro and greater than 100 gCO_2e/Euro;
- Low: Scope 1 + Scope 2 intensity less than 100 gCO_2e/Euro and greater than 50 gCO_2e/Euro;
- Very low: Scope 1 + Scope 2 intensity less than 50 gCO_2e/Euro.

As shown, most of the exposures are classified as having "Very Low" (71.01%) or "Low" (16.07%) intensity. The intensity percentage for the "Average" category is 7.48%, while the combination of the two remaining categories ("High" and "Very High") makes up 5.44% of the total.
The following table provides details of Financed Emissions and of the ratio of Exposure and Emissions over the total in percentage terms, for carbon-related sectors. The allocation to carbon-related sectors has been made according to the sectoral classification of the GICS standard. These are useful in monitoring the exposure of the BPER Group with regard to the main carbon-related economic sectors. In particular, it should be noted that a 22.32% loan portfolio exposure to carbon-related sectors is attributable to 44.20% of the total financed emissions.

Exposure and Financed Emissions of the General Purpose Loan portfolio for the carbon-related sector

Carbon-related sector	Financed Emissions (S1+S2) [tCO_2e]	Exposure [%]	Financed Emissions (S1+S2) [%]
Agriculture, Food, and Forest Products	200,860.41	6.62%	8.35%
Energy	395,742.77	3.24%	16.46%
Materials & Buildings	399,019.02	8.61%	16.60%
Transportation	66,997.25	3.85%	2.79%

Focus

FOCUS | Commercial Real Estate (CRE) and Mortgages

As already mentioned, having calculated the Carbon Accounting in accordance with the PCAF Standard it has also been possible to obtain an overview of specialised loans, within the loan portfolio, earmarked for real estate purchases.

In particular, this loan category has been allocated to the Standard PCAF asset classes, Commercial Real Estate (CRE) and Mortgages; the first includes on-balance sheet loans for specific corporate purposes, i.e. the purchase and refinancing of commercial real estate (CRE), and on-balance sheet investments in CRE when the financial institution has no operational control over the property. The second asset class includes on-balance sheet loans for specific consumption purposes, i.e. the purchase and refinancing of residential real estate units, including individual houses and multi-family residences with a limited number of units. The contribution of these loans, in gross investment terms, turns out to be a relevant share of the total exposures in the ten sectors identified by the NZBA.

For this reason, it is considered useful to detail the BPER Group's exposure to the aforementioned category, even given the path set to reduce financed emissions. Regarding the Commercial Real Estate and Mortgages loans, the PCAF Standard provides a database (PCAF European building emission factor database) containing different emission factors according to the energy class, climate bracket, type of building: these factors provide a quantification of financed emissions with different levels of accuracy.

The Standard defines the accuracy of the calculation as a "Score", which runs from 1 (the highest quality of the data, for which the actual emissions of the buildings are available) to 5 (the lowest data quality, for which emissions are calculated based on the number of buildings). For the above asset classes, for the purpose of carbon accounting, it was possible to calculate the financed emissions with scores of 3 and 4, depending on the availability of data.
Obtaining a higher quality data score would in actual fact allow the calculation of accurate energy consumption for the buildings, which cannot be applied to the Group exposures involving loans to families and companies. It should be noted that the exposures that do not have a value for the building and the exposures whose use is attributable to "Land" are excluded from the calculation.

A summary of the most interesting information regarding financed emissions for the Commercial Real Estate and Mortgages asset classes is provided below:

Exposure, Financed Emissions and Intensity of the Real Estate Loan portfolio

Specialised loans - Real Estate	Mortgages (Residential immovable property)	Commercial Real Estate (Commercial properties)
Exposure in terms of GCA[79] (%)	95%	5%
Financed emissions (%)	81%	19%
Emission intensity (tCO_2e/m^2)	0.0285	0.0371

The table above shows the value of the emission intensity (in tCO_2e/m^2) considering only the PCAF score 3 and 4 positions, as for score 5 positions the surface area of the properties is not available and it is therefore not possible to calculate this kind of emission intensity.

Securities Portfolio

Together with the analysis of the emissions associated with the loan portfolio, the BPER Group estimated the emissions from its securities portfolio.

For carbon accounting purposes, in line with the PCAF methodology, securities with corporate issuers (Listed equity, Corporate bonds, Unlisted equity asset classes) and with government issuers (Sovereign bonds asset class) were included. On the other hand, Green, Social or Sustainability Bond exposures to supranational issuers, and due to the unavailability of the information needed to apply the adopted methodology, as well as intra-group counterparties, are excluded.

Corporate issuers

For the securities portfolio Carbon Footprint calculation, the database of a qualified info-provider was used, which includes GHG Scope 1, 2 and 3 emissions and the Enterprise Value Including Cash (EVIC) of the companies issuing the securities, where the data are available. Counterparties that do not submit data on Scope 1 and Scope 2 emissions or do not report EVIC are excluded from the calculation.

For each issuer, the financed issues were calculated as a share of GHG Scope 1, 2 and 3 issues equal, in proportion, to the ratio of the value of the security held by the Group on the EVIC.

The figure was calculated as follows:

- Financed Scope 1 and 2 emissions = GHG emissions (Scope 1 + Scope 2) * (Exposure / Enterprise Value Including Cash);
- Financed Scope 3 emissions = GHG emissions (Scope 3) * (Exposure / Enterprise Value Including Cash).

The use of the Enterprise Value Including Cash (EVIC) figure, consistent with the most recent European Banking Authority guidelines, is in fact a more appropriate measure of the overall value of the companies in the portfolio.

Government issuers

Compared to 2023, the perimeter was expanded by including a new asset class in the investment portfolio: sovereign. These exposures represent sovereign bonds and sovereign loans issued in domestic or foreign currency.

The financed emissions were found by calculating the allocation factor as gross commitments divided by the gross domestic product of the issuing country. The financed emissions are then calculated by multiplying this allocation factor by the country's own GHG emissions.

Financed Emissions = GHG Emissions_Country * (Exposure_Bank / GDP_Country)

Data with respect to exposure come from internal Bank databases, while information on the GDP of issuing countries and emissions is gathered from publicly available third-party sources, World Bank and EDGAR (Emissions Database for Global Atmospheric Research), respectively.

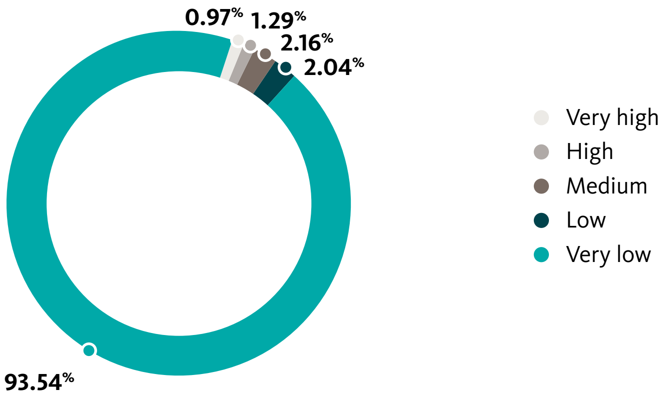
The analysis of the securities portfolio included about 1,500 of the approximately 1,700 securities in BPER's portfolio; the calculation of financed emissions involved about 950 securities for which the necessary data are available, attributable to five Legal Entities of the Group (BPER Banca, Banco di Sardegna, BPER Bank Luxembourg, Sardaleasing and Banca Cesare Ponti).

With respect to the Corporate and Sovereign perimeters, to which the reference methodology is applicable, it was possible to calculate the financed emissions for 90% of the portfolio exposure (75% and 100% coverage for the Corporate and Sovereign perimeters, respectively).

79 Gross Carrying Amount.

With respect to the Scope 1 and Scope 2 emissions of the corporate securities portfolio, further analyses were carried out, which are detailed below.

Carbon footprint of the securities portfolio by exposure and intensity class



The Bank's corporate securities portfolio (Scope 1 and 2) was analysed according to emission intensity levels. In particular, the thresholds have been attributed according to the following criteria:

- Very high: Scope 1 + Scope 2 intensity greater than 500 gCO_2e/Euro;
- High: Scope 1 + Scope 2 intensity less than 500 gCO_2e/Euro and greater than 300 gCO_2e/Euro;
- Medium: Scope 1 + Scope 2 intensity less than 300 gCO_2e/Euro and greater than 100 gCO_2e/Euro;
- Low: Scope 1 + Scope 2 intensity less than 100 gCO_2e/Euro and greater than 50 gCO_2e/Euro;
- Very low: Scope 1 + Scope 2 intensity less than 50 gCO_2e/Euro.

As shown in the figure, the portfolio under analysis is predominantly concentrated in Very Low intensity exposures (93.54% of the total). Exposure to sectors with Very High or High intensity is rather low (0.97% and 1.29%, respectively), as are those with Medium (2.16%) or Low (2.04%) intensity.
The table below details Exposure, Financed Emissions and Average Intensity according to sectoral classification using the GICS standard[80].

Exposure, Financed Emissions and Emission Intensity of the securities portfolio

GICS Sector	Financed Emissions (S1+S2) [tCO_2e]	Exposure [%]	Financed Emissions (S1+S2) [%]	Average intensity [g CO_2e/€]
Financials	2,040.98	83.98%	2.04%	2.78
Industrials	23,083.95	4.35%	23.11%	107.03
Utilities	39,982.83	2.28%	40.03%	423.39
Consumer Discretionary	2,064.36	1.19%	2.07%	149.97
Information Technology	965.64	2.02%	0.97%	30.17
Communication Services	1,777.79	1.76%	1.78%	86.84
Consumer Staples	2,489.72	1.78%	2.49%	54.04
Health Care	675.44	1.60%	0.68%	51.43
Materials	23,857.79	0.52%	23.88%	851.22
Real estate	142.13	0.28%	0.14%	112.05
Energy	2,813.84	0.24%	2.82%	299.32
Total	**99,894.47**	**100.00%**	**100.00%**	**60.41**

80 The financed emission data by GICS sector presented here does not take into account emissions that cannot be attributed to specific sectors, which nevertheless account for 2.5% of the emissions and 7% of corporate exposures, for which it was possible to carry out the carbon accounting calculation. This quantity is instead considered in the total of 102,539 tCO_2e.

The analysis of the sectors to which the BPER Group's securities portfolio is exposed and the definition of their emission intensity is a fundamental prerequisite for steering the portfolio towards environmentally performing sectors and companies, i.e., those with a low carbon footprint or with an emission reduction strategy.
In particular, it is important to acknowledge that, despite the exposure of the Corporate securities portfolio to carbon-related sectors being less than 5%, this exposure represents almost 74% of the total financed emissions for the aforementioned perimeter, as indicated in the following table.

Exposures, Financed emissions of the securities portfolio linked to carbon-related sectors

Carbon-related sector	Financed Emissions (S1+S2) [tCO_2e]	Exposure [%]	Financed Emissions (S1+S2) [%]
Agriculture, Food, and Forest Products	174.98	0.25%	0.17%
Energy	34,484.15	2.26%	33.63%
Materials & Buildings	23,106.97	0.31%	22.53%
Transportation	17,777.28	1.33%	17.34%

Data quality

The quality and reliability of the databases are fundamental requirements for the analyses to define the climate impact of the Bank's portfolios. Several limitations must be taken into account in the calculation of financed emissions, as well as in setting decarbonisation targets.
With respect to counterparty emissions data provided by infoproviders, the relative Scope 1 and Scope 2 emissions on which the analyses are based are generally either those reported by the counterparty companies or, if the counterparty does not report its own emissions, the proprietary benchmark infoprovider estimation methodology was used, a brief summary of which is provided below.
The estimation model for emissions has three distinct models, used according to the order of preference detailed below. It should be noted that the infoprovider used separate estimates for Scope 1 and Scope 2 emissions, making it possible to consider partially disclosed data (e.g., if the company only reports Scope 1 emissions, the estimate will be limited to Scope 2 emissions) and to adopt the best model from the options indicated below after considering the disclosed data available:

- production model: used for electric utilities to estimate direct emissions from power generation, using fuel mix data for power generation to estimate Scope 1 emissions;
- company-specific intensity model: the company-specific intensity model is used for companies not involved in power generation, which is based on data previously reported by the company;
- industry-specific intensity model: where a company does not report and has never reported its emissions, a segment-specific intensity model is used, which is based on estimated carbon intensities for different industry segments.

To date, the Bank receives the data supply for this type of emissions from external infoproviders.

It should be noted that the availability of Scope 3 emissions for portfolio counterparties is lower than that of Scope 1 and 2. The reasons are to be found in the systemic difficulties of counterparties in estimating and reporting value chain emissions, which are not attributable to the Bank's actions. Considering the disclosure requirements, the quality and availability of data is expected to systematically improve in the coming years.
The percentage of primary data for the calculation of Scope 3 emissions is 60%.

Below is the detail with respect to the GHG Protocol-aligned sources used for reporting on emission sources[81] [82].

Methodology and sources of conversion and emission factors

Scope	Emission category	Source for reporting emission sources	Source of conversion/emission factors
Scope 1	Natural gas	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6. 2024	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6. 2024
Scope 1	Car fleet	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6. 2024	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6. 2024 Methane (CNG): UK Government GHG Conversion Factors for Company Reporting - fuel proprieties sheet (2024)
Scope 1	Oil for heating	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6. 2024	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6. 2024
Scope 1	F-Gas	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6. 2024	F-Gas fugitive emissions - UK Government GHG Conversion Factors for Company Reporting - Refrigerant & Other sheet (2024)
Scope 1	Propane air		Propane Air - Conversion factor extrapolated from supplier's invoice - Gaxa 2024
Scope 2	Market-based (electricity and thermal energy)	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6 - 2024	European Residual Mixes 2022 published by AIB for Market Based
Scope 2	Location-based (electricity and thermal energy)	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6 - 2024	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6 - 2024 - Location-Based conversion/emission factors
Scope 3	Category 1 - Purchased goods and services - Purchase and consumption of paper	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6 - 2024	Paper purchased: UK Government GHG Conversion Factors for Company Reporting - Material Use sheet, DEFRA (2024);
Scope 3	Category 1 Gardant s.p.a.	Infoprovider methodology	Extraction from infoprovider (Scope 1 + Scope 2)
Scope 3	Category 1 - Purchased goods and services - Water withdrawal and consumption	Guidelines on the application of the GRI (Global Reporting Initiative) environmental standards in banking - 2023	UK Government GHG Conversion Factors for Company Reporting - Water Supply sheet, DEFRA (2024)
Scope 3	Category 2 - Capital goods	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6 - 2024	EUROSTAT - Environmental statistics and accounts; sustainable development (Consumption-based accounting tool; 2023), for purchased ICT services, electronic equipment, telephony and furniture;
Scope 3	Category 5 - Waste generated in operations	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6 - 2024	UK Government GHG Conversion Factors for Company Reporting - Waste Disposal sheet, DEFRA (2024)
Scope 3	Category 6 - Business travel - Air travel, train travel and hotel stays	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6 - 2024	Trains: UK Government GHG Conversion Factors for Company Reporting - business travel-land sheet - DEFRA (2024); Planes: UK Government GHG Conversion Factors for Company Reporting - business travel air sheet, - DEFRA (2024); Hotel stays: UK Government GHG Conversion Factors for Company Reporting - Hotel Stay sheet - DEFRA (2024).

81 The ESGEO Management System calculation tool was used.

82 The reporting periods for GHG emissions coincide between the BPER Group and the entities in its value chain.

Scope 3	Category 7 - Employee commuting: 18 BPER Banca Home-Work Commute Plans,	Data reporting methodology shared by the supplier in tCO_2 and subsequently reprocessed by BPER	UK Government GHG Conversion Factors for Company Reporting - business travel-land sheet - DEFRA (2024)
Scope 3	Category 7 - Employee commuting: (Employee commuting) BPER Banca Shuttle Service	Data reporting methodology shared by the supplier	UK Government GHG Conversion Factors for Company Reporting – DEFRA (2024)
Scope 3	Category 7 - Employee commuting: Homeworking	Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking Operations - Focus on disclosure requirements E1-5, E1-6 - 2024	Homeworking (2024) - DEFRA
Scope 3	Category 13 Downstream leased assets - Reporting on energy consumption of real estate owned by BPER Real Estate and Adras passed on to third parties	Corporate Value Chain (Scope 3) Accounting and Reporting Standard - Supplement to the GHG Protocol Corporate Accounting and Reporting Standard (2011)	Natural gas and electricity (Location-based): Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters in Banking operations - Focus on disclosure requirements E1-5, E1-6 (2024)
Scope 3	Category 15 - Investments	PCAF methodology for updating carbon footprint credits, securities and investments in investee companies (2024); Infoprovider methodology.	BPER Group associated companies: data extraction from infoprovider (Scope 1 + Scope 2 + Scope 3); Carbon footprint credits, securities and investments in investee companies - PCAF methodology.

It should be noted that there are no biogenic CO_2 emissions from the combustion or biodegradation of biomass.

Energy management

All BPER Group companies have signed contracts for the purchase and consumption of electricity from 100% renewable sources covered by GO (Guarantees of Origin). In 2024, BPER Banca signed a PPA (Power Purchase Agreement) for the multi-year (seven years) supply of electricity from renewable sources (photovoltaic) with the issuance of Guarantees of Origin from 1 January 2025. The ratio of total electricity self-produced and sold to the grid by the BPER Group to total electricity self-produced by the BPER Group is 6.68%. The electricity production of all the BPER Banca Group's photovoltaic plants is self-consumed and only the excess (which is not consumed) is fed into the grid through various contractual forms, such as total dedicated withdrawal or on-site exchange.

Greenhouse gas removals and mitigation projects financed through carbon credits (E1-7)

As at 31 December 2024, there are no active carbon absorption and/or storage projects. Through its parent company BPER Banca and Banca Cesare Ponti, the BPER Group carries out projects to offset CO_2 emissions generated in relation to corporate mobility. This initiative provides funding for climate change mitigation projects in partnership with DKV Euro service.
More specifically, through the use of the eco-friendly DKV CARD CLIMATE fuel card, the offsetting of fleet emissions is certified for every litre of fuel purchased.
In fact, BPER Banca and Banca Cesare Ponti invest an additional contribution in Myclimate-certified offsetting projects.
The non-profit organisation Myclimate is one of the main providers of offsetting measures and satisfies the most stringent standards (CDM - Clean Development Mechanism, Gold Standard and Plan Vivo). The financial contribution raised goes to support three Myclimate climate protection projects that are Gold Standard certified.
Of the three projects in question, two relate to energy efficiency projects and one to access to water. See the details below:

- installation of solar plants in the Dominican Republic;
- financing for the purchase of efficient stoves in Kenya;
- funding for the development of modern water filtration technology for families and schools through the drinking water project in Uganda.

The magnitude of the GHG emission reduction associated with this initiative was 2,322.74 tCO_2e in 2024.

In 2024, BPER Banca also strengthened its cooperation with DHL Express that had been initiated in 2022, with a concrete commitment to reducing the CO_2 emissions of shipments between the Group's various offices and branches (documentation produced by the foreign office and business centres, letters of credit, etc.). CO_2 emissions can be reduced through the DHL GoGreen Plus service and the use of SAF (Sustainable Aviation Fuel). This sustainable aviation fuel is mixed with conventional fuel and can reduce emissions by up to 80%[83].

83 Jet fuel based on the CORSIA Guidelines prescribed by SBTI. LCA SAF values based on ICCT data assuming the emissions of the entire life cycle of used cooking oils and vegetable oils derived from plants.

Carbon credits cancelled in the reference year

	31.12.2024
Total (tCO_2e)	**2,322.74**
Share of emission reduction projects	100%
Share of emission removal projects	0%
Gold Standard	100%
Share issued from projects in the EU	0%
Share of carbon credits that qualifies as a corresponding adjustment under Article 6 of the Paris Agreement	0%

Targets related to climate change mitigation and adaptation (E1-4)

NZBA Targets

The parent company BPER Banca has joined the NZBA, committing to achieve Net Zero for financed emissions by 2050 through the implementation of concrete actions and setting interim targets to 2030 to reduce financed emissions in the most carbon-intensive sectors of the credit portfolio.

The progress made since setting the targets is periodically monitored in order to ensure the progressive achievement of the set targets. An initial report on the results achieved was presented, in line with the Alliance's requirements, in BPER Banca's "Decarbonisation Plan" on priority sectors published in August 2024, which aims to inform key stakeholders on the decarbonisation path and the challenges faced to support customers in the ecological transition. Details are provided in the Decarbonisation Plan on the methodologies required to implement the transition strategy for each sector, in line with the "ESG-linked Loan Origination Policy", which is a key factor in supporting the decarbonisation strategy through mitigation initiatives applied to the Group's lending activities.

The targets identified by the Bank to date refer to the following five high carbon intensity sectors present in the Bank's credit portfolios: Power Generation, Oil and Gas, Iron and Steel, Aluminium, Commercial Real Estate. Moreover, as previously indicated, a substantial non-materiality of the specific "Coal" sector emerged, on which the Bank has in any case envisaged restrictive policies since 2023, formalised in the "ESG Credit Policy".

As part of the path to NZBA membership, BPER adopted an internal methodology for baseline calculation and target setting with reference to the General Purpose loan portfolio and mortgage loans for the purchase of residential and commercial real estate, in line with the PCAF standard, the NZBA guidelines and other relevant industry guidelines.

The classification of the credit portfolio into carbon-intensive sectors was carried out following two criteria: international sector classification codes (NACE, GICS) and asset type. Specifically, for General Purpose loans, which finance all activities of the emitting company, the overall emission profile of the counterparty was considered using the NACE sector code. For real estate loans, financed emissions directly attributable to commercial and residential real estate under the PCAF methodology were considered.

The NZBA guidelines call for the definition of climate transition scenarios; in particular, specific emission pathways for each carbon-intensive sector. The selection of decarbonisation scenarios was carried out, with reference to each carbon-intensive sector, taking the following factors into consideration:

- the decarbonisation targets of the Paris Agreement (i.e. Net Zero scenarios);
- the composition of the loans portfolio, with reference to the possible presence of sub-sectors for each of which BPER will have to identify specific physical intensity metrics and decarbonisation scenarios;
- industry best practices by observing selected scenarios of the main competitors that have joined the NZBA.

The BPER Group's analyses are based on the most authoritative industry reports. The calculation of the 2030 targets for the sectors indicated above refers directly to the Net Zero 2050 scenario set forth by the International Energy Agency (IEA) and is in line with the Alliance requirements.
The calculation of the "Commercial real estate" 2030 target refers directly to the reference scenario of the specific Carbon Risk Real Estate Monitor (CRREM) for the real estate sector, applied at Italian level to achieve net zero CO_2 emissions by 2050. No specific stakeholder engagement activity was carried out to define these objectives. The targets extend from the baseline (2022 and 2023) to 2050.

With the aim of constantly monitoring the progress of the decarbonisation targets, the BPER Group continued its monitoring activities in relation to the NZBA targets. The table below summarises the results[84]:

84 In addition to the published targets, BPER has also calculated the emission intensity as at 31 December 2024 for the Residential Real Estate sector at 0.0285 tCO_2e/m^2.

NZBA targets and performance monitoring

Sector	Scopes considered	Baseline	Metric	Performance as at 31.12.2024	Deviation from baseline (%)	2030 Targets	Deviation from target (%)
Power generation	1	0.256 (2022)	$kgCO_2e/kWh$	0.136	-47%	0.165	-18%
Oil and gas	1, 2, 3	464,315 (2022)	tCO_2e	6,100,170	1,214%	328,382	1,758%
Aluminium	1, 2	460 (2023)	tCO_2e/€mln	262	-43%	350	-25%
Iron and Steel	1, 2	275 (2023)	tCO_2e/€mln	180	-35%	201	-11%
Commercial Real estate	-	36.8 (2023)	$kgCO_2e/m^2$	37.1	0.8%	19	95%

Power generation

For this sector, the scope of the analysis concerns companies operating in the electricity generation sector.
In particular, counterparties active in the sectors related to the transmission, distribution and sale of electricity were excluded from the scope of analysis, as they were not relevant for the definition of decarbonisation targets. Based on the market best practice, the evaluation of emissions only considers Scope 1 related to direct greenhouse gas emissions; the Scope 2 and Scope 3 emissions were excluded due to their small size (i.e. 1% of the portfolio emissions).

In detail, the International Energy Agency (IEA) scenario was used to define the decarbonisation target for the Power Generation sector, which indicates a target of at least 60% of electricity production from renewable sources, with the aim of keeping the global economy on the trajectory of the Net Zero 2050 Scenario.

The interim target to 2030 for the Power generation sector envisages a 36% reduction in the weighted emission intensity of portfolio counterparties, from a base (as of 2022) of 0.256 kilogram CO_2 equivalents per kilowatt-hour (0.256 $kgCO_2e/kWh$) to an average value of 0.165 kilogram CO_2 equivalents per kilowatt-hour (0.165 $kgCO_2e/kWh$).

The performance as at 31 December 2024 is 0.136 $kgCO_2e/KWh$, a 47% reduction compared to the baseline and substantially in line with the previous monitoring as at 31.12.2023 (0.127 $kgCO_2e/kWh$). Despite the decrease in Scope 1 emissions considered in the target, the evolution of the counterparties in the portfolio and the update of the national sector data used for calculation purposes, keep the emission intensity broadly in line with the previous monitoring exercise.

Oil and gas

In line with market practice, in order to determine the proper decarbonisation scenario to apply, the upstream, midstream and downstream segments of the sector's value chain were analysed in relation to the classification of companies in the portfolio. The upstream segment (B6 and B9) comprises activities such as exploration, production and extraction of oil and gas from wells. The midstream segment (D35, H49, G46) covers the transport and storage of oil and gas, while the downstream segment (C19) deals with the refining of crude oil and natural gas into final products such as gasoline, diesel and jet fuel. In addition, exposures related to the retail sale of fuel were considered (G47.3.0).

The evaluation of emissions is focused on Scope 1, relating to direct greenhouse gas emissions, Scope 2, relating to indirect emissions resulting from the generation of purchased electricity, and Scope 3, relating to indirect emissions associated with the counterparty's business activity, in relation to the materiality of emissions in BPER Banca's portfolio and the reference scenario. The alignment of BPER Banca's portfolio with the interim decarbonisation targets for 2030 and long-term 2050 targets was defined through the IEA Global (i) Net Zero Emissions (i.e. IEA NZE) and (ii) Stated Policies (i.e. STEPS) scenarios. The calculation of the targets refers directly to the Net Zero 2050 scenario defined by the International Energy Agency (IEA) and in line with the requirements of the Alliance.

The interim target to 2030 for the "Oil and Gas" sector envisages a 29% reduction in emissions financed by BPER Banca, starting from a base of 464,000 tonnes of CO_2 equivalents (464,315 tCO_2e) in 2022, and reaching a value of 328,000 tonnes of CO_2 equivalents (328,382 tCO_2e) in 2030. The calculation of the target for this sector refers directly to the Net Zero 2050 scenario defined by the International Energy Agency (IEA) and in line with the requirements of the Alliance.

For the Oil and Gas sector, a counterparty selection strategy was pursued with the aim of not penalising operations with the sector's main customers and simultaneously achieving a reduction in emission intensity. The 32% GCA growth in the sector is mostly concentrated on counterparties already in the portfolio, with 47% of the total increase in exposure due to BPER Factor exposures with an average residual maturity of about six months. Against the increase in overall exposure, there is in fact a reduction in Scope 1 financed emissions of -40% and Scope 2 emissions that are substantially unchanged. On the other hand, with regard to Scope 3 emissions, the figure is not comparable to previous surveys, as a new methodology for calculating counterparty emissions has been applied which, in accordance with the PCAF guidelines, also includes upstream or downstream activities of business operations.

For the Aluminium, Iron and Steel and Commercial Real Estate sectors, the inertial progress of the portfolio is reported, against the recent publication of targets to December 2024.

Iron and Steel

For this sector, companies operating in the sectors related to the production of iron and steel were considered; the emission assessment considers Scope 1, relating to direct greenhouse gas emissions, and Scope 2, relating to indirect emissions resulting from purchased electricity generation. It should be noted that the portfolio-wide intensity, in line with the PCAF (Partnership for Carbon Accounting Financials), represents the impact of financed emissions on a sector's portfolio exposure, thus calculated as Co_2e emissions per Euro of portfolio value.

For the Iron and Steel sector, the IEA NZE Steel Global reference scenario was used to define the target. It should be noted that only Scope 1 emissions data are publicly available for the reference scenario (i.e. World Energy Outlook 2023, Table A.4 c), therefore, an estimate based on data made available by IEA within the World Energy Outlook 2023 was used for Scope 2.

The 2030 interim target for the Iron and Steel sector envisages a 27% reduction in emission intensity at portfolio level, from a base of 275 tonnes of CO_2 equivalent per exposure in the sector in millions of Euro (275.15 tCO_2e/€ million) by 2023 to an average value of 201.27 tonnes of CO_2 equivalent per exposure in the sector by 2030.

In the Iron and Steel sector, the emission intensity decreased from a baseline of 275 tCO_2e/€ million to 180 tCO_2e/€ million as at 31 December 2024, registering a 35% reduction due to the decrease in the emission profile of the counterparties in the portfolio.

Aluminium

BPER's loans portfolio includes exposures to counterparties operating in sectors related to the production of aluminium; the valuation of emissions considers Scope 1, relating to direct greenhouse gas emissions, and Scope 2, relating to indirect emissions resulting from purchased electricity generation.

To define the target for the Aluminium sector, the IEA NZE Aluminium Global reference scenario was used. For this scenario, only Scope 1 emissions data are publicly available (i.e. World Energy Outlook 2023, Table A.4 c); for Scope 2, emissions from electricity consumption for the aluminium sector published by the International Aluminium Institute were considered.

The 2030 interim target for the Aluminium sector envisages a 24% reduction in emission intensity at portfolio level, from a base of 460 tonnes of CO_2 equivalent per exposure in the sector in millions of Euro (460.49 tCO_2e/€ million) by 2023 to an average value of 350 tonnes of CO_2 equivalent per exposure in the sector (350.25 tCO_2e/€ million) by 2030. The calculation of the targets for the Iron and Steel and Aluminium sectors at 2030 refers directly to the Net Zero 2050 scenario defined by the International Energy Agency (IEA) and in line with the requirements of the Net-Zero Banking Alliance.

As at 31 December 2024, the emission intensity decreased from 460 tCO_2e/€ million to 262 tCO_2e/€ million, a reduction of 43% compared to the baseline. The improvement shows an evolution in the management of financed emissions, with a decrease in both the exposure and emission profile of the counterparties in the portfolio, in line with decarbonisation targets.

Commercial real estate

The Real Estate perimeter includes only loans with the purpose of purchasing real estate, distinguished by type of asset rather than by ATECO/NACE code. General Purpose loans, e.g. to companies operating in the construction sector, but without the purpose of purchasing real estate, are therefore excluded from this perimeter. This choice is in line with the NZBA's own indications and is due to the need to ensure homogeneity in the application of emission calculation methodologies and reference scenarios. Commercial real estate loans financed by BPER were therefore taken into account. For the Commercial Real Estate sector, the reference scenario is the CRREM (Carbon Risk Real Estate Monitor). This scenario addresses the challenge of estimating the risk and uncertainty associated with real estate decarbonisation, creating a methodological body and empirically quantifying the different scenarios and their impact on investors' portfolios. The reference scenario was derived from CRREM PATHWAYS V2 data, updated to 3 March 2024. In particular, the route used considers a physical intensity of emissions (tCO_2e/m^2) specific to Italy.

BPER recognises its role in supporting corporate customers through financing for sustainable real estate and the energy efficiency improvement of existing stock. However, the decarbonisation of the sector also depends on the actions of all stakeholders, including the implementation of public policies to support the energy transition, such as the EU Directive on the energy performance of buildings[85], which must be transposed at the national level.

The 2030 target for the "Commercial real estate" sector envisages a 47% reduction in emission intensity at the level of financed property, from a base of 37 kilograms of CO_2 equivalent per square metre (0.037 tCO_2e/m^2) in 2023 to an average value of 19 kilograms of CO_2 equivalent per square metre (0.019 tCO_2e/m^2) by 2030.

85 Energy Performance of Buildings Directive.

Among the targets published during 2024, the emission intensity for the commercial real estate sector remained stable: 37.1 $kgCO_2/m^2$ compared to 36.8 $kgCO_2/m^2$ at baseline.

No specific stakeholder engagement activity was carried out to define these objectives.

Finally, with regard to the Business Plan target referring to the identification of a ceiling of more than Euro 7 billion of ESG disbursements, please see the description in disclosure requirement "Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities" (S4-5).

Target: Euro 1 billion in green bond issues

Within the new Business Plan "B:Dynamic|Full Value 2027", the BPER Group has set itself a Green Bond issues target in line with the Group's GSS Bond Framework (Green, Social and Sustainability Bond Framework).
The target is quantitative and is equal to the issuance of Euro 1 billion in Green Bonds in the plan's time span, consistent with the Bank's stock of eligible assets.
The proceeds will be used to finance and/or refinance Eligible Green Assets; this target therefore complements BPER's ESG strategy and represents the concrete achievement of environmental sustainability objectives.
This target applies from 1 January 2025 for the three-year period 2025-2027.

Target: 45% ESG AuM

Within the new Business Plan "B:Dynamic|Full Value 2027", the BPER Group has set an ambitious target in terms of growth in sustainable AuM (Art. 8 and 9 SFDR) with respect to total managed solutions, thus referring to the investment business as part of the BPER Group's value chain.

In particular, the target is set at 45% of the total.

The sustainable AuM growth target refers specifically to managed solutions (funds, asset management and pension funds) classified as Art. 8 and 9 SFDR.

The base value is 39%, calculated on the basis of data as at 30 June 2024, and the target applies from 1 January 2025 for the three-year period 2025-2027.

No interim targets were formally stated in the Business Plan; however, the Group has internally defined annual sub-targets to be monitored on a quarterly basis.
In addition to the usual internal analyses, the target was also developed on the basis of an analysis of the positioning and objectives of the main competitors and taking into account the share of ESG AuM of the Group's main asset manager (Arca Fondi SGR). The target was set with the support of the Protection Model & ESG Office and the Investment Products Service.

Objectives related to the Energy Plan. Reduction of Scope 1 emissions by 50.2% by 2030 (base year 2021)

In the 2022-2025 Business Plan, several very challenging initiatives have been identified in relation to reducing direct emissions, thus with reference to own operations; these include the initiatives within the 2022-2030 Energy Plan, consistent with what is defined within the "Policy governing the management of environmental and energy issues" and the "ESG Policy".
The new Business Plan was published at the end of 2024, which resulted in the early termination of the 2022-2025 Energy Plan, and in the new 2025-2027 Energy Plan, the two targets of -35% and -50.2% reduction in direct greenhouse gas emissions (Scope 1) by 2027 and 2030, respectively, were confirmed, with a baseline of 14,345 tCO_2e in 2021, along with the goal of increasing the number of renewable energy plants.

Reducing Scope 1 emissions by 50.2% by 2030 means reducing CO_2 emissions to 7,143.9 tCO_2e by 2030 through several strategic actions, which will be implemented in three successive Business Plans.

The planned decarbonisation levers contained in the 2022-2030 Energy Plan and punctually taken up in the "Policy governing the management of environmental and energy issues" concern, by way of example:

- conversion of gas-fired generators to heat pumps;
- progressive electrification of the car fleet[86];
- f-Gas leak detection optimisation;
- extended use of home automation;
- optimisation of functional spaces.

86 The efficiency gains resulting from this initiative will be accompanied by corrective measures, as from 2023, after the pandemic period, activity resumed to full capacity with a significant increase in travel and related mileage. The gradual replacement of endothermic company vehicles with environmentally friendly ones (plug-in, full hybrid and full electric) continues.

As already reported, the new Business Plan was published at the end of 2024, resulting in the early closure of the 2022-2025 Energy Plan. The 31 December 2025 target of -23% CO_2e was therefore brought forward to 31 December 2024.

BPER Banca has voluntarily used the SBTI tool for the identification of Scope 1 and 2 emission reduction percentages by 2030[87], using the Sector Decarbonisation Approach (SDA) methodology and related sector decarbonisation pathway - Service Buildings (SDA Approach) - aligned with the climate scenario that limits the temperature increase to 1.5°C.
The Scope 1 and 2 emission reduction strategy defined by BPER Banca is therefore aligned with the international community's calls for limiting the global average temperature increase in 2050 to within 1.5°C compared to pre-industrial levels, and exploits the best practices available in the market for climate change mitigation.

The actions identified by BPER Banca are in line with the reduction target and appropriately monitored through monthly reviews.

Emission reduction targets

The BPER Group has defined Scope 1 and 2 decarbonisation targets within the 2022-2030 Energy Plan, and those for Scope 3 in its loan portfolio following its endorsement of the Net-Zero Banking Alliance (NZBA).
Through its Parent Company BPER Banca, the BPER Group first identified on a scientific basis the Scope 1 and 2 emission reduction targets aligned with the Paris Agreement limiting global warming to 1.5°C and, subsequently, identified the actions necessary to ensure the achievement of these targets by 2030.

In addition, in 2024 BPER Banca implemented an Integrated Environment and Energy Management System complying with both UNI EN ISO 14001:2015 and UNI EN ISO 50001:2018 for an initial representative sample of 20 properties.

Consistent with the identified objectives, BPER Banca has identified actions that contribute a share of the emissions reduction (tCO_2e) with respect to the emission sources of Scope 1 and 2 of its GHG inventory. In doing so, each action has its own efficiency and emission reduction target quantified in tCO_2e, allowing the reduction rate to be constantly updated and monitored.

Constant monitoring of the actions contemplated in the Energy Plan makes it possible to ensure the achievement of the set targets; efficiency actions take into account the influences potentially arising from external factors from a risk management perspective. Where not foreseeable, the scope of the actions may be supplemented during the course of the work to the extent necessary to ensure the achievement of the target identified in the baseline.

There were no significant changes to the identified targets, except having anticipated the interim target of the Energy Plan by one year (from 2025 to 2024). The targets for 2027 and 2030 remain unchanged.

For the identification of Scope 1 and 2 emission reduction percentages by 2030, BPER Banca voluntarily used the SBTI tool in line with the Paris Agreement's objective of limiting global warming to 1.5°C. Again using the SBTI tool, BPER Banca used the Sector Decarbonisation Approach (SDA) methodology and related sector decarbonisation pathway - Service Buildings (SDA Approach) - aligned with the climate scenario limiting the temperature increase to 1.5°C. On the basis of the decarbonisation curves created with the support of the above tool, BPER Banca has therefore identified and implemented the relevant actions to ensure the achievement of the Scope 1 and 2 reduction targets by 2030.
This target was not subject to verification and approval by a third party. Any future developments in terms of the growth of the company's assets would lead to a redefinition of the objectives, with a consequent identification or revision of the current plan actions.

Objectives related to the Energy Plan. Reduction of Scope 1 emissions by 50.2% by 2030

Reduction of Scope 1 GHG emissions	Baseline 2021	2025 Target	2027 Target	2030 Target	2050 Target
Absolute value of GHG emissions (tCO_2e)	14,345.00	11,144.50	9,544.30	7,143.90	0.00
Percentage reduction of GHG emissions (%)	-	22.31%	33.47%	50.20%	100%
Reduction of GHG emission intensity (KgCO_2/sq.m.)	9.20	6.70	5.60	4.00	0.00

The baseline considers the emissions as at 31.12.2021 of BPER Banca plus the former CARIGE Group.

87 The SBTI tool returned interim reduction targets to 2025 and 2027 of 22.31% and 33.47%, respectively (for a prudent approach in reaching the targets, the higher bar was kept to deal with potential inefficiencies during the implementation of the actions). For these reasons, the actions identified in the old 2022-2025 Energy Plan envisaged a reduction of -23% in Scope 1 emissions by 2025, and -35% by 2027.

Objectives related to the Energy Plan. Reduction of Scope 2 emissions[88]

Reduction of Scope 2 GHG emissions - Market-based method	Baseline 2021	2025 Target	2027 Target	2030 Target	2050 Target
Absolute value of GHG emissions (tCO_2e)	399.00	0.00	0.00	0.00	0.00
Percentage reduction of GHG emissions (%)	-	100.00%	100.00%	100.00%	100.00%
Reduction of GHG emission intensity ($KgCO_2$/sq.m.)	0.26	0.00	0.00	0.00	0.00

The Scope 2 baseline only considers the Scope 2 Market-Based emissions - electricity - of BPER Banca. On that date, the former CARIGE Group was already purchasing and consuming 100% renewable electricity. The target of reducing and eliminating CO_2 Market-Based emissions from the purchase and consumption of electricity from the grid was reached in 2023. Therefore, as at 31 December 2024 all BPER Group companies purchase and consume 100% renewable electricity.

88 The BPER Group has achieved its goal of reducing market-based emissions by 31.12.2023 by purchasing and consuming 100% electricity from renewable sources covered by GO (Guarantee of Origin).

3. SOCIAL INFORMATION

3.1 Own workforce (S1)

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The BPER Group's own workforce is divided into employees and non-employees. Non-employee workers include agency workers, self-employed workers and workers with internship contracts.

The Group is constantly evolving and this trend involves both organisational and managerial aspects: the attention to the adequacy of personnel, necessary for proper management of the costs they generate, is also reflected in the use of contractual forms that ensure agile and flexible responses. According to the nature of the position to be covered and the related type of hiring, the following contractual options offered by current legislation were used:
- permanent contract;
- professional apprenticeship contract;
- use of fixed-term contracts for temporary replacements.

Please note that the information, policies, actions and objectives presented within the chapter refer to the employees of the BPER Group and extend to the entire workforce where specified, as all workers may be subject to the positive and negative impacts identified in the double materiality process. These impacts concern the entire workforce, without distinction between types of workers, with the exception of possible hardship situations for people with disabilities or subject to discriminatory practices (e.g. gender, age, etc.). From the perspective of financial materiality, the double materiality analysis carried out identified risks and opportunities affecting the entire Group workforce, not referring to specific employee segments.

In more detail, the material negative impacts identified mainly related to isolated incidents, such as accidents and occupational illnesses, potential loss of employee data, incidents of discrimination, inconveniences for disabled persons, possible conflicts with trade unions. Of these, the only negative impact that can be considered systemic concerns gender pay discrimination, in an Italian context where gender-related pay gaps remain.
The positive impacts are instead closely linked to the BPER Group's commitment to safeguarding and enhancing its workforce. This includes: the welfare and work-life balance plan, health and safety actions and safeguards, talent attraction and retention, skills development and diversity enhancement programmes.

The Group's double materiality analysis also revealed material risks related to operating losses resulting from lawsuits filed by employees in matters concerning remuneration, benefits and employment relations, and disputes initiated by employees and/or the detection of particular material cases. These risks are also material in view of the dependence on human capital, which is typical for service enterprises. At the same time, the material opportunities include increased productivity and optimised talent management, significantly improving the skills and capabilities of employees in new strategic areas, proactively managing employee redeployment and providing opportunities for professional development.

There are no major impacts on the Group's own workforce resulting from transition plans to reduce negative impacts on the environment and to implement greener and climate-neutral operations. Furthermore, there are no operations at serious risk of forced or compulsory labour or at serious risk of child labour with reference to the BPER Group's own workers, considering both the activities carried out by the Group and the context in which it operates.

Relevant human rights policy commitments related to own workforce (S1-1)

With reference to the working conditions of its own workforce, the Group addresses its material impacts, risks and opportunities not only through the "Group Policy for governing the risk of non-compliance with occupational health and safety regulations", but also in the "Code of Ethics" and in the "Policy for the management of human resources", which outline the general principles underlying the relationship with employees. In particular, the "Policy for the management of human resources" was prepared and approved on 19 September 2024 in order to govern and formalise the general guidelines through which the BPER Group intends to pursue its strategic objectives in terms of human resource management.

In relation to human rights, recognising their crucial importance, the Group is committed to promoting core labour principles in line with the United Nations Guiding Principles, the International Labour Organisation (ILO) Conventions and the OECD Guidelines for Multinational Enterprises.
Although no structured human rights assessment and due diligence process is formalised to date, nor is a specific policy defined to monitor compliance with human rights principles, the main Group Policies are inspired by the principles of the United Nations Global Compact (UNGC) and the UN Guiding Principles on Business and Human Rights, approved in 2011. These 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.

In particular, the issue is overseen by the Group within the "Code of Ethics" and through the adoption of an "ESG Policy", by which it formally commits to promoting and respecting universally recognised human rights, as set out in the Universal Declaration of Human Rights. As stated in the Policy, the Group endorses the UN Global Compact, by which it is committed to promoting fundamental principles relating to labour rights, including "Principle 4: the elimination of all forms of forced and compulsory labour" and "Principle 5: the effective abolition of child labour".
Furthermore, one of the BPER Group's essential commitments within the new "Policy for the management of human resources" is to respect the human rights, dignity and freedoms of its workforce. This commitment is aimed at preventing any undesirable behaviour, expressed in physical, verbal or non-verbal form, with the purpose or effect of violating a person's dignity and freedom. These rights are promoted and protected in compliance with the "UN Guiding Principles on Business and Human Rights", "The OECD Guidelines for Multinational Enterprises", the "International Labour Organisation's Declaration on Fundamental Principles and Rights at Work".

The aforementioned Policies are available on the corporate intranet and published on the BPER Group's institutional website.
The BPER Group also engages its employees through listening activities and climate surveys, as well as through training and awareness-raising activities.

Throughout 2024, the BPER Group's framework placed greater attention on the strategy adopted by the BPER Group on the one hand, in the management of areas where violations of human rights might take place and on the other, on the Group's human rights initiatives. To this end, informative elements such as Policies, internal codes, monitoring activities, regulations and partnerships were considered and examined. As part of the BPER Group's commitment to human rights, all its own workforce can access the Whistleblowing process, which allows to report, with the utmost guarantee of confidentiality, violations that harm the Group's interests and/or integrity that have come to their attention in the context of their work, or on the basis of the legal-economic relationship with the Group. For more details with respect to the measures aimed at remedying and/or which allow to remedy human rights impacts adopted by the BPER Group with reference to the management of its own workforce, please see the information contained in disclosure requirement "Processes to remediate negative impacts and channels for own workforce to raise concerns" (S1-3).

3.1.1 Working conditions

Policies related to own workforce (S1-1)

Code of Ethics

The "Code of Ethics" defines the principles of conduct in relations with personnel, thus comprehensively covering the impacts, risks and opportunities identified by the Group in relation to its workforce. By way of example, the Code specifies that safeguarding the moral and physical integrity of employees and collaborators is a necessary condition for the performance of work activities; the Group is therefore committed to offering the same work and professional growth opportunities to all employees on the basis of their skills and professional qualifications, without any discrimination or any form of nepotism or favouritism. Moreover, the Group is committed to monitoring and objectively measuring the actual application of the principles and values expressed in the Code. For more details, please see the description provided in the disclosure requirement "Business conduct policies and corporate culture" (G1-1).

Policy for the management of human resources

This "Policy for the management of human resources" regulates and formalises the principles and general guidelines with which the BPER Group intends to pursue its strategic objectives in human resources management, and aims at supporting resources throughout their working life, from recruiting to offboarding.
The Policy identifies the general and indispensable principles governing relations with personnel:

- sustainability: growth and sustainability of the Group, through management processes centred on people as fundamental assets for growth, competitiveness and innovation;
- ethics and integrity: promotion of a culture based on values of fairness, responsibility and personal ethics;
- equality and inclusion: commitment to enhancing equal opportunities and promoting diversity and inclusion as essential components for the growth of the Group;
- fairness and transparency: commitment to ensuring that all personnel management is carried out in a transparent and documented manner, avoiding all forms of potentially corrupt conduct and managing potential conflict situations;
- human rights, dignity and freedom: commitment to preventing any undesirable behaviour, expressed in physical, verbal or non-verbal form, with the purpose or effect of violating a person's dignity and freedom. These rights are promoted and protected in compliance with the "UN Guiding Principles on Business and Human Rights", "The OECD Guidelines for Multinational Enterprises", the "International Labour Organisation's Declaration on Fundamental Principles and Rights at Work";
- diligence and confidentiality: promotion of behavioural standards underpinning the Group's reputation, through the principles of the Corporate Governance Code and "Code of Ethics";

- health and safety: protection of health and safety at work and employees' mental and physical well-being, pursued through specific prevention programmes, information and training activities for the company's entire population.

The Policy then comprehensively addresses the impacts and risks identified by the Group in relation to its own workforce, overseeing aspects related to the management of Group employees during their working life. By way of example, the Policy defines how the objective of gender pay equity is pursued when defining the economic offer and recognises the central role of lifelong learning and professional updating as a tool to guarantee the professionalism and preparation necessary to both cover the company's expected profiles and accompany change and evolution, both organisational and technological. The activities carried out with regard to the Group's workforce must be carefully documented and regulated in order to comply with applicable regulations and support transparent and accountable HR management. Furthermore, all procedures are standardised and regularly updated, ensuring that employees' personal data are processed securely and confidentially. Finally, the Chief People Officer (CPO) of the Parent Company defines the overall HR strategy and oversees the areas of major evolution and development in the HR offer, identifying critical success factors, key indicators, internal and external interdependencies, also through transversal oversight on transformative projects, in order to identify the change initiatives necessary to support organisational evolution.
The Chief People Officer also defines the Total Reward strategy (remuneration and welfare policies) and personnel costs at the Group level.
The BPER Group promotes and encourages people listening initiatives in order to build a positive and inclusive culture based on trust and shared values. In addition to the legislation in force from time to time, the Policy is inspired by the main national and European regulations in this area, including Article 21 of the Charter of Fundamental Rights of the European Union, Italian Law 67/2006 (Anti-Discrimination Law), Italian Law 68/1999 (Law for the integration of the disabled), Italian Legislative Decree 151 of 26 March 2001, the Consolidated Law on maternity and paternity protection and support, Italian Legislative Decree 195 of 11 April 2006 - Code for equal opportunities between men and women - pursuant to Article 6 of Italian Law 246 of 28 November 2005, to Directive (EU) 2024/1500 of the European Parliament and of the Council, of 14 May 2024, on standards for equality bodies in the field of equal treatment and equal opportunities between women and men in matters of employment and occupation, Italian Legislative Decree 62 of 3 May 2024 - Definition of the condition of disability, basic assessment, reasonable accommodation, multidimensional assessment for the development and implementation of the individual personalised and participated life project.

The Policy is made available and easily accessible to all its (internal and external) recipients through publication on BPER Banca's institutional website and can also be consulted and downloaded on its corporate intranet.

Group Policy for governing the risk of non-compliance with occupational health and safety regulations

In order to manage health and safety matters, the BPER Group has a "Group Policy for governing the risk of non-compliance with occupational health and safety regulations" to ensure that every worker operates in a healthy and safe manner.
The BPER Group considers the protection of the health and safety of workers and other persons who may be affected by the Group's activities to be primary importance; it is therefore directly committed to ensuring the occupational health, safety and well-being of such persons at all times. The Policy refers to the impacts and risks identified by the BPER Group in the field of health and safety and describes the guidelines that BPER Banca, in its capacity as Parent Company, has defined for the Group Companies in order to ensure compliance with current occupational health and safety regulations (Italian Legislative Decree 81/08 and subsequent amendments and additions) and, in particular, to standardise the criteria for drafting the "Risk Assessment Document" (hereinafter also "DVR") and the delegation plans (pursuant to Art. 16 of Italian Legislative Decree 81/08). In particular, the Policy requires:

- compliance, in terms of content and principles, with the applicable health and safety legislation (Italian Legislative Decree 81/08) and, where possible, the voluntary application of further measures deemed necessary even in the absence of legislative obligations;
- compliance with the dictates of Italian Legislative Decree 231/01 as expressed in the Organisation and Management Model for the parts referring to the protection of occupational health and safety;
- the clear definition of the organisation's roles and responsibilities for protecting the health and safety of the people concerned.

The commitment is based on the desire to provide a working environment that protects and promotes the health of all workers, visitors and suppliers/contractors. The Policy applies to Italian banks, credit financial companies and special purpose companies belonging to the BPER Group.
As far as the monitoring process is concerned, the Safety Office carries out internal audits at Group Companies, verifying the correct application of the Policy guidelines and paying particular attention to Legal Entities for which the Safety Office does not also perform the role of Prevention and Protection Service. The Board of Directors identifies the Employer and grants the Employer delegated powers in health and safety matters. The Employer then assesses all risks and draws up the relevant DVR, formally appoints the Prevention and Protection Service Manager (PPSM) by letter of appointment, defines the structure of the BPER Group's Prevention and Protection Service and provides the guidelines for managing the protection of workers' health and safety.
In particular, the Policy has been outlined with the following principles in mind:

- protection of workers' health and psychophysical integrity (according to the definition of health provided by the World Health Organisation, which integrates this concept with the concept of well-being of the employee, through high-quality workspaces, equipment and processes);
- evaluation of "risk factors" and of "risk conditions" based on the provisions of Italian Legislative Decree no. 81/08;
- pursuit of the "precaution principle" based on the provisions of Art. 15 of Italian Legislative Decree 81/08, and Art. 2087 of the Italian Civil Code, aiming at the definition of company measures to improve the well-being of employees beyond the regulatory provisions.

The Policy is not only based on internal regulations, but also on Italian Legislative Decree 231/01 and the regulations and State/Region Agreements in force from time to time in the various disciplines (training, etc.) and is made available on the company intranet. In drawing it up, the interests of employees and all those who have access to BPER Group workplaces were taken into account to ensure their health and safety. Training for supervisors, letters of assignment and the Accident Register define behaviour and preside over accident management. In addition, the Employer's Delegated HR Function handles communications and reporting on accidents and illnesses.

Processes for engaging with own workforce and workers' representatives about impacts (S1-2)

In this section of the document, the processes of engaging the Group's own workforce are described with reference to material impacts.

Labour Relations and Worker Protection

In 2024, the BPER Group's relations continued to be based on the canons of fairness and loyalty to the trade unions and respect for the different roles that the parties play within the Group. The dialogue between the Bank and its people, also through trade union representatives, enables any difficulties, inconveniences or, should they occur, situations of abuse or harassment to be reported to the competent structures, whereby they can intervene in the most appropriate manner to protect the employee, while respecting the confidentiality of the information they have acquired. Further actions are also taken to ensure equal opportunities to all workers without distinction of age, gender, religious or political beliefs, as well as to ensure compliance with the BPER Group's Code of Ethics. At the Group and/or individual company level, joint company/trade union committees may also be set up on different topics of interest (e.g. welfare, equal opportunities, etc.), in order to maintain a focus and seek balance of different points of view.

The relations between workers and Corporate Functions seek to promote fair negotiations, without any discriminatory or disparate treatment, enabling a climate of mutual trust and constructive dialogue. This also applies in terms of trade unions, with a view to instilling a fair system of relations with as much consultation as possible. The Chief People Officer has the highest level of operational responsibility for ensuring that proper labour relations take place.
Resource involvement through their representatives is governed not only by law, but also by sector agreements, second-level agreements and the National Collective Labour Agreement (hereinafter also "CCNL"). In particular, the CCNL regulates when and how to carry out the information/consultation procedures for resources through the trade union representatives. In fact, the different situations that may arise each have specific timeframes for the duration of the procedure, elements to be discussed, as well as possible processes to be followed in the absence of the parties' agreement on the issues.
The BPER Group has always based its personnel management procedures on full respect for the rights of workers as provided for by law, by the CCNL and by company agreements and regulations. Numerous activities and operations have been carried out in compliance with the CCNL and several company and group agreements on which the company and workers' representatives have agreed over time. The implementation of several agreements continued in 2024, also as regards strengthening workers' rights (e.g. work-life balance agreements, strengthening corporate welfare, implementation of the solidarity time bank, provision of payments to support groups in greater need).
Lastly, at the Group and individual company level, agreements are in place with workers' and employees' representatives that include regulatory measures and specific economic disbursements for needy categories, which are even more favourable than those governed by the CCNL, for example: agreements for the activation of health and ancillary coverage, disbursements for single-income families, disbursements to resources with disabled family members, scholarships for children or student workers, protection in the event of relocation in the presence of specific family/personal situations.

Mobility and Change Management

In the BPER Group history, extraordinary transactions and organisational evolutions have been the initial trigger for management action, always conducted by seeking the best possible coupling between the role and the position and inspired by inclusive and development rationale, designed to build a new integrated cultural identity, as a collaborative outcome of the many aggregations performed. In this developing context, the growth of the BPER Group continues to be strictly linked to the professional development of individuals primarily driven not so much by territorial mobility, though it may at times being an enabling factor, but rather by professional and functional development. The key to employees' professional development is employability; for this reason, the Group continues to invest in training courses designed to develop it. All initiatives undertaken are aimed at ensuring adequate consideration of the needs and perspective of the workforce, in order to foster individual growth within the Group. Succession plans, completed and formally approved for all top positions, along with ordinary business needs,

are the main drivers that guide HR Management when choosing the development paths of each single employee, always inspired by compliance with the law and attention to development. To define mobility scenarios that optimise company objectives the People Management Department has a customised tool integrated with the Human Resources Information System ("HRIS") applications. By using advanced People Analytics' criteria and instruments in the Workforce Planning process, "what if" analyses and resource mobility simulations are conducted, dynamically adapting the organisational structure to the evolution of the company's personnel.
Workers are involved on a continuous basis, adapting to the mobility operations undertaken from time to time. Employees are invited to dialogue through the different modalities described in this section, and can request moments for discussion and proposal. Internal mobility management involves the entire company population, without distinction. However, the Group is committed to ensuring that special attention is paid to the individual needs of its employees, with the well-being of the individual always at the centre. Therefore, if an employee expresses a specific need, the Group is committed to acting as quickly as possible to adequately respond to the need expressed.
Finally, the Job Posting tool (voluntary applications for open positions), although not used on a regular basis, is also frequently used to support internal mobility: during 2024, some 100 internal postings were published and more than 1,000 applications were collected.

The Chief People Officer and, in particular, the People Management Department, are the Corporate Functions called upon to ensure the involvement of resources. Specifically, the objective entails matching the professional development opportunities of each employee with the productive oversight needs that each organisational unit must see fulfilled to ensure its functioning. With full knowledge of both business objectives and people, the HR Manager is able to activate the involvement of resources which are aligned in terms of the paths of individuals and promptly with respect to production needs, leading to mobility that generates evolution and professional and organisational change.

Engagement, Opinion Surveys, Climate Surveys

The Group implemented employee listening and engagement initiatives in 2024 with the aim of increasing the level of engagement, promoting corporate culture and values, and supporting the organisation and business in achieving objectives. In particular, on behalf of the CEO and with the support of the HR and Internal Communication Functions, the Group launched the "People Survey 2024 | Where listening begins, the future begins" in July 2024. It is a detailed internal organisational climate survey consisting of 67 statements and 2 open-ended questions, aimed at mapping employee well-being, stimulating timely feedback, intercepting any critical issues related to the working environment and proposing improvement action plans. The tool facilitated direct dialogue with workers, while guaranteeing the anonymity of responses.
The operational provision of the Survey, followed by the analysis activities and the preparation of Action Plans, was concerted between the Communication and HR Functions.
The People Survey was addressed indiscriminately to the entire corporate population, without differentiation or specific analysis of particularly vulnerable categories of employees. The initiative involved over 19,000 employees, with a participation rate of 76%. The engagement effectiveness was evaluated both in terms of participation and through an in-depth analysis of its results by Top Management and shared with all employees. The Chiefs received detailed reports on their own areas of responsibility and initiated widespread dissemination of the results through their direct reports, enabling a detailed analysis of the internal climate at all levels.
Furthermore, the engagement effectiveness was further measured through an analysis of the areas for improvement that emerged, which will be translated into specific Plans during 2025. In fact, on the basis of the results and analyses carried out, the Chiefs and Heads of Legal Entities submitted proposals for Group-wide Action Plans at the end of 2024. The managers of each Department were given a tool to plan bottom-up actions related to the main areas for improvement identified.

Employee engagement in the occupational Health and Safety Management System and Sportello di Ascolto (Listening Desk)

In the area of occupational health and safety, employees are involved in the development, implementation and evaluation of the occupational health and safety management system through training, information and specific questionnaires relating to certain risk categories. The Safety Office is responsible for collecting reports and input from workers concerning possible safety issues and for their involvement. Regular meetings are also held during the year, including with the Workers' Safety Representatives.
Activities of the "Sportello di Ascolto" (Listening Desk) continued in 2024, to help deal with malaise at work, managed by specialists outside the Group, as part of the prevention measures related to the risk of stress at work. The counselling service, active since 2016, is designed to offer BPER Banca employees:

- an opportunity for being listened: the worker is not left alone in search for solutions;
- acquisition of awareness of one's sources of stress;
- tools to increase one's ability to face and overcome a difficult situation.

Workers are directly involved in the process on an ongoing basis, whether through supervisors, emergency workers, workers in general or the Workers' Safety Representatives.

The effectiveness of work-related stress activities is evaluated through various initiatives, such as questionnaires and focus groups. In addition, analyses of homogeneous groups of workers who use video terminals are conducted through Work Sampling activities, which include direct observations in the field of the sample considered.
For all workplaces with employees with sensory and/or motor disabilities, two or more assigned mentors are appointed for each of them, with the task of assisting them in the event of accidental or emergency events. The tutors receive specific training and are involved in the preliminary meeting and emergency exercise.
Furthermore, since the beginning of the Covid-19 emergency, a psychological support service has been made available to all workers, which can be activated by e-mail and is publicised on the company intranet. Any interested employee can ask to be contacted by occupational psychologists and receive psychological support, in a context that guarantees maximum confidentiality.

Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)

Whistleblowing and Reporting

As recipients of "Code of Ethics", Group employees are required to report any violation, including well-founded suspicions, of national and European Union regulations (administrative, accounting, civil or criminal offences), of the Organisation and Management Model, labour contracts, of internal regulations or the "Code of Ethics", which they become aware of as part of their duties, even possibly connected to material negative impacts.
Any breach of the principles and provisions contained in the "Code of Ethics" must be promptly reported in writing, preferably not anonymously, to the Supervisory Body or, in the case of reports by employees, to the Head of the Office/ Service/ Department/ Division to which the employee belongs, who, in turn, will inform the Supervisory Body.
More specifically, the BPER Group has adopted an internal system for reporting violations, which takes into account the innovative aspects introduced by Italian Legislative Decree 24/2023 (known as the "Whistleblowing Decree") to directly report, under the assurance of the strictest confidentiality, any unlawful conduct held within the Group. For more details, please see the description provided in the disclosure requirement "Business conduct policies and corporate culture" (G1-1).

Management Listening and HR Managers

The BPER Group promotes and encourages people listening initiatives to build a positive and inclusive culture based on trust and shared values, with a view to generating value and innovation while also attracting and retaining talents. Listening to employees is based on standards that include the definition and management of models and tools for listening to the company's population with a structured approach, as well as the planning of interviews to feed the personnel management strategies with data and gather evidence to improve processes. Management listening makes it possible to acquire and update information on the resource, in particular related to the level of satisfaction and professional and personal needs. Together with the performance evaluation and measurement of the potential expressed, management listening is a key tool for assessing the effectiveness of any measures taken. Indeed, it is believed that the information gathered through such interviews allows the Group to build the best development perspective for each employee.
The tool's effectiveness is also periodically evaluated by continuously monitoring employee satisfaction levels, reviewing the feedback collected and analysing improvements in processes and organisational well-being.

In fact, each employee can make use of a specific channel - the HR Manager - in order to communicate objectives, expectations, needs, problems, proposals to the company, knowing that they always have an active channel at their disposal, which is bound to respect the confidentiality of the information assets they have and with which they work.
Employees can choose among several channels should they wish to file complaints or reports regarding problems encountered at work. They can be made orally or in writing, addressing one's Organisational Unit Manager, HR Manager or their hierarchical chain, up to the Chief People Officer. All complaints are first analysed for the purpose of identification, and then dealt with effectively and pertinently by acting in a timely manner, when necessary.
In order to promote a collaborative and productive working environment, as well as to stimulate the correct and effective management of relations, the BPER Group is constantly engaged in creating communication plans for its employees, with which adequate publicity and proper knowledge of the processes and tools available is guaranteed.
In particular, BPER declares its willingness to listen, using internal communication channels to specify the model by which it is inspired and the functions that apply it. In particular, each employee can benefit from the partnership of the People Management Department, within which HR Managers operate who are suitably trained to effectively oversee the assigned areas; efficiency is guaranteed by the measured and sustainable portfolio of resources managed.
Each manager becomes HR Business Partner (hereinafter also "HRBP") of the resources they accompany; this partnership starts with the first interview and is nourished by the subsequent interviews, as well as by any further moments of contact with the resource, even indirectly. For instance, the moments of sharing between the HR function and the hierarchical chain called upon to coordinate the work of the employee, to assess the performance provided and to report any potential expressed are all fundamental aspects.

Health and Safety, Work-related stress detection and Sportello di Ascolto (Listening Desk)

All the Corporate Functions of the Group Companies, thanks to the communication and training activities promoted, are aware that the "Group Policy for governing the risk of non-compliance with occupational health and safety regulations" constitutes a common and shared Guideline. In this area, decision-making unity is ensured by the Employer, who is responsible for defining, implementing and monitoring the company's prevention management system. The Group Companies annually update the risk assessment on occupational health and safety, which is then formalised in the Risk Assessment Document (DVR).
With the aim of involving and empowering the management bodies on the basis of the principle of effectiveness, there is also a system of delegation and responsibility whereby each delegate is responsible for adopting preventive and improvement measures specific to his or her area of responsibility. The proxies in question are the Chief People Officer, the Head of the Real Estate Department, the Organisation Department and the Heads of the following Services: Security & Business Continuity, Property & Facility, Procurement Centre. All the Group's employees as well as "workers" (as defined in Art. 2 of Italian Legislative Decree 81/08) are considered in the (non-certified) Occupational Health and Safety System, which is internally audited.
Furthermore, the Group has adopted a specific process to protect workers' health and safety, aimed at detecting work-related stress. It consists of two phases:

- a preliminary assessment, consisting of the detection of objective, verifiable and, where possible, numerically appreciable work-related stress risk indicators and the identification of risk containment measures where the indicators are at critical levels;
- an in-depth evaluation, if at the end of the preliminary assessment phase it is found that the corrective measures taken were ineffective.

The process of assessing and managing the risk of work-related stress involves the effective involvement of company management. In particular, the project's progress is discussed periodically with the Employer's Delegate and the relevant Corporate Functions.

The control and monitoring of the issues raised are assessed at the annual work-related stress meeting, from which improvement measures defined by the Employer may be derived. These are ensured through the preparation of quarterly reports by the Listening Centre, circulated to the HR Function. Workers are informed of the results of the actions taken through the periodic publication of snippets of information on the BSpace portal.

Workers can report hazards via the company intranet, by e-mail to the Safety Office, or by contacting the Workers' Safety Representative (or WSR - a trade union-guaranteed figure required by law). Anonymity is assured in the fulfilment of the reporting obligation. In addition, employees can turn to the "Sportello di Ascolto" (Listening Desk). For more details, see the disclosure requirement "Processes for engaging with own workforce and workers' representatives about impacts" (S1-2).

If a safety level is lowered, the assigned Supervisor must inform the company's Prevention and Protection Service ("PPS") through the available channels. The PPS records all reports from the WSR, indicating the subject of the report, the function responsible for its resolution and the outcome of the report. With reference to BPER Banca, the use of a specific ticketing system (BHelp) is also envisaged for this purpose. In the event of anomalies or delays in resolving critical issues, the assigned Supervisor has the power to directly involve the Safety Office in order to raise the awareness of the competent functions and monitor the problem's effective resolution.

The existence of the above-described processes by employees is ensured both through communications in the BSpace channel and through the WSRs and Supervisors.

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

Through the processes and management methods described below, the Group is committed to monitoring and minimising the effects related to negative impacts and reinforcing those related to material positive impacts in terms of working conditions. These areas are managed by the appropriate HR and Safety structures, which work on a daily basis to ensure organisational consistency and the correct implementation of commitments made through policies, management systems and contractual agreements, to protect all workers.

With regard to the impact on occupational health and safety, the Group has continued to pursue its commitment to preventing, mitigating and managing it.
As of 2022, a path has been set in motion towards obtaining and achieving "Quality Certification" in accordance with UNI ISO 45001. The Gap Analysis phase carried out with the support of an accredited external company was completed in 2023, while in order to achieve certification in 2025, a review of the company's processes and policies was carried out in 2024, with particular attention to:

- revision of procedures related to the Delegates in order to improve occupational health and safety results pursuant to Italian Legislative Decree 81/08, with a specific focus on the company areas most involved, mainly related to Human Resources and Logistics;

- strengthening the monitoring processes of the safety management system through the involvement of internal managers and external auditors.

BPER works to manage the impact of occupational accidents and illnesses through the systematic maintenance of its “Health and Safety Management System”.
With respect to Non Conformities (NC) or Observations (OSS) detected during the year, the Group intervenes with specific corrective actions in order to remove the cause. The following is particularly envisaged:

- definition of an intervention plan regarding the actions to be taken and their timing;
- monitoring the implementation of what was planned, with subsequent closure of the phase.

The corrective actions taken are recorded in the appropriate ‘Non Conformities and Corrective Actions Register”:

- the description of the Corrective Actions in relation to the scope of application;
- the implementation manager;
- the resolution date.

Furthermore, the system envisages the identification and implementation of a process based on the definition of risk assessment criteria and the consequent implementation of prevention and protection measures. The action plan on health and safety in the workplace consists of the objectives envisaged by the aforementioned principles, particularly:

- developing qualified risk analysis and assessment methods that enable identification of the appropriate prevention measures;
- identifying all risks in the work environment, with particular regard to the possible impacts on the categories of most vulnerable employees;
- participating in the creation of organisational procedures for the systematic planning of all measures aimed at ensuring improvement in the safety levels and in the codes of conduct over time;
- building synergies with the personnel department, essential for successfully disseminating the health and safety policy;
- improving the efficacy of intervention plans by identifying organisational procedures and responsibilities and assigning specific tasks to each department and employee, in the overall risk prevention organisation plan.

Should elements emerge that change the initial assumptions, the possibility of redefinition, suspension or cancellation of ongoing Corrective Actions is envisaged, with appropriate justification. With the aim of monitoring and evaluating the effectiveness of the actions and initiatives undertaken to achieve the aforementioned certification, the certifiers require reports to be drawn up and carry out periodic inspections to verify compliance with the requirements of ISO 45001, as well as organising quarterly meetings attended by the Workers’ Safety Representatives, considered key figures directly involved in the monitoring and improvement of the safety management system and in the certification process itself.
In addition, Group companies annually update the assessment of risks to workers’ health and safety, formalised within the DVR, as well as drafting and updating internal reference regulations and Emergency Management Plans.

As regards the potential impact relating to the rights connected with freedom of association, the BPER Group recognises the trade unions as the legitimate expression and representation of workers’ needs and undertakes to maintain and consolidate a participative and collaborative relationship with them. Therefore, also during 2024, the social parties continued to meet regularly on all issues requiring discussion, including aspects related to the analysis and verification of working conditions. For the purpose of monitoring and advancing proposals related to the improvement of working conditions, specific joint committees are envisaged within the Group.

In order to instead give rise to positive impacts for its own workforce related to working conditions, the BPER Group implements several actions and initiatives, promoting a strategy aimed at enhancing individual well-being. This is implemented through the provision of welfare services and the pursuit of the objectives of work-life balance and protection of occupational health and safety. Under the legal, contractual and negotiation provisions, the BPER Group promotes solutions to facilitate balance and better management of the employees’ personal lives with the Company’s organisational needs, These include policies on parenting, forms of flexible remote work, part-time work or other solutions identified also according to the regulatory framework. In addition to simple monetary remuneration, the following are also offered:

- corporate benefits, including health insurance, pension plans, meal vouchers, life and disability insurance, etc.;
- welfare plans, for example family services, corporate nursery, contributions for child education, mobility support, etc.;
- other well-being solutions: for example, health and well-being programmes, nutritional counselling, psychological support, mental health counselling, etc.;
- programmes for non-monetary rewards and awards.

The Group assesses and schedules specific actions for work-life balance, including through specific dialogue and listening sessions for the company’s population.

With reference to actions aimed at mitigating significant risks related to its own workforce (including the risk related to lawsuits brought by employees on matters concerning working conditions and arising from possible health and safety disputes), the BPER Group has adopted policies consistent with the Consolidated Safety Act and the new "Policy for the management of human resources" of 2024 that is described in the section Policies related to own workforce. On the subject of litigation, with regard to actions aimed at mitigating the risks of operational losses attributable to lawsuits brought by personnel, the Bank has a dual approach. It seeks to intercept situations of "unease", with considerable efforts made to prevent litigation in court through out-of-court management, also by using protected conciliation, which mitigates the risk of prejudice. When litigation is impossible to avoid, recourse is made to settlement dynamics that reduce the impact of a possible loss and strengthen the relationship with the resource while they are still in service.

The actions described under "Working Conditions" are implemented in line with the objectives set out within the "ESG Policy" as well as the Sustainable Development Goals of the Global Agenda for Sustainable Development (UN 2030 Agenda), approved by the United Nations in September 2015. In particular, the Group can contribute to Sustainable Development Goal (SDG) 8 "Decent work and economic growth".

Actions related to Health and Safety

After the pandemic emergency passed, the BPER Group maintained certain precautions to protect workers' health and safety. In particular, remote work opportunities continued, with a focus on the fragile and super-fragile, distancing, appointments at branches for consultancy stations. Furthermore, the system envisages the identification and implementation of a process based on the definition of risk assessment criteria and the consequent implementation of prevention and protection measures. The action plan on health and safety in the workplace consists of the objectives envisaged by the aforementioned principles. For each identified risk (for example the risk of robbery or the risk associated with work stress), a description is provided of the prevention and protection measures adopted and of the measures to maintain the level of risk and those for improving work conditions.
In 2024, more than 500 Safety and Security risk assessment inspections were carried out and a total of 2,723 visits were made.

The Head of the Prevention and Protection Service (RSPP) plays a crucial role in Health and Safety management; he/she annually verifies the achievement of expected results, as formalised in the DVR, by preparing specific reports and defining periodic work plans. On the basis of the results arising from specific assessments (for example inspections at the branches, environmental monitoring, assessment of robbery risk), the Group updates the plan of activities to be carried out. This improvement plan is formally reported every year as part of the DVR review.

Specific courses were conducted in 2024 on the risks managed in the emergency management plans. Specifically, they regarded: general training of workers and Officers, special training of Managers, training and updating Employees responsible for fire safety on sites with low fire risk, Employees responsible for fire safety on sites with medium fire risk, First Aid Officers, First Aid Update, Automated External defibrillator AED operators, Update of Safety Workers' Representatives, Update for Workers, Officers and Managers.
The mandatory training courses required by the 2016 State-Regions Agreement were also delivered.

Prospectively, in order to improve workplace health and safety, worker well-being and reduce accidents, in addition to obtaining the SGSL UNI 45001 Management System certification in 2025, monitoring of the main risks identified by the DVR will continue and the work-related stress risk assessment will be updated. Moreover, the provision of courses for disabled workers and the delivery of e-learning courses for the emergency manager and floor evacuation officers, as well as the monitoring of occupational health and safety reports, are also planned.

The actions described are of a preventive nature and concern all employees working in the Group's branches in Italy, as well as workers (as defined in Art. 2 of Italian Legislative Decree 81/08), considered in the Occupational Health and Safety Management System (not certified), subject to internal audit.
The planning of the prevention and protection measures to be implemented is updated and verified on a regular basis by monitoring the action plan established by the Employer and shared with the responsible Corporate Functions. In particular, the planning of the measures to be implemented to reduce risks is assigned to the Company or Group Functions involved in the safety management process, each for what is within their remit, based on the proxy system and the assigned responsibilities.

The Welfare and Work-Life balance Plan

In line with the objective of increasing individual well-being enshrined in the "Policy for the management of human resources", on 27 November 2024 an agreement was signed by BPER Banca, also in the name and on behalf of Banco di Sardegna, Banca Cesare Ponti, Bibanca, BPER Factor and Sardaleasing, and the Group trade unions. Among other provisions, for the next three years it governs the provision of health insurance with the introduction of a prevention package (called Check up) and the coverage referred to the Professional and Extra-Professional Accident policy, premature death and permanent total disability (from illness or accident), Long Term Care (additional to that already provided by the current CCNL), as well as compensation in the event of illness/accident that terminates the employment relationship.

The Welfare Plan of the BPER Group consists of:

- benefits for which the company bears the cost, including the supplementary pension Fund, a supplementary pension established according to the defined contribution scheme to which the employee also contributes, health and dental policy, long-term care, coverage for accident risks, coverage in the event of early death of total or permanent disability, electronic meal vouchers and personnel conditions; within the Group there are housing allocations, company cars for mixed and shared use;
- paid leave to be used for specific cases linked to work-life balance (for example, for the birth of a child, an urgent hospitalisation/ operations assistance, to introduce children to nursery school and kindergarten) also by using the "time swap bank" and the additional days of unconstrained leave for specific requirements that are partially paid;
- benefits provided by the company that the employee can purchase for themselves or their family using the a.k.a. "Welfare Credit" (consisting of the company bonus allocated by the employee to welfare and other "on top" welfare payments) such as reimbursement of family education and assistance expenses, supplementary health backpacks, payments to the pension Fund for themselves or their dependants, reimbursement of public transport passes, purchase of shopping vouchers and petrol, vouchers for recreational, sports, cultural activities, etc.

It should also be noted that with reference to the fiscal year 2024, the Budget Law envisaged an increase in the tax exemption threshold for fringe benefits, within the overall limit of Euro 1,000. This limit was raised to Euro 2,000 for employees with dependent children for the year 2024. Through the services opened on the welfare portal, colleagues were able to benefit from these tax breaks with the reimbursement of household utilities, the purchase of shopping vouchers and fuel vouchers. In order to promote employee well-being, work-life balance and gender empowerment, the "Active Welfare" project launched in 2023 continued in 2024 with a listening survey addressed to all Group employees. It sought to identify the needs of the corporate population and map solutions and services that can be activated in line with best practices and sector regulations.
Finally, with the aim of providing employees with increasingly innovative and cutting-edge services, an evolutionary roadmap of welfare benefits was identified in 2024. It has already involved the development of the corporate welfare portal, also through the replacement of the relevant provider.
The Welfare Plan is applied, in addition to the Parent Company, to the employees of Banco di Sardegna, Bibanca, Finitalia, BPER Factor, Sardaleasing and Banca Cesare Ponti.
A total of 11 months of parental leave (equal to 44 weeks of leave, of which 20 weeks are compulsory and 24 optional) is granted to caregivers or the main parent, as set out by current legislation. Caregivers or secondary parents are instead given 10 days of compulsory leave and a maximum of 6 months of optional parental leave (equal to 25 weeks of leave in total, of which 1 compulsory and 24 optional), in addition to possible second-level provisions that could regulate further benefits. Moreover, for parents within a homosexual couple for whom the current legal dispositions and the CCNL do not allow access to permissions such as paternity leave, parental leave, breast-feeding allowances, leave for a child's illness, BPER Banca and Banca Cesare Ponti grant, at their own expense, the same treatment according to the provisions in force at any one time for working fathers. The Welfare Plan has always been an integral part of the BPER Group's planning and is therefore continuous over time.

Work from home
Ordinary remote work continued in 2024, in line with the provisions of the CCNL. At Group level, more than 6,000 employees belonging to the Centre and Semi-centre facilities have the possibility to work at home thanks to the signing of an individual agreement that allows them to take advantage of 10 days per month of work from home, to be carried out at their residence or domicile, or at another location authorised in advance, thus contributing to the reduction of mobility.

"Top Employer Italia 2025" Certification
As further confirmation of the Group's commitment in the field of HR to enhancing the value of its personnel, for the sixth consecutive year BPER Banca confirms its "Top Employer Italia" certification for 2025 related to data from 2024: this is attested by the Top Employers Institute, which every year identifies companies that offer excellent working conditions to their personnel, identify and develop the best talents and constantly strive to optimise their management and organisational processes.

Characteristics of the undertaking's employees (S1-6)

All the metrics presented in relation to the S1 standard have not been independently audited by an external body. The own workforce data are headcount data.

Information on the number of employees by gender

Gender	31.12.2024 Number of employees (headcount)
Women	9,310
Men	10,222
Other	-
Not reported	-
Total employees	**19,532**

This is the consolidated figure of all Group Companies as at 31 December 2024 and corresponds to what is reported in the Financial Statements, with the exclusion of expectations, which are only considered for Sustainability Statement purposes.

Number of employees in countries where the undertaking has at least 50 employees representing at least 10% of its total number of employees

Country	31.12.2024 Number of employees (headcount)
Italy	19,495

Information on employees by contract type, broken down by gender (headcount)

Employees	Women	Men	Other	Not reported	31.12.2024 Total
Permanent employees	9,226	10,162	-	-	19,388
Temporary employees	84	60	-	-	144
Non-guaranteed hours employees	-	-	-	-	-
Total employees	**9,310**	**10,222**	**-**	**-**	**19,532**
Full-time employees	7,120	10,100	-	-	17,220
Part-time employees	2,190	122	-	-	2,312

Employee turnover rate

	31.12.2024
Number of outbound employees	1,527
Employee turnover rate	**7.82%**

The figure refers to the number of outbound employees as at 31 December 2024, excluding inter-company transfers. The turnover rate is calculated as the number of outbound employees as at 31 December 2024 (on a voluntary basis or due to dismissal, retirement or death in service) out of the total number of employees as at 31 December 2024.

Characteristics of non-employee workers in the undertaking’s own workforce (S1-7)

Characteristics of non-employee workers in own workforce

	31.12.2024
Total non-employee workers	**209**
of which self-employed	12
of which internships	32
of which number of workers provided by undertakings engaged in employment activities (contract workers)	165

The figure refers to all Group companies, counting the number of non-employee workers as at 31 December 2024.

Collective bargaining coverage and social dialogue (S1-8)

Percentage of employees covered by collective bargaining agreements

	31.12.2024
Percentage of employees covered by collective bargaining agreements	**99.97%**[89]

Collective bargaining agreement coverage and social dialogue

	Collective bargaining agreement coverage		Social dialogue
Coverage rate as at 31.12.2024	**Employees - EEA (for countries with >50 empl. representing >10% of total empl.)**	**Employees - non-EEA (estimate for regions with >50 empl. representing >10% of total empl.)**	**Workplace representation (EEA only) (for countries with >50 empl. representing >10% of total empl.)**
0-19%			
20-39%			
40-59%			
60-79%			
80-100%	Italy		Italy

In addition to the Credit CCNL, the Group applies the CCNL for logistics, goods transport and shipping for Modena Terminal employees, and the ANIA (insurance) CCNL insurance contract for Finitalia.
The rules laid down by Italian law (in particular Law 300/1970) are applied, as well as the agreements envisaged at sector level and second-level rules regarding workers' representatives.

Adequate wages (S1-10)

The Group is committed to ensure equal professional opportunities and remuneration, through the use of neutral, objective and inclusive criteria for the assessment of performance, based on the recognition of skills, experience, performance and professional qualities. Market analyses and comparisons are constantly carried out in order to verify and guarantee equal pay in line with the role performed, the complexity managed and personal merit. In particular, all Group employees receive an adequate salary in line with the applicable benchmarks. For data on the coverage of collective bargaining agreements, please see the disclosure requirement "Collective bargaining coverage and social dialogue" (S1-8).

Social protection (S1-11)

All Group employees are covered by social protection, through public programmes or benefits offered by the company against loss of income due to a major life event.

Health and safety metrics (S1-14)

Occupational health and safety metrics

	31.12.2024	
	Employees	**Non-employees**
Percentage of own workers covered by the health and safety management system	100.00%	100.00%
Number of fatalities as a result of work-related injuries and work-related ill health	-	-
Number of recordable work-related injuries	49	-
Rate of recordable work-related injuries	1.65	0.00
Cases of recordable work-related ill health	-	-
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	1,393	-

89 The lack of full coverage by collective bargaining agreements is due to the presence of a foreign company (BPER Luxembourg).

Work-life balance metrics (S1-15)

Percentage of employees entitled to family-related leave by gender

Family-related leave	Women	Men	Other	Not reported	31.12.2024 Total
Percentage of employees entitled to take family-related leave	100.00%	100.00%	-	-	100.00%
Percentage of entitled employees who took family-related leave	60.09%	40.50%	-	-	49.84%

Incidents, complaints and severe human rights impacts (S1-17)

In 2024, an incident and related complaint of workplace harassment was received through the channels provided.
No administrative sanctions were applied.
The incident was examined through internal processes and an action plan was completed by 2024. The plan concerned disciplinary measures, initiated through an internal process.
The Group has not received any workplace reports relating to human rights from its workforce, nor relating to forced or child labour. No administrative sanctions were applied.

3.1.2 Equal treatment and opportunities for all

Polices related to equal treatment and opportunities for all (S1-1)

Policy on diversity, equity and inclusion in the Corporate Bodies and in the company population of the BPER Banca Group

The "Policy on diversity, equity and inclusion in the Corporate Bodies and in the company population of the BPER Banca Group" (hereinafter also referred to as the "D&I Policy") describes the policies, guidelines and principles adopted and the commitments that the Group intends to make to promote inclusion and equal opportunities within its own organisation, which includes the Corporate Bodies, subsidiaries and all company personnel.
Taking into account the legal and regulatory sources, the recommendations of the Code of Corporate Governance, the Articles of Association and BPER's "Code of Ethics", through this Policy, the BPER Group undertakes to operate with reference to the following key principles:

- to promote an inclusive culture towards all stakeholders of the Group, which identifies in diversity the ability to strengthen skills and a competitive advantage at every level of the corporate structure;
- to guarantee equal opportunities and treatment in every phase of life in the company (joining, training, assessment, professional development and remuneration);
- to guarantee balance in selection processes (internal and external) and promotion based upon merit, without discrimination or distinction;
- to structure training courses aimed at supporting professional growth and an increase in skills, covering aspects of diversity also with a view to contributing to cultural change;
- to assess every collaborator and to promote their professional development following approaches based upon objective, neutral and inclusive criteria;
- to guarantee remuneration and incentives based upon equity, excluding any penalisation related to diversity factors;
- to implement working methods that facilitate a work-life balance, in recognition, protection and respect of requirements linked to the various periods of life of its employees.

Given its characteristics, the Policy is linked to all the BPER Group's material impacts, risks and opportunities related to the sphere of "Equal treatment and opportunities for all" and establishes, through the Functions concerned, that management models useful for implementing the initiatives and objectives identified by the Board of Directors shall be defined, including structuring the periodic monitoring process aimed at verifying and analysing the progress of the actions undertaken.
In addition to the legislation in force from time to time, the Policy refers to the main applicable national and international regulations and agreements, including the Corporate Governance Code of listed companies; the Principles of the UN Global Compact, the Universal Declaration of Human Rights, the ABI-Trade Union Organisations Joint Declaration on harassment and gender-based violence in the workplace and the ABI Document "Women in Banks Charter: developing gender diversity".

The interests of employees, who were involved in the company's "A pari merito" (Equal Merit) programme through focus groups, thematic workshops and listening initiatives, were taken into account when defining the D&I Policy. Moreover, the Group examines, analyses, assesses and plans actions targeted at achieving this balance also through specific discussion periods with workers' representatives at company level or in groups meeting in specific committees. These include the Equal Opportunities Commission, which brings together company and trade union organisations for the joint analysis and evaluation of equal opportunities issues. The issues under consideration include initiatives to develop women resources, work-life balance policies and training plans.

The Policy is publicly available on the BPER Group's website as well as on the company intranet for employees.

In general, the D&I principles and projects are the focus of internal and external communication initiatives that provide updates to employees, customers and key stakeholders. In particular, they are disseminated through the Group's institutional website within a specific D&I section, or through the corporate intranet channel.

The principles and commitment described above are also the basis for recruitment, placement, training and advancement at all levels and are set out in the D&I Policy and the "Policy for the management of human resources". More specifically, selection is based on the assessment of the knowledge acquired through education and the professional and technical skills accumulated and highlighted in the curriculum vitae and/or professional path in the company. Decisions on selection and recruitment are based on merit, skills and capacity to carry out the role, without discrimination based on gender identity, age, disability, state of health, ethnicity, geographical origin, sexual orientation and identity or political ideologies. In promoting the professional development of individuals and assessing each collaborator, the Group is committed to adopting objective, neutral and inclusive criteria that take account of performance, professional profile, organisational role and potential, respecting personal peculiarities. More specifically, the Group undertakes to strengthen and support gender equality in appointment processes and, more particularly, those regarding key managerial roles.

The Board of Directors is the promoter and guarantor of the dissemination, within the BPER Group, of the culture of diversity, equity and inclusion, both within the Corporate Bodies and in the whole company population. The CPO is responsible for implementing the policies and guidelines on diversity, equity and inclusion, with particular regard to the company population, and defines management models useful for implementing the initiatives and objectives identified by the BoD, structuring the periodic monitoring process of performance.
In 2024, the ESG Management Committee, in which the C-Levels of the Parent Company participate, expanded its responsibilities by taking over the tasks of the Gender Equality Steering Committee, according to the UNI/PdR 125:2022 Guideline.

In promoting the professional development of individuals and assessing each collaborator, the Group is committed to adopting objective, neutral and inclusive criteria that take account of performance, professional profile, organisational role and potential, respecting personal peculiarities. More specifically, the Group undertakes to strengthen and support gender equality in appointment processes and, more particularly, those regarding key managerial roles. The training offer is one of the main drivers of personal and professional growth of the whole company population and it constitutes a key element for promoting cultural change in the perspective of diversity, equity and inclusion, reducing the gaps that currently exist in that area. Therefore, the Group promotes a series of training activities aimed at favouring equality of learning and awareness-raising campaigns on aspects of diversity and on the culture of inclusion, both in the management of everyday life and for the development of leadership. The "Three-Year Operational Plan for the enhancement of gender diversity" includes specific initiatives aimed at middle and senior management, such as the Diversity coaching programme aimed at the Group's executive roles and the inclusion of training content focused on identifying and removing biases and prejudices. In addition, several internal and external communication initiatives have been carried out to raise awareness of various Diversity & Inclusion issues, such as, "Insieme per le Donne" (Together for Women), "Oltre il Rosa" (Beyond Pink), "Donne al Quadrato" (Women Squared), "Present4Future", and financial education courses in schools.

In order to ensure transparency and promote equal opportunities for all workers, the BPER Group has adopted a system for managing employment data throughout the employee's life cycle. The management platform is available to all users and gives employees access to data on their employment history, the company's training offer as well as their performance management charts and incentive systems in general, ensuring fairness and transparency in the use of information. The "Career site" and internal "Job Posting" initiative are also integrated into the platform, which allows users to consult the positions sought within the company.

Each resource may report conduct that does not respect the prohibition of harassment in any form whatsoever and unwanted behaviour considered offensive to personal dignity, gender diversity and capable of creating an intimidating, hostile and humiliating climate. This can be done through the same channels as for other reports, such as written complaints, or direct communication to the resource in question. If the reported conduct merits disciplinary proceedings, suspension or expulsion measures may be taken. The Group implemented awareness-raising measures on reporting harassment in 2024 by publishing a specific guide. Any employee who believes they have been the victim of violence or harassment, whether physical or verbal, suffered in the workplace may report such incidents:
- via the Whistleblowing platform, which is discussed in more detail in disclosure requirement "Processes to remediate negative impacts and channels for own workforce to raise concerns" (S1-3), made available to the Group in fulfilment of the provisions of Italian Legislative Decree 24 of 10 March 2023.
- through any other channel available from time to time at each Group company.

Where conduct carried out in the workplace in accordance with the above definitions is confirmed as constituting a disciplinary offence, the procedure set out in Art. 7 of Italian Law 300/70 will be initiated, and the measures specified in the current CNL for the sector will be applied. The Group Company involved will also consider any action to protect itself and the psychophysical integrity of the persons involved, including recourse to the competent Courts. The Group is committed to implementing and constantly updating the highest organisational and management standards to prevent similar situations from recurring.

The issues of gender equality, equal pay for work of equal value, training and skills development, employment and inclusion of people with disabilities, measures against workplace violence and harassment and diversity are addressed transversally within the "Code of Ethics" and in the "ESG Policy" and the Group's Remuneration Policies. In particular, within the "Policy on diversity, equity and inclusion in the Corporate Bodies and company population of the BPER Banca Group", the Group is committed to protecting and promoting equal treatment in terms of:

- age and seniority in the role: BPER Banca considers that diversification in the age of its members guarantees different experiences and perspectives, which are useful for encouraging profitable discussions within the Corporate Bodies. It is therefore desirable for the Board of Directors and the Board of Statutory Auditors to contain a balanced combination of representatives belonging to different age brackets and seniority in the role;
- recruiting and selection: in order to promote diversity, the BPER Group is committed to providing a diverse panel of recruiters and adopting stringent assessment criteria aimed at eliminating any possible discrimination related to gender or other individual characteristics, at all stages of the process. Decisions on selection and recruitment are based on merit, skills and capacity to carry out the role, without discrimination based on gender identity, age, disability, state of health, ethnicity, geographical origin, sexual orientation and identity or political ideologies;
- training initiatives: the training offer is one of the main drivers of personal and professional growth of the whole company population and it constitutes a key element for promoting cultural change in the perspective of diversity, equity and inclusion, reducing the gaps that currently exist in that area. Therefore, the Group promotes a series of training activities aimed at favouring equality of learning and awareness-raising campaigns on aspects of diversity and on the culture of inclusion, both in the management of everyday life and for the development of leadership;
- professional development paths and talent management: in promoting the professional development of individuals and assessing each collaborator, the Group is committed to adopting objective, neutral and inclusive criteria that take account of performance, professional profile, organisational role and potential, respecting personal peculiarities. More specifically, the Group undertakes to strengthen and support gender equality in appointment processes and, more particularly, those regarding key managerial roles;
- remuneration policies: the BPER Group adopts Remuneration and Incentive Policies based upon equity, meaning remuneration coherence between comparable roles and responsibilities, and on the assessment of merit. In particular, it monitors the gender pay gap, in order to undertake any corrective actions on the population involved.

This Policy is also directly applied in the selection and onboarding phase. The commitments described are implemented through specific procedures, aimed at avoiding the occurrence of discriminatory episodes on the basis of gender identity, age, different abilities, state of health, ethnicity, geographical origin, sexual orientation and identity or political ideologies in such processes; this is implemented through the use of neutral titles and terms, maintaining gender balance, based on the actual availability of profiles in the labour market for the shortlist of candidates and hiring on the basis of merit.

Moreover, the BPER Group implements, at statutory and/or regulatory level, mechanisms that guarantee, within the Board of Directors and the Board of Statutory Auditors, the presence of a number of representatives of the less represented gender at least equal to that envisaged by the legislation in force. Furthermore, in line with what the recommendations of the Supervisory Provisions, it is desirable that:

- the roles of Chair of the Board of Directors, Chair of the Board of Statutory Auditors, Chief Executive Officer and General Manager of BPER are not covered by persons of the same gender;
- in the Committees, at least one member belongs to the less represented gender. With regard to the Corporate Bodies of the Subsidiary Companies, the General Guidelines establish the minimum share of members belonging to the less represented gender that must be present within the same.

In 2024, as part of the initiatives to raise awareness of harassment and to ensure the protection of individuals, "Guidelines for combating workplace harassment and violence" were published, with the aim of providing a clear and structured guide for recognising, preventing and managing cases of workplace harassment. The Guidelines main contents include:

- how to recognise violence and harassment: the section describes undesirable practices and behaviour that fall within the categories of violence and/or harassment; examples include offensive expressions, bullying, mobbing, physical violence, stalking and gender-based violence;
- report management: a structured process for reporting harassment is in place, ensuring protection and confidentiality for victims and witnesses, preventing retaliatory acts;
- victim protection: the BPER Group is committed to protecting victims of harassment, guaranteeing their privacy and promptly investigating reports;
- victim support: the BPER Group offers psychological support through services such as a dedicated toll-free number, guaranteeing the confidentiality of discussions.

The above-mentioned Policy specifically covers the grounds for discrimination covered in the Guidelines. In particular, the Group works to foster a broad dissemination of the culture necessary to ensure an inclusive environment within its organisation, namely one that does not discriminate on the basis of gender, age, different abilities, health status, ethnicity, geographical origin, sexual orientation and identity or political ideologies.

With regard to the processes and channels adopted by the Group to remediate negative impacts related to its own workforce, please refer to what has been described above under the disclosure requirement "Processes for engaging with own workforce and workers' representatives about impacts" (S1-2) and "Processes to remediate negative impacts and channels for own workforce to raise concerns" (S1-3), with the exception of what relates to occupational health and safety.

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

Actions related to equal treatment and opportunities for all

With regard to material impacts relating to its own workforce, and in particular with reference to remuneration policies, the Group is committed to ensuring equal professional opportunities and remuneration through the use of neutral, objective and inclusive criteria for the assessment of performance, based on the recognition of skills, experience, results and professional qualities. Also in order to comply with the regulatory obligations set forth in Bank of Italy Circular 285/2013, in addition to annual monitoring, analyses are conducted to verify the effective application of the principle of gender-neutrality in remuneration policies, also taking into account the role played, the complexity managed and personal merit. By monitoring remuneration-related data as a whole (also through constant comparisons with the market) and intervening in processes, particularly the annual salary review process, the Group - taking into account the specific nature of each Legal Entity - monitors and works to redirect any actions that are inconsistent with company policies and reference legislation.
As of 2022, the Group has equipped itself with a granular analysis model for role-related remuneration data with the support of the WTW external consultant. Any deviations and impacts that are inconsistent with the regulatory framework related to inclusion and diversity are managed through the "Operational Plan for Gender Diversity Enhancement" (see the dedicated section, which describes the main actions undertaken in 2024 for the enhancement of gender diversity, aimed at generating positive impacts for the Group's workforce). In the process of obtaining UNI/PdR 125:2022 Gender Certification, which was successfully concluded in 2024, analyses were carried out on the specific KPIs envisaged by the practice for assessing pay equity between men and women within organisations, also with the support of IDEM's Mind The Gap consultancy, as well as on the processes and controls in use at the bank with regard to diversity and inclusion. For more details regarding the initiatives undertaken to remediate the Group's actual material impacts, please refer to the description in the disclosure requirement "Polices related to equal treatment and opportunities for all" (S1-1).

In this context, the Board of Directors is the promoter and guarantor of the dissemination, within the BPER Group, of the culture of diversity, equity and inclusion, both within the Corporate Bodies and in the whole company population. In particular, to this end and with the support of the competent Committees, it approves not only the Group's Policy on Diversity, Equity and Inclusion in the Corporate Bodies and in the company population, but also the Three-Year Operational Plan for the enhancement of gender diversity, appoints the members of the Corporate Bodies of the Subsidiaries, assesses the gender neutrality of the Remuneration Policies and audits the gender and career pay gap and its evolution over time. The Committees support the BoD in activities relating to issues of diversity, equity and inclusion in the Corporate Bodies and in the company population, as established by the Board of Directors itself in the Operating Rules of the Committees. In coordination with and under the supervision of the Chief Executive Officer and/or of the General Manager of BPER Banca (according to the provisions of the delegated power framework in force at any given time), the Chief People Officer is responsible for the implementation of policies and guidelines on diversity, equality and inclusion, with particular regard to the Company's population, and defines management models useful to implement the initiatives and objectives identified by the Board of Directors, by structuring the periodic performance monitoring process. The responsibilities of the ESG Management Committee were expanded in 2024 to include the role of the Gender Equality Steering Committee, in line with the requirements of UNI/PdR 125:2022, adopted for the purposes of Gender Certification.

Moreover, to oversee the initiatives envisaged in the Gender Plan, a cross-functional control room and governance mechanisms for reporting on results have been set up involving internal board committees and the BoD, as well as the Gender Equality Steering Committee. With the support of the Remuneration Committee, the Board of Directors periodically monitors the gender neutrality of remuneration policies and evaluates any remedial actions that may be necessary.
With reference to the Operational Plan for Gender Diversity Enhancement, systems will be implemented for monitoring and analysing gender equality data. Based on these, the Group identifies possible disparities and areas for action to correct them. As set out in the D&I Policy adopted by the Group, a periodic performance monitoring process is structured for each initiative and action plan implemented during the year.

The BPER Group also pays specific attention to the growth of all its people through the development of shared strategies to guide the capabilities and aptitude of everyone towards corporate strategic objectives, by promoting cooperation, discussion and development of an inclusive leadership. To this end, it is committed to implementing professional promotion and development

policies based on objective, neutral and inclusive criteria that take into account performance, results, professional profile, organisational role and potential, while respecting the personal characteristics and aspirations of each and every resource. Talent management programmes with tailor-made training courses are in place, which may also be provided in collaboration with leading third-party consultants in the sector. With the aim of promoting the attraction and development of young talent, fostering the integration of different seniorities, over time the Group has developed strategic partnerships with institutes and universities, actively participating in focused selection events. For more details on initiatives to strengthen the Group's material positive impacts, please see the section "Attraction and Retention of Talent". The BPER Group, in line with its constant commitment, engages in the promotion and enhancement of diversity, through its internal communication channels and its interactions with the company, be embracing an inclusive perspective that respects differences.
Various additional initiatives are also carried out in order to produce positive impacts for the Group's workforce. In particular, in 2024:

- its membership in "Parks Liberi e Uguali", the non-profit association that helps companies promote the values of inclusion and diversity among their employees, especially with regard to sexual orientation and gender identity (LGBT+), was confirmed;
- it continues to be a part, as an ordinary member, of "Valore D", the first association of large corporations in Italy created to support female leadership in business;
- it has subscribed to the "Women in Banks Charter: developing gender diversity", by ABI (Italian Banking Association) and is a member of the inter-bank work group;
- it is a member of the interbank working group coordinated by ABI on accessibility;
- it has underwritten the "Memorandum of Understanding between the Department for Equal Opportunities of the Presidency of the Council of Ministers and ABI for the prevention and fight against violence against women and domestic violence";
- it has confirmed its subscription to the "Memorandum of Understanding on the suspension of payment of the equity share of mortgage loans and consumer loans", with the resulting extension of the amortisation plan, for a period not exceeding 18 months, for women included in certified protection paths who find themselves in conditions of economic hardship;
- it adheres to the "Charter for Equal Opportunities and Equality at Work" in cooperation with the Sodalitas Foundation;
- it began sponsorship of D&I in Finance, an annual event to highlight D&I issues in the interbank sector;
- as part of the "Insieme per le donne" (Together for Women) initiatives, online training initiatives on the topics of physical, psychological and economic violence, organised with the support of "D.i.Re - Donne in Rete Contro la Violenza" (Women's Network against Violence), continued in 2024;
- "BPERABILITY" projects continued, bringing together training and listening initiatives dedicated to colleagues with disabilities, with a focus on listening and training initiatives for the deaf, visually impaired and blind.

All employees can benefit from training on D&I enhancement and are made aware of the possibility of making specific reports through the company's Whistleblowing channel.
On the subject of harassment, "Guidelines for combating workplace harassment" were also published in 2024. Management listening by the HRBP is a further support on this issue. For more details, please see the description in disclosure requirement "Processes to remediate negative impacts and channels for own workforce to raise concerns" (S1-3), with reference to management listening.

The BPER Group recognises the increase in productivity and optimisation of talent management through the significant improvement of employees' skills and capabilities, the proactive management of the allocation of resources with increasing added value and the provision of opportunities for professional development as opportunities. It defines and implements specific competence assessment and development programmes to pursue them.
The Group provides continuous training on ethical and sustainable practices: this includes specific courses on data privacy and cybersecurity.

In particular, among the measures the Group has taken to mitigate the negative impacts on its own workforce resulting from the transition to a greener and climate-neutral economy, please refer to what is described in the section on training.

Operational Plan for Gender Diversity enhancement

The BPER Group recognises the value of diversity as a key resource for innovation, productivity and growth of the organisation and the country. It has significantly strengthened its commitment to the enhancement of gender diversity since 2023 with the BoD's approval of a "Three-year Operational Plan for the enhancement of gender diversity". This ambitious and concrete plan will be implemented over a three-year period to be completed in 2025. It is developed across four areas of operations, within which initiatives and specific actions are foreseen that set a strategic path to obtain gender objectives:

- the first area concerns the development and retention of the current managers: the emphasis is placed on inclusive leadership with empowerment paths where workshops, coaching and mentoring play a key role;
- a second area focuses instead on the "managers of the future", with accelerated growth paths to create a pool of potential resources capable of feeding the pipeline of the future managers;
- the focus for the third area of the plan is instead to guarantee the "inclusion by design" of the HR processes;

- the fourth area relates to the dissemination of a culture of inclusion by means of a change management plan that facilitates a cultural evolution on the issues of diversity, fairness and inclusion and lead to a positive reinforcement of virtuous behaviour.

To oversee the initiatives envisaged in the Gender Plan, a cross-functional control room and governance mechanisms for reporting on results have been set up involving internal board committees and the Board of Directors. 2024 was the second year of the Operational Plan.

Its most significant achievements include:
- the involvement of over 2,100 female colleagues in the Group in managerial and technical skills development programmes, including the accelerated development programmes “Switch on your sparkle”, “Woman on line Academy”, etc.;
- the implementation of the “Policy for the management of human resources”, which sets out the Group’s commitment to adopting selection, salary review and resource incentive processes aimed at excluding bias and prejudice.

Continuous training and communication initiatives towards all Group colleagues, the market and all stakeholders continued in 2024. Two Corporate Certifications were also obtained: IDEM Gender Equality Certification and UNI/PdR 125:2022 Gender Certification; both obtained for four BPER Group companies: BPER Banca, Banco di Sardegna, Banca Cesare Ponti and Bibanca. The broader project “Insieme per le donne” (Together for Women) was further consolidated; it brings together all the initiatives carried out in the area of gender equality. In line with the objectives of the “Policy on diversity, equity and inclusion in the Corporate Bodies and company population of the BPER Banca Group”, the main expected results of the Operational Plan include promoting and disseminating an increasingly deep-rooted inclusive culture within the Group, ensuring equal opportunities and treatment at every stage of corporate life.

The actions contained within the Operational Plan for Gender Diversity Enhancement mainly refer in scope of application to the employees of the BPER Group. However, initiatives also targeting external stakeholders, such as communication campaigns or events aimed at disseminating the Group’s commitment to gender diversity, are carried out in this context.

The Operational Plan for Gender Diversity Enhancement, also identified as a Strategic Plan compliant with UNI/PdR 125:2022, is an important tool that aligns with Goal 5 of the UN Agenda 2030 focused on achieving gender equality and the empowerment of all women. Through its actions, the Plan not only contributes to a fairer and more inclusive working environment, but also supports the overall goal of eliminating gender inequalities and promoting women’s empowerment. In particular, the Plan plays a key role in achieving these objectives through the implementation of effective monitoring systems to identify the necessary corrective actions. It also promotes the development of training and awareness programmes for all employees and supports concrete measures adopted by the Group to facilitate work-life balance, such as flexible working hours, remote working and parental leave equally distributed between men and women. A process of continuous evaluation of the company’s gender equality policies and practices has also been established within the Plan, with the aim of continuously improving working conditions and opportunities for all employees, ensuring a progressive strengthening of the company’s gender equality policies.

Attraction and retention of talent

To address the requirements of an increasingly dynamic and changeable job market, the BPER Group promotes projects designed to attract young talent. In line with the objectives of the D&I Policy, the Group collaborates with top Italian institutes and universities, including through participation in events, recruiting and employer branding activities, creating synergies with the aim of offering students the opportunity to meet and get to know the Group. During the course of the year the partnerships with institutions and universities with which there was already a long-standing collaboration have been strengthened and other have been developed as a way to broaden the network of functional relations and contact junior resources. Participation in the career day, job meetings and orientation workshops have enabled the hiring of youngsters interested in undertaking a growth path within the company. Through the internship lever, resources have been brought in that possess the kind of academic knowledge and soft skills that the working context requires. More in general, when addressing a pool of talent with higher seniority, the Group takes advantage of platforms and social networks to publish any open positions with an inclusive language and taking care to promote the corporate culture. The expected results of the activities are the development and attraction of talent, fostering intergenerational exchange and integration within the organisational structure as well as feeding the junior recruitment pipeline.

The Group continuously carries out actions involving all employees of the BPER Group as well as groups of potential candidates.

Skills development programmes

Where employee skill development programmes are concerned, in 2024 the Group managerial development experience continued to be pursued. The objective of the completed “Exempla” and “Exempla2” projects was twofold:
- to provide the participating managers with tools for mapping their managerial efficiency and offer them highly useful enhancement activities for addressing increasingly complex and evolving professional scenarios;
- to accelerate the managerial growth of female personnel in line with the objectives in the field of Gender Diversity & Inclusion.

Launched at the end of 2023, "Exempla" was attended by over 400 resources with a strong female presence, designed to create a ready and better trained resource pipeline.
Group employees with managerial responsibilities have been progressively engaged in project-specific activities: mapping managerial skills through assessments, receiving customised feedback, participating in targeted development paths. These included in-house mentorship courses that facilitated and accelerated the exchange of experiences as well as the integration and inclusion of different corporate cultures resulting from mergers and subsequent internal reorganisations.
Training sessions dedicated to ESG and Diversity & Inclusion issues were also designed and delivered, as well as business English courses in both individual and group modes.

Various Master courses for employees were also initiated in 2024.

"F/youture Digital Banking MASTER"
In cooperation with POLIMI GSOM, a Master's degree was started and completed for a selection of managers working in the company. The objective was to design and deliver a programme capable of building professionals who know how to integrate technical backgrounds with the management and leadership, general management, technological and financial skills necessary to hold positions of responsibility within the company and to play the role of further facilitators in innovation and digitalisation.

"CIB MASTER"
A master's course was organised on the issues, inter alia, M&A, generational successions and the role of the Corporate & Investment Banking ("CIB") consultant, corporate analysis and market access tools. The course is designed for CIB consultants and the heads of the Corporate centres that have had to deal with specific cases and classroom lectures.
Other development projects and paths that deserve mention include both internal and external mentoring, Corporate Coaching, Individual Coaching and Situational Coaching (a form of short coaching on contingent objectives). In the first half of 2024, the Diversity coaching initiative addressed to the BPER Group's Top Management as part of the Gender Operational Plan came to an end.

"Gender Operational Plan self-development initiative":
Within the framework of the Gender Operational Plan, an initiative was also launched which was aimed at about 1,500 female employees, middle managers not in positions of responsibility, offering the use for 12 months of an IT platform with customised activities to strengthen and develop areas of behaviour. In addition, they have free access to a library of various content (articles, book extracts, training snippets).

Finally, the following programmes that started in 2023 and ended in 2024 are noteworthy.

"Women On Line Academy - Women in charge"
Female empowerment path reserved for the BPER Group's female managers. The objectives of the project were:
- to set in motion a path that provides listening, training, coaching and mentoring, empowerment and development, with a focus on strategic skills;
- to create a united group to engage with the community, facilitating networking and building an "influence group";
- to build and spread an inclusive leadership style distinctive for BPER that prepares its management to face business challenges in a "VUCA World", i.e. a Volatile, Uncertain, Complex and Ambiguous one, by enhancing the particular leadership talents of women and reinforcing internal network through opportunities to work together;
- promote the dissemination and expression of a culture focused on inclusiveness by raising awareness of the issue of enhancing the uniqueness and the development of managerial skills to guarantee recognition of merit and access to opportunities.

"Switch on your Sparkle"
The programme was reserved for an initial audience of about 1,000 employees under 35 not covering managerial roles. The 882 project participants took a digital assessment that enabled them to receive a personalised report with proposals and suggestions for personal development. On the basis of the assessment report, in addition to the digital training offered to all participants, three vertical training courses were organised, respectively dedicated to innovation (Innovation Lab), the ability to support one's own goals (Empower your grit) and female leadership (Start Me UP), with the aim of enhancing both the skills that emerged and those considered indispensable for the company. The employees continue to have access to a digital platform that allows them to continue to develop quality and talent independently.

"C.E.B. (Cultivating Emotional Balance)"
The programme involved employees in the HR department in 2024, and the 16 short videos will be made available to the entire population on the company's training platform in 2025. The programme's attention and awareness development components aim to generate a solid emotional balance, strengthen resilience and self-control when facing difficult situations and the readiness to provide constructive responses to the stress of one's professional working environment, as well as that related to the private sphere. Its structure enabled individuals to increase their awareness of their emotional states and increase their capacity to regulate them by implementing the ability to recognise, identify, reduce and transform afflictive emotional responses and increase the positive states of empathy, altruism and professional conduct. The fundamental elements of this study course

include the acquisition of skills that help focus concentration and mental presence, the capacity to analyse the connections between attention, understanding, emotion and behaviour and the acquisition of resilience capabilities.

"Roles and Pathways"
The "Roles and Pathways" Project has made it possible to enable the complete mapping of roles throughout the Bank, the updating of job descriptions, abilities and skills required for each role, underpinning, among others, skills development programmes, and has been extended to all Group companies.

These courses are reserved for Group employees and are conducted on an ongoing basis throughout the year. They are carried out in order to promote the development of skills within the Group, as well as to pursue the objectives of the D&I Policy and the Human Resources Management Policy.

Assessment and development of skills

The BPER Group deems it of primary importance that career assessment and development processes be developed in such a manner as to be applicable to all employees. Performance management is a key process within the management of Human Resources; it allows for the assessment of individual performances, creating the best premises to reward distinguished performances and identify talent, fostering its development and retention, while also making each Resource involved in the various phases of the process aware of their responsibilities. The BPER Group is committed to specifically assessing all resources at each reporting level, following specific methodologies according to their professional profile and organisational role. Workers have the right to assessment, as recognised by the Bank CCNL and represents a valuable moment of exchange between the person being assessed (employee assigned to the structure) and an assessor (normally the structure manager or coordinator), conducted also with a view to establishing dynamics to enhance the resource.
The enhancement of human capital - also through performance management processes - represents one of the transformational pillars of the BPER Group, which is also set out in the new "Policy for the management of human resources". Its importance is evidenced by the project that was activated in April 2024 to redesign the performance management model into a new tool and is part of a broad transformational framework.
September 2024 also saw the launch of a new technical skills survey process, an important tool both for assessing and managing the Group's skills base and for supporting learning, re-skilling and up-skilling processes, thereby fostering the development of career paths. This process involves a phase of personal identification by all personnel of the technical skills required for the role, and is then completed by a similar survey by the manager. The survey form is mutually visible and a useful tool for constructive discussion with respect to professional development. Performance management achieves results such as aligning the Group's strategic priorities with the functions individually covered, and is geared towards stimulating individual performance in a consistent and measurable manner, empowering resources at all levels, ensuring the recognition of merit and rewarding distinctive performance.
The process applies to all employees of the BPER Group and is annual. In fact, it is carried out throughout the year, with scheduled activities:

- in the first few months of the year (March-April), the form containing the objectives set by the assessor and shared with the person assessed is created and defined. The process thus begins;
- during the year, there are both moments for feedback that can be requested by all the actors involved, as well as interim interviews between the manager and employees;
- the performance assessment cycle is initiated in December - January (year n+1) by the head or coordinator of the resource, followed by a discussion with the HR Business Partner to analyse the proposed assessments before the closing scheduled for the first months of the following year;
- the compilation of the assessment summary is closed in the first four months of the following year, with the manager delivering the professional assessment.

Resource training

The BPER Group has always considered training and professional development not only a strategic tool but a real point of excellence. The numerous training activities provided in 2024 support the strategic guidelines of the Business Plan and the "Policy for the management of human resources". Their main focus was on updating technical and role knowledge, also related to the new distribution and commercial models and the development of managerial skills in the various professionals present, as well as more generally accompanying the change projects that are transforming the Group, all supported by in-depth work on self-awareness and motivation.
In fact, Group employees were able to receive all the necessary training not just to take over the role, but also for their greater satisfaction and personal growth. All employees are involved in training initiatives. The training offer is diversified and structured to meet different professional needs. In particular, initiatives are planned that are specifically dedicated to ESG Managers, Chiefs and Senior Management. There is also an online path dedicated to new recruits.
These activities are carried out continuously according to the schedules defined by the functions involved. The duration of specialised courses are agreed with the requesting facility and the provider in order to make the training more effective and efficient.

More specifically, the digital contents of the MiFID and IVASS certification maintenance courses (30 hours each), have been consolidated and developed synergically so that the approximately 10,000 colleagues of BPER and Banco di Sardegna, who have to maintain both certifications, could benefit from a total of 40 hours' training. In addition, courses on credit skills were started as part of the Credit Culture project, and colleagues affected by the Bcustomer reorganisation were trained. The training of personnel and consequent management plays a decisive role in the prevention and adequate control of the risks of non-compliance, implemented through the dissemination of a corporate culture based on the principles of honesty, fairness and respect for the spirit and content of national and EU legislation. In line with the objectives of the Business Plan which calls for the dissemination of ESG culture, it's worth noting that the ESG Managers, key active figures on ESG issues hailing from all sectors of the Bank, have been provided with special classroom and webinar training to become process innovators and promoters of applicable initiatives to ensure that ESG issues become part of BPER's banking operations. Finally, ESG training for the CEO and Top management was continued in 2024. The Executive Course in Digital Banking was carried out in cooperation with the Polytechnic Institute, with the participation of around 60 colleagues from the Group. In continuity with previous years, significant attention was paid to legislative and regulatory issues such as privacy, cybersecurity, anti-money laundering, the MiFID regulations (including ESG modules), consumer equipment loans, transparency, Italian Legislative Decree 231/01 and the State-Regions Agreement regarding Italian Law no. 81/06.
For new recruits a new online training path has been devised made up of 35 training modules concerning bank teller and personal detail handling procedures.
The training provided through the "Learning in Action" BPER Catalogue is subdivided into behavioural courses, technical and regulatory knowledge development, digital and IT tools and company life.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

D&I objective of 30% women in leadership positions

Within the framework of the 2024-2027 Business Plan "B:Dynamic|Full Value 2027", the BPER Group has defined a D&I target related to internal roles of responsibility. The objective is aligned with principles specified in the "Policy on diversity, equity and inclusion in the Corporate Bodies and company population of the BPER Banca Group", as well as the initiatives associated with Goal 5 "Achieve gender equality and empower all women and girls" of the Global Agenda for Sustainable Development (UN 2030 Agenda).
This objective confirms the Group's focus on the inclusion of strategic D&I targets and is in continuity with the previous BPER e-volution Business Plan, which envisaged a specific target related to the percentage of female executives and one relating to the total percentage of female managers and female middle managers, reached in 2024.
The target set is to reach at least 30% women in leadership roles by 2027. The target was defined to identify the BPER Group's progress with respect to the positioning of the least represented gender in leadership roles in organisational units. In defining the target itself, the Group relied on benchmark analyses of the national banking sector. However, no new listening activities were envisaged in 2024, as this target is in continuity with the targets previously defined by the Group for the purposes of business and sustainability planning in previous years. In fact, it should be recalled that in the period 2019-2021, the Group carried out extensive listening activities aimed at identifying the needs of employees and the gender equality issues they deemed most urgent.
More specifically, the target is relative in nature, as it calculates the number of women in leadership positions of organisational units out of the total number of resources in leadership positions of organisational units at Group level. It refers to female organisational unit managers in the Group (excluding positions of responsibility at Arca, BPER Bank Luxembourg and Modena Terminal).
The reference value for measuring progress on the target is the figure at the end of financial year 2024, and is set on the basis of the percentage of women in leadership positions recorded in 2024. Although no interim targets have been set, MBOs linked to the Business Plan target are set out in the Remuneration Policies.
The target applies to the three-year period 2025-2027, with its first application scheduled for 1 January 2025.
Possible lessons and improvements can be noted within the monitoring process of the Business Plan objectives.

30% FTEs affected by the up-skilling programme and >60% employees trained on ESG topics each year

The BPER Group has defined two objectives in this regard within the Business Plan: one relating to the implementation of up-skilling plans to support the goal of re-skilling at least 30% of the workforce (30% of FTEs affected by the up-skilling programme); and another relating to ESG training activities (>60% of employees trained). The two targets are aligned with the objectives and guiding principles specified within the Group Policies, in particular the "Policy for the management of human resources" and the "ESG Policy". These objectives are educational in nature, aimed at supporting and maximising BPER Banca's commitment to sustainability issues.
In particular, the target of 30% of FTEs affected by the up-skilling programme refers to the number of employees of the BPER Group and is measured through a counter of employees who have changed role/organisational unit. The target was defined by processing input collected by Human Resources Management, as well as through the activation of dedicated academies.
As for the target of >60% employees trained on ESG topics each year, it refers to the number of BPER Banca employees who will participate in ESG training courses, and is therefore measured by a dedicated counter. The target is defined in the Business Plan, based on ongoing training activities as well as specific requests from the Structure responsible for ESG content.

The two targets will apply from 1 January 2025, throughout the three-year period 2025-2027.
The Business Plan did not establish any interim targets, nor the direct involvement of the workforce or employee representatives in the process of setting these targets.

Diversity metrics (S1-9)

Gender distribution at top management level

Gender	31.12.2024	
	Number of employees	Percentage of employees
Women	3	11.11%
Men	24	88.89%
Other	-	-
Not reported	-	-
Total employees	**27**	**100.00%**

Consistently with what is applied for the purposes of the Remuneration Policy, the Group applies the definition of "top management" as per European Union Directive 36 of 26/06/2013, according to which it considers: "natural persons who exercise executive functions within an institution and who are responsible, and accountable to the management body, for the day-to-day management of the institution" with reference to the scope of Material Risk Takers (Banking Group perimeter) recognised as at 31/12/2024 and including "Managers with Strategic Responsibilities".

Total employees as at 31.12.2024

No. of employees 31 December 2024	< 30 years	30-50 years	> 50 years
Total	**878**	**10,554**	**8,100**

Persons with disabilities (S1-12)

Persons with disabilities amongst its employees subject to legal restrictions on the collection

Gender	31.12.2024 Percentage of employees
Women	2.54%
Men	2.79%
Other	-
Not reported	-
Total	**5.34%**

Training and skills development metrics (S1-13)

Percentage of employees who participated in regular reviews

Gender	31.12.2024 Percentage of employees
Women	92.74%
Men	93.88%
Other	-
Not reported	-
Total	**93.33%**

The percentage of employees who participated in regular performance reviews is calculated using the total number of employees as the denominator, as required in disclosure requirement "Characteristics of the undertaking's employees" (S1-6), and thus non-assessable employees are also included in the denominator.

Average number of training hours by gender

Gender	31.12.2024 Average training hours
Women	54.40
Men	50.06
Average number of training hours	**52.13**

Remuneration metrics (pay gap and total remuneration) (S1-16)

Gender pay gap

Pay gap	31.12.2024 Percentage
Pay gap	14.54%
Pay gap - Managers	26.29%
Pay gap - Middle managers	8.92%
Pay gap - Professional personnel	1.32%

The gender pay gap is calculated by subtracting the average gross hourly pay of female employees from the average gross hourly pay of male employees and relating this to the average gross hourly pay of male employees. Gross hourly pay is understood to be the contractual definition that considers fixed remuneration components (before contribution and taxation).

Annual total remuneration ratio

Annual total remuneration ratio	31.12.2024
Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the aforementioned individual)	**63.73**

For the most relevant personnel or MRT (material risk takers), i.e., those Group personnel whose professional activities have or may have a significant impact on the Bank's risk profile, as defined in the BPER Group's Remuneration Policies, the overall remuneration corresponds to the sum of the fixed remuneration actually received in 2024 and the variable remuneration on an accrual basis made up of the part of the bonus paid in cash (cash) and the part paid in financial instruments (phantom stocks or BPER Banca shares) considering the portion actually " accrued" (vested and attributable) in the year. For the remaining personnel, the overall remuneration corresponds to the sum of the fixed remuneration and the variable remuneration actually received in 2024 (cash accounting method). The data perimeter coincides with the number of employees reported in ESRS S1-6 with the exception of seven employees on leave without pay during 2024.
A new Chief Executive Officer of BPER Banca s.p.a. was appointed in 2024: by re-proportioning the fixed remuneration and the variable remuneration of the short-term incentive scheme on an annual basis, he/she is the individual with the highest remuneration. Although employee remuneration increased in 2024, there was an increase in the indicator mainly due to the increase in the variable remuneration of the CEO and in particular the up-front vested portion of the 2022-2024 LTI Plan bonus. This bonus is particularly significant both for the high performance achieved and for the appreciation of the value of the BPER share between the assignment date (Euro 4.49) and that used in the representation in the CONSOB tables of the 2025 Remuneration Report (Euro 6.47), i.e. the average price of the 30 days prior to the Board of Directors' approval of the 2024 Group results.

3.1.3 Other work-related rights

Please refer to what is described under "Privacy" in the chapter "Consumers and End-Users" (S4).

3.2 Workers in the value chain (S2)

3.2.1 Working conditions in funded undertakings

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Official data on the diffusion of international ISO standards show that Italy ranks second in the world for the number of ISO 45001 Certificates (International Standard for Occupational Health and Safety), as well as for the number of ISO 9001 Certificates (Quality Management Systems, which correlates with a strong reduction in the incidence of workplace injuries). These findings (provided by Accredia on ISO data and by the Ministry of Labour) indicate an overall positioning of Italian companies among the best performers worldwide in relation to workers' rights protection. Moreover, the safety of a company's workers and supply chain is often correlated with greater economic and financial resilience and a better assessment of corporate governance, as it strengthens business continuity and provides greater guarantees of client companies' compliance with Italian Legislative Decree 231/01 on the administrative liability of corporations, in essence further guaranteeing their business continuity.

Prudently, as part of the double materiality analysis, the BPER Group identified a potential indirect negative impact of its financing activities as material, namely "Occupational accidents and illnesses in value chain workers". Considering this impact, which therefore relates to workers in the downstream value chain, the BPER Group takes into account all corporate customers in its lending perimeter, to which a prevalent exposure is observed at national level.

This impact is to be understood as indirectly related to a lender's activity of granting credit to companies, but, in order not to indiscriminately penalise all the value chain workers of the sectors identified as "material" on this issue, the Group must assess the individual counterparty/transaction according to its main characteristics, i.e. type of activity, area of operation, presence of applicable regulations in the jurisdictions in which the client company operates, focusing on the areas of greatest potential impact.

Some economic sectors, or types of activities involving supply chains operating outside Europe, show greater exposure to the risk of non-compliance with regulations in force in Italy and/or violations of labour rights, and therefore deserve greater and more marked attention in the financing phase in order to avoid the potential negative impact on workers and, where business continuity is lost as a result of such violations, on the credit quality of lenders.

However, an analysis of the BPER portfolio positioning does not reveal marked exposure to geographic areas (particularly those outside Europe, where the Group has no exposure to client companies) where significant risks of child, forced or compulsory labour persist, nor marked sectoral concentrations in sectors most exposed to significant social risks. No generalised or systemic impacts were found during 2024.

Cases of individual worker accidents are not normally handled in the credit process, unless they lead to intervention by the judicial authorities, or in cases of negligence or liability on the part of the companies and/or their directors, resulting in degradation also from a credit point of view.

In order to address this potential negative impact more closely, a policy was developed in 2024 to pay greater attention to the positioning of client companies with regard to the management of their own workforce, as well as their supply chains where relevant and applicable, which was followed by the updating of the "ESG-linked Loan Origination Policy". The BPER Group conducted an impact mapping at sector level (top-down analysis) of the economic activities most affected by potential negative impacts in its own workforce or value chain according to the UNEP FI "Impact Radar" methodology, as well as on the basis of the annual analyses conducted by INAIL on workplace injuries.

In particular, the workers belonging to the following economic sectors were identified as being subject to potential negative impacts as set out in the reference standard:

- mining, where due to the characteristics of the mining sites and the equipment and means used, the risk is particularly high, in an absolute sense;
- transport, both by sea and land, including the logistics and warehousing sector, also due to the increased risks associated with maritime or road accidents;
- labour-intensive manufacturing, on which, in addition to occupational accident risks, most of the occupational diseases observed at national level are also observed;
- construction, in which there are higher rates of accidents with severe consequences than in other sectors;
- agriculture, which shows a not insignificant accident frequency index, although steadily decreasing in recent years, and an increasing risk of exploitation of illegal labour and hiring, aggravated by global migration trends.

The identification of sectors with a high ESG impact was carried out on the basis of general considerations and following an analysis of the portfolio covered by the policy itself. These portfolio analyses are monitored and updated over time. If, following the portfolio monitoring activities, additional high impact sectors or changes compared to the current situation are identified, the Parent Company undertakes to update the Policy.

In particular, the BPER Group has defined specific exclusion criteria and assessment procedures for counterparties considered to be more at risk because they operate in sectors with potential negative ESG impacts, also specifically in consideration of social factors. Therefore, possible assessment criteria are identified for each sector to favour safeguarding various ESG elements, including workers' health and safety and respect for human rights, on the assumption that client companies comply with current occupational health and safety regulations, unless there is evidence to the contrary.

The double materiality analysis did not reveal any material risks and opportunities. However, in line with the "ESG-linked Loan Origination Policy" and with the ordinary principles of sound and prudent management, the Group initiates the necessary in-depth investigation phases as soon as information emerges concerning incidents relating to severe workplace accidents or prejudicial events, and in any case upon notification of the start of investigations by the Authorities of possible offences, with attention to possible fiduciary and reputational criticalities as well as credit impacts, in terms of both business continuity and compliance with financial commitments.

In any case, the investigations are carried out in accordance with assurance principles until any final conviction, but also act to monitor the credit deterioration aspects of the exposures. In such cases, credit management is entrusted to a specialised manager who monitors the position with enhanced supervision.

However, by further enhancing data collection through "ESG questionnaires" that also include information on the topic of human rights, including labour rights, the Bank's ability to correctly identify and continue monitoring the positioning of its client portfolio on labour issues in the value chain is considered even further supplemented.
The development of products that enable monitoring customer safety developments, e.g. by monitoring KPIs related to observed injury rates or the acquisition of ISO 45001 certification is potentially an opportunity with regard to Sustainability Linked Loans.

Policies related to value chain workers (S2-1)

The Group defines its approach to managing workers' health and safety in its "ESG-linked Loan Origination Policy", which stipulates in all cases, and without distinction by sector, the exclusion from lending of counterparties that do not comply with minimum human rights safeguards.

Within the Policy, the BPER Group references its endorsement of the United Nations Global Compact (UNGC), a United Nations initiative that aims to promote the culture of corporate social responsibility by sharing, implementing and promoting common principles and values.
In addition, it should be noted that the BPER Group analyses financing transactions associated with specific production sectors through due diligence and by also applying labour rights and working conditions considerations in accordance with the main conventions of the International Labour Organisation (ILO).

In particular, in application of the principles of compliance with minimum safeguards on human rights, new or additional financing activities 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 and with a final conviction related to:

- violation of human rights and of health and safety regulations, both in reference to workers and to local communities;
- violation of fundamental rights at work and regulations concerning child and forced labour.

Violations of minimum safeguard clauses are monitored by accessing specific databases that allow for the detection of such evidence on the counterparties on which the convictions are found. In such cases, an enhanced credit process is also activated if there are exposures with these counterparties. It should be noted that to date, no violations have been detected on the main international databases concerning customers of the BPER Group. On the other hand, the involvement of the employees of the financed counterparties is not foreseen.

The Policy also specifies the Group's specific provisions depending on the sector in which the counterparties operate, in particular for the mining, shipping and agricultural sectors. In this sense, it includes:

- due diligence to verify compliance with labour rights and conditions in accordance with the main International Labour Organisation (ILO) conventions in the case of project financing to counterparties operating in the mining and shipping industries;
- exclusion from financing ships flying the flag of countries on the Black List of the Paris Memorandum of Understanding on Port State Control in force at the time.

The Policy also includes, among other criteria, the exclusion of counterparties on the grounds of violation of human rights and child and forced labour standards, as well as other phenomena of worker exploitation. For the agricultural sector, the BPER Group also applies exclusion criteria to counterparties who have been definitively convicted of illegal hiring under current national or international legislation on undeclared work, the exploitation of labour in agriculture and wage realignment.
Moreover, the Policy does not expressly mention human trafficking among the factors addressed, as it has not been deemed relevant in the context of the BPER Group. No instances of non-compliance with the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises involving related workers have been observed.

The Group works with providers in relation to counterparties subject to Sustainability Reporting, which highlight possible violations of the UN Guiding Principles on Business and Human Rights and the main ILO conventions.
In the case of counterparties that are not subject to Sustainability Reporting and whose main business activity is in one or more of the sectors covered by the Policy, the Group also collects timely information through specific counterparty and/or due diligence questionnaires and project assessments, to enable the application of such principles, subject to the principles of proportionality and relevance of the exposure.

ESG-linked Loan Origination Policy

The Policy aims to address ESG risk factors in the banking group's lending activities, providing general principles and guidelines for assessment in the BPER Group's lending and monitoring activities.

In particular, with regard to the impact on value chain workers, it should be noted that companies with final convictions for financial and sustainability reporting fraud, money laundering, corruption, and terrorist financing, which could have a negative impact on the stability of the company and, therefore, of the relationship with workers, are excluded from eligibility.

As part of the process for the management and monitoring of counterparties, the BPER Group also adopts management and procedural controls aimed at detecting anomalies and timely classifying exposures, so as to promptly detect any deterioration that may lead to changes in the prospects for repayment by customers.

With respect to the BPER Group's value chain, the Policy therefore covers lending activities and is thus effective vis-à-vis customers with reference to the impact "Occupational accidents and illnesses in value chain workers". The policy does not refer to specific groups of employees, but to all counterparties related to the BPER Group.
The criteria defined in the Policy are applied according to the principles of proportionality and gradual approach, taking into account the characteristics of the counterparty and the activities it carries out, as well as the overall exposure at Group level.

For more details on the "ESG-linked Loan Origination Policy", please refer to disclosure requirement "Policies related to climate change mitigation and adaptation" (E1-2).

Processes for engaging with value chain workers about impacts (S2-2)

To date, the BPER Group has not activated processes to directly engage the workers of funded undertakings (nor their legitimate representatives) in order to guide its decisions or activities aimed at managing the actual and potential impacts on them, with specific reference to the issue of workplace health and safety; moreover, there are no measures to better understand the point of view of workers who may be particularly vulnerable to impacts and/or marginalised.

However, in the context of the questionnaires submitted to client companies belonging to the sectors referred to in the "ESG-linked Loan Origination Policy", questions concerning the processes of employee engagement in the company's value chain, including any whistleblowing mechanisms, are included.

Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

In order to limit exposure to the potential negative impact (Occupational accidents and illnesses in value chain workers), the BPER Group has decided to focus its monitoring action on the health and safety of the funded undertaking's workers, in line with its banking activity and according to the indications described above.
In this sense, the identification of the areas most at risk of labour rights violations and the targeting of analyses on this element within ordinary lending processes, or any due diligence on specific loans, mitigates the potential negative impact.

To date, there are no channels available for value chain workers to communicate concerns or needs, believing that their own mechanisms for intercepting anomalies are sufficient to monitor cases of serious violations, consistent with the "ESG-linked Loan Origination Policy".

However, the BPER Group has an ESG score in which, among others, elements related to employee relations such as the level of remuneration, the presence of ISO 18001 or 45001 certification, and the presence of whistleblowing mechanisms in funded undertakings are assessed.
Additional controls pertain to the ordinary monitoring of credit quality and are part of the credit monitoring process.

There are no processes through which the Group supports or requires the availability of such channels in the workplace of value chain workers. However, through the client company's relationship manager, any tense situations with employees leading to, inter alia, work stoppages or disputes with a fiduciary impact can be reported for enhanced credit management.

Although there are no specific channels for value chain workers to express concerns, the BPER Group envisages triggering the early warning mechanism, with possible consequences also in terms of worsening the classification of the counterparty, in the event of prejudicial events or seizures of the company.
In addition, in the event of a final conviction, the exposure is managed in order to end the relationship with the convicted party.

Moreover, the Group operates through indirect safeguards that rely on information obtained from specialised infoproviders, as reported, which also includes any press reports; in this sense, any relevant elements of disputes with workers can be intercepted and addressed.

Finally, the BPER Group acquires information on the presence of any whistleblowing channels within the funded undertakings; however, it is not in a position to monitor whether policies are in place in client companies to protect those who use such structures and processes from retaliation.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions (S2-4)

There was no evidence of human rights problems and incidents related to funded undertakings in 2024.

No actual material impacts have been mapped, and the BPER Group has neither planned nor is in the process of implementing further actions or monitoring processes to prevent, mitigate or remediate negative impacts or produce positive impacts for value chain workers with respect to the funded undertakings, as the "ESG-linked Loan Origination Policy" already envisages the Group's action as aimed at monitoring and possibly taking consequential action in the event of violations, directed at client companies. However, as part of the broader plans to expand ESG data collection on counterparties, also in line with the expansion of the number of clients subject to sustainability reporting obligations, greater coverage and evidence of data on possible violations, which to date are unknown, could be obtained.

In particular, consistent with the above, as part of the periodic updating of the "ESG-linked Loan Origination Policy", and in accordance with the materiality analyses promoted by the competent functions, if areas of particular risk of negative impacts on workers in the value chain are identified, for example in relation to specific geographical or sectoral areas identified as particularly risky, the exclusion criteria set forth in the Policy, which to date have been deemed sufficient to address the social risks covered by this reporting standard, would be supplemented.

For counterparties with evidence of violations of the minimum safeguard clauses, the detection leads to the triggering of specific evidence, resulting in the application of restrictive lending policies and management through an enhanced credit supply chain.
For counterparties operating in sectors exposed to higher risks of violating the main labour rights of their own workforce or of the value chain, the counterparty analysis by means of the "ESG Scorecard" exposes the relevance of the "social" issue according to the sector of reference, while the counterparty-specific assessment on the individual KPI exposes a traffic light score that summarises the counterparty's positioning, taking into account, inter alia, the following elements:

- level of employee remuneration and job insecurity;
- rates of workplace accidents and number of days lost to accidents;
- presence of occupational health and safety certifications (ISO 45001);
- presence of Code of Ethics and Supplier Codes of Conduct;
- presence of state aid for employee training and/or occupational safety.

For counterparties with a negative traffic light score, at sector or single name level, financing through Sustainable Linked Loan with KPIs specifically related to the criticality area, e.g. KPIs related to the rate of workplace accidents or the acquisition of ISO 45001 occupational health and safety certification, is considered a risk mitigation element.
Any additional investigations are included in accordance with principles of proportionality, avoiding excessive reporting burdens that exceed those set out in the Law on Client Companies; therefore, the specific areas of credit operations in which due diligence is required with regard to consistency with applicable ILO standards, for example financing the reclamation or reconversion of mining sites or the exclusion from financing, in relation to shipping, ships flying the flag of countries on the black list of the Paris Memorandum of Understanding on Port State Control, have been regulated in the "ESG-linked Loan Origination Policy".

These actions applied when granting and monitoring credit to client companies, are implemented on an ongoing basis, and during the course of the Business Plan, it is envisaged that the credit policy framework will be strengthened with additional elements to detect potential exposure to social risks, including those related to value chain workers. Preliminary analyses for potential further additions will be carried out in 2025, while possible application measures will be addressed in 2026 in order to intercept data that, at the same time and also as a result of the expansion of the number of counterparties subject to mandatory reporting under the CSRD, has been provided.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5)

The BPER Group has not set any measurable targets, also in view of the fact that the impact identified is mainly related to the occurrence of single episodes and is not systemic in nature. In any case, the BPER Group monitors any elements of potential risk linked to specific sectors/areas of operation, in order to supplement the relevant Policy provisions, where necessary.

On the basis of the overall monitoring of the exposure of the Group's corporate portfolio, as well as of the periodic analyses available from the System Observatories (e.g. INAIL), analyses will then be conducted in preparation for targeting any further applicable safeguards to reinforce the existing framework.
A specific level of ambition has not yet been established; consequently, no qualitative-quantitative indicators to assess progress have been established.

3.3 Affected communities (S3)

3.3.1 Communities' economic, social and cultural rights

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The double materiality analysis conducted with reference to the affected communities revealed that the BPER Group generates the following positive impacts:

- improving housing in the territories by granting loans for the purchase of real estate, structured finance operations and financial support to housing entities;
- protecting the health of communities through project financing for the healthcare/hospital sector;
- contributing the socio-economic development of the territory;
- contributing to financial education through community-based initiatives[90].

In particular, these impacts are realised through the development both of products with a social purpose, with a view to financial inclusion in the Private and Corporate sector, and of loans to sectors with a high ESG impact, in accordance with the "ESG-linked Loan Origination Policy". In addition, the opportunity of strengthening relations and positioning in the territory through donations and sponsorships within the territories was found material, while no material risks emerged. These impacts and opportunities are aligned with the Group's strategic directions and business model, as they are generated directly by the Group's activities and operations, and reflect the ongoing commitment to the communities they serve, pursued over time[91].

BPER Group Commitment

For years, the Group has been strengthening its ties with the territories and communities in which it operates, promoting economic and social development.

The BPER Group's commitment towards communities and territories is shaped by its "donations" (contributions to associations and charity giving, donations, scholarships, etc.) and "investments in the community" (cultural and amateur sports events, solidarity events, communication of sustainable activities for the community, etc.), as well as financial education projects focused on various targets, starting with young students. The BPER Group is committed to the enhancement of the territories also 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 initiatives, support for the younger generations and care for the environment.

In addition, according to the "ESG-linked Loan Origination Policy", with regard to the objective of improving the Group's overall positioning with respect to financed real estate assets, the BPER Group promotes and supports projects with a high impact on the territory that include social, senior and student housing, and integrated neighbourhood services throughout the country, particularly in disadvantaged areas. In particular, the granting of mortgages for the purchase of real estate, structured finance transactions, and financial support to organisations dedicated to the housing sector and to Third Sector entities in general, have contributed to creating a significant positive impact on communities, also in terms of financial inclusion, highlighting the Group's commitment to supporting essential infrastructures and social welfare services, considered fundamental to development and collective well-being.

The attention paid to the social and environmental context of the local areas has favoured membership in bodies and associations focused on ESG issues, including, in particular: 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 the fight against climate change.

Lastly, through the dedicated function BPER Bene Comune, BPER has overseen areas of the Third Sector, Public Administration and Social Economy since 2023, with the aim of increasing financing with a positive social impact; this is reflected in the Business Plan objective, which envisages a series of interventions and actions.

With regard to proprietary investments, the Group develops and adopts an approach aimed at identifying and assessing potential ESG risks arising from financing and investments in companies operating in controversial sectors, with a low ESG rating, involved in serious events that have led, or may lead, to negative environmental, social or governance-related impacts, consistent with the "Environmental, Social and Governance (ESG) Investment Policy for the Management of the Group's proprietary portfolio" in place since December 2022.

90 For further details, please see the description in the disclosure requirement "Material impacts, risks and opportunities and their interaction with the strategy and business model" (SBM-3).

91 For more details on the actions, please see the disclosure requirement "Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursing material opportunities related to affected communities, and effectiveness of those actions" (S3-4).

This approach is the result of strategic choices consolidated over time, successfully pursued in recent years and renewed with the new 2024-2027 Business Plan, which, by providing for contributions in donations and sponsorships, bears witness to and renews the ongoing commitment to the sustainable development of the territories in which the Group operates.

For the purposes of this disclosure, the Group mainly considers the affected communities present in the territories in which it operates (Italy and Luxembourg), recognising them as recipients of the products and services offered, as well as of the support initiatives at social, cultural and sporting levels.
The Group's focus on communities is indeed very high in all the territories in which it is present. These communities include both those that are in close proximity to the direct operations of the funded sector, and those that may be indirectly impacted by the company's value chain - upstream or downstream - through the use of products, services or business relationships. This approach is consistent with the "ESG-linked Loan Origination Policy", where it is emphasised that the most critical lending transactions involve a specific focus on communities impacted by these sectors. Through this framework, the Group aims to explicitly include all affected communities, even those indirectly impacted, in the scope of disclosure, ensuring a transparent and ESG-compliant approach.

Policies related to affected communities (S3-1)

The double materiality analysis showed that there were no negative impacts on the human rights of the affected communities. In this sense, the BPER Group has not currently defined any processes to remediate impacts on human rights in the affected communities, without prejudice, however, to the safeguards present in the "Code of Ethics" and in the OMM 231 of which it is part.
The Group also oversees the issue of human rights, with reference to the community as a whole, in the "Code of Ethics" and the "ESG Policy" (for more details see the disclosure requirements "Policies related to value chain workers" (S2-1) and "Business conduct policies and corporate culture" (G1-1)), although it does not have a Policy specifically related to human rights within which processes and mechanisms to monitor compliance with human rights principles relevant to the affected communities are set out.
The Group considers the communities in the country that may be exposed to impacts through the financing activities of sectors with high ESG impact.

In 2024, BPER confirmed its commitment to human rights, promoting opportunities for dialogue and collaboration with various organisations committed to fundamental issues in the field of combating gender violence, social inclusion of the weaker segments of society, the right to financial education, and the fight against pathological gambling, which are discussed below.
BPER Banca endorses the United Nations Global Compact (UNGC) and is inspired by the OECD Guidelines for Multinational Enterprises, as also highlighted in the "ESG Policy".
There was no evidence of instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving the affected communities in 2024.

ESG Policy

The document identifies the BPER Group's sustainability commitments through the integration of sustainability principles within the value chain, highlighting a constant commitment to reconciling economic, social and environmental objectives, generating value for the company, stakeholders and local communities, while enhancing positive environmental and social impacts and avoiding or minimising negative ones. The BPER Group has therefore decided to structure 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. Therefore, the aim of the "ESG Policy"[92] is to foster ESG culture across the BPER Group and steer the governance, processes, structures and Corporate Functions through which sustainable success can be pursued, with particular reference to environmental, social and governance issues, in compliance with the Principles of the Corporate Governance Code and the principles established by the relevant international bodies, as well as the guidance provided by regulators such as the European Central Bank (ECB) and the European Banking Authority (EBA).

This document contributes to reinforcing and implementing the values of responsibility, loyalty and substantiality in the respect for persons, the environment and society as a whole, as already specified in the Code of Ethics and the Internal Governance Code that applies to representatives, employees, external partners and financial consultants of the Group. Specifically, the Policy describes the BPER Group's five ESG guiding principles:

- integrity and transparency;
- development of society;
- honest business practices and customer protection;
- protection of workers, diversity and equal opportunities;
- incorporation of sustainability into the value chain and environmental protection.

92 For more details, please see the disclosure requirement "Policies related to climate change mitigation and adaptation" (E1-2).

In particular, with regard to the second principle, the Group is committed to supporting the development of society, focusing its efforts on pursuing the primary goal of improving quality of life, proposing solutions for the protection, support and implementation of their projects, and partnering with businesses, institutions and local communities to support development and promote well-being. This is also achieved through support for the local community, in partnership with the other social players, to experiment with and consolidate innovation with high social and environmental value.

The BPER Group undertakes to be the driver of sustainable growth to promote a development model that encourages collective, widespread well-being.

The Policy generically refers to all material impacts on affected communities.

Policy governing the relations of the BPER Group Banks and Companies with defence operators, weapons manufacturers and dealers

With reference to the material positive impact “Contribution to the socio-economic development of the territory”, the “Policy governing the relations of the BPER Group Banks and Companies with defence operators, weapons manufacturers and dealers” regulates relations between BPER Group Companies with defence operators and companies involved in the production of and trade in armament materials and military supplies, consistent with the reference principles made clear in the Parent Company’s “Code of Ethics” and is a natural evolution thereof.
In compliance with the provisions of internal regulations, the Group’s Banks undertake to report annually on the application of the “Policy governing the relations of the BPER Group Banks and Companies with defence operators, weapons manufacturers and dealers” in order to provide an overall picture of the Group’s situation in its relations with defence operators and companies in the sector. Cases of exceptions occurring during the reporting year are also brought to the attention of the BoD.

With reference to Italian Law 185/90, the BPER Group has chosen not to provide an absolute prohibition, but to give itself rules to establish which operations can be considered authorisable and which cannot; they are expressed in the choice logic adopted by the BPER Group on the following factors:
- type of counterparty;
- nature of the activities and/or financial services applied for;
- characteristics of the final recipient.

The counterparties potentially involved in the application of this Policy include:
- manufacturers or traders of ‘controversial’ weapons that are banned or regulated under international Conventions or Treaties, (anti-personnel mines, cluster munition, biological, chemical or nuclear weapons, weapons of mass destruction banned under International Treaties);
- manufacturers or traders of conventional weapons and defence operators.

The following are excluded from the scope of the Policy:
- enterprises engaged in storage and commercial brokering in the field of arms, except as set out in Italian Law 220/21;
- manufacturers engaged in the production of and trade in only sporting, hunting and collectible arms, “common firearms” and “non-automatic short firearms” and their ammunition; this exclusion does not apply when intra-Community transfers and exports of these materials are destined for government bodies or armed forces or police forces.

The company’s standard rules governing the processing and disbursement of loans and the provision of services apply to these two types of undertakings.

The financial activities and services falling within the scope of application of the Policy include:
- direct shareholdings of BPER Banca or its subsidiaries in Companies that manufacture or trade armament material;
- financing (of any kind, including “signature loans” and “general credit”, also commonly referred to as “credit lines”) for companies manufacturing or selling armament material;
- wire transfer collection and payment services, unconfirmed export documentary credit, payment of documented remittances or collection of documented remittances in favour of companies manufacturing or selling armament material;
- management of deposits and investments (including cash held in current accounts, asset management, treasury management, cash pooling) for companies manufacturing or selling armament material;
- investment services falling within the notion of financing within the meaning of Italian Law 220/21.

With reference to the same Law 220/21, there are no further limitations beyond what is set out in the legislation.
The Board of Directors is responsible for approving the Policy, the Armaments Report, the list of countries of destination considered eligible for operations (the "white list"). The Chief Executive Officer approves exceptions relating to the management of regulated financial activities and/or services and requests for exceptions from Group Companies (excluding the Parent Company). The Chief Financial Officer approves waiver requests submitted by BPER with regard to financing operations, census and the opening of accounts, acquisition of holdings, collection and payment and Export/Import credit for companies involved in the production of and trade in armament material.

The main national reference standards in this context are Italian Law 185/90 (which establishes specific restrictions on the export, import and transit of certain type of military goods), supplemented by Italian Law 220/21, which imposes specific measures to combat the financing of companies producing anti-personnel mines, cluster munitions and sub-munitions, and the Regulations issued by the European Union - as applicable at any given time - prohibiting the direct or indirect import and/or export of goods and technologies included in the Common Military List of the European Union or equipment which might be used for internal repression, as well as related brokering services, financing and financial aid. For compliance with Italian Law 220/21, reference was also made to the Instructions of the Bank of Italy, COVIP, IVASS and MEF for the exercise of enhanced controls on the operations of licensed intermediaries to counter the financing of undertakings producing anti-personnel mines, cluster munitions and sub-munitions (July 2024). The above regulations are supplemented by the legislation in force from time to time.

In defining the Policy, the Group Companies sought the proper balance among some of the general values of reference:
- 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.

This approach translates into the desire to reconcile the aspiration for a model of society and relations based on mutual respect and repudiation of violence with the awareness that, at present, the total absence of weapons, even if only to ensure public order, is not a viable option. Group Companies, however, are committed to accurately assessing the characteristics and behaviours of the counterparties they come into contact with, so as to avoid engaging in transactions that are incompatible with their reference values and principles.

The Policy is available on the Group's website and on the corporate intranet.

ESG-linked Loan Origination Policy - Focus on impacts for communities

The "ESG-linked Loan Origination Policy" defines the methods to incorporate environmental, social and governance considerations into the BPER Group's business, in line with the sustainability commitments included in the "ESG Policy" of the BPER Group. This Policy aims at steering the governance of climate-related, environmental and other ESG-related risks as part of the Banking Group's lending activities, providing general principles and guidance for the assessment of specific risk elements factors in the BPER Group's loan origination and monitoring activities[93].

In particular, from a social perspective, the Policy emphasises the Group's commitment to combating gambling addiction and gambling, which, although a legal activity, is considered morally controversial due to the negative implications it can have if managed by unscrupulous operators or if, for some players, it becomes a pathological addiction. In order to take into account the economic and social impacts that gambling can cause, the BPER Group takes a careful and vigilant stance as:
- the sector lends itself easily to being contaminated by organised crime and money laundering;
- in times of great economic crisis, the economically and culturally weaker strata of society may become vulnerable to pathological addiction;
- although gambling is banned for minors, the spread of online gambling hampers our ability to vigilantly monitor these issues;
- operators of public establishments or recreational clubs have an incentive in operating slot machines on their premises, as these gambling devices are a most significant source of revenue;
- persons suffering from pathological gambling engage in behaviour that is risky for themselves, their family and those around them; some of them may go as far as committing fraudulent acts to obtain money.

93 For more details, please see the disclosure requirement "Policies related to climate change mitigation and adaptation" (E1-2).

In this regard, the BPER Group does not finance any new customers significantly operating in the sector, nor does it finance projects aimed at the:

- purchase, construction, development and expansion of gambling halls;
- the purchase and production of machines that promote gambling (for example, slot machines);
- development, dissemination, printed or digital publication and marketing for the promotion of gambling.

In addition, credit cards issued by the BPER Group inhibit the processing of payment transactions at facilities or internet websites that have been classified as gambling by the merchant acquirer. Conversely, prepaid top-up cards and "black" credit cards, reserved for a specific target group of customers, are enabled.

In line with the commitment to strengthen the "Social" dimension of the Group's ESG strategy, the Policy also covers the promotion and support of projects with a high impact on the local area, including social, senior and student housing, and integrated neighbourhood services throughout Italy, particularly in disadvantaged areas. The Policy especially refers to the material impacts on the affected communities related to the activities of granting loans for the purchase of real estate, structured finance transactions and financial support to housing and project financing activities for the health/hospital sector. The Policy therefore refers to impacts:

- improving housing in the territories by granting loans for the purchase of real estate, structured finance operations and financial support to housing entities;
- protecting the health of communities through project financing for the healthcare/hospital sector;
- contributing the socio-economic development of the territory.

As part of its periodic management reporting framework, the BPER Group has defined a number of monitoring and control activities to verify and assess the trend of its exposure to ESG risks, as well as the broader composition of its portfolio and counterparties classified as higher risk within the sectors described in this Policy, in order to prevent the occurrence of situations that may have a critical impact on the BPER Group's operations, asset quality and/or reputation.
As part of the process for the management and monitoring of counterparties, the BPER Group also adopts management and procedural controls aimed at detecting anomalies and timely classifying exposures, so as to promptly detect any deterioration that may lead to changes in the prospects for repayment by customers.

Group Regulations on the process of institutional promotion and donations

With reference to the positive impact "Contribution to the socio-economic development of the territory", the "Group Regulations on the Process of Institutional Promotion and Donations" establishes the modalities by which the process of institutional promotion and liberal contributions is carried out, which has the objectives of:

- promoting the development of the territory by supporting projects and initiatives that are consistent with the BPER Group's business and development activities;
- creating and/or consolidating the relationship with the beneficiaries of the interventions and, through them, with individual members, from a banking and institutional point of view (collaboration, joint initiatives, mutual promotion of their role in the territory);
- disseminating and conveying the Group's image in the different territories.

The relevant national legislation is mainly represented by Law 190 of 6 November 2012 and Legislative Decree 38 of 15 March 2017, in addition to the legislation in force from time to time. The main purpose of institutional promotion and charitable donations is to spread the Group's image in a positive way in the various territories, fostering its development.

The Regulations envisage the exclusive recipients of contributions as the bodies and associations duly constituted pursuant to the law, whose activities do not conflict with the Group's ethical principles and have a social, non-private value, and whose activities have a positive impact on local communities in terms of cultural, moral, social and economic growth. No provision has been made for stakeholder engagement in the definition of the Regulations.

The Communication Department is responsible for the implementation of the Regulations, which are available to all employees on the company intranet.

ESG Investment Policy for the Management of the Group's proprietary portfolio

The Group considers it appropriate to incorporate environmental, social and governance (ESG) principles into its investments and management standards. To pursue these objectives, the Group develops and adopts an approach aimed at identifying and assessing potential ESG risks arising from loans to and investments in companies operating in controversial sectors, with a low ESG rating, involved in serious events that have resulted, or may result, in negative environmental, social or governance-related impacts.
The purpose of the Policy[94] is, therefore, to define the general principles and guidelines for investment activities carried out on behalf of the BPER Group, with the assessment of ESG factors forming part of the decision-making process. The Policy therefore refers to the positive impact "Contribution to the socio-economic development of the territory".

Processes for engaging with affected communities about impacts (S3-2)

Sponsorship Management (SPM) Procedure/Portal, Self-certification form of the impact of the contribution received & Partnerships with bodies and associations

The initiatives promoted by the BPER Group throughout the territory represent important opportunities to be close to the communities and to acquire greater awareness of their expectations and needs. With reference to the impact "Contribution to the socio-economic development of the territory", BPER Banca receives requests for sponsorships and/or donations through the SPM Procedure/Portal from the registered associations and entities, thus directly engaging the affected communities or their legitimate representatives. The Sponsorship Office, which is responsible for this engagement, then assesses requests in line with the Bank's objectives and the "Code of Ethics", and verifies their positive impact on the community.

This occurs through the following phases:

- registration phase: all external users register on the portal, entering information on the association/body and the legal representative, and uploading articles of association and tax documents;
- request entry phase: within its own dashboard, the external user can enter the contribution request according to the format provided by the procedure and submit it for further analysis;
- analysis, preliminary investigation (approval or refusal): the user can check the status of the application from the dashboard and receives an e-mail when the request is approved or refused.

The process is carried out continuously.

The effectiveness of the interventions is evaluated through:

- return in terms of visibility and positioning;
- media and social media coverage (measured e.g. through the number of post views, press coverage, etc.);
- self-certification form of the impact and visibility of the contribution received, aimed at measuring the impact produced by the initiative.

The associations and companies for which requests have been approved, whether sponsorships or donations, receive and complete the monitoring form. This form allows the above-mentioned parties to self-certify data on the visibility and social impact of the contributions requested: type of audience involved, age group, number of people involved, type of communication activated, social interactions. The data from the 2023 self-certification impact models related to the contribution received were collected in 2024, and the data contained therein - together with the Communication Plan, the Business Plan, and the historicity and value of the initiatives for the social fabric and customers - guided the sponsorship decisions.

Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

To date, there are no dedicated channels available for the community to report concerns and receive assistance in this regard. However, there are e-mail contacts on the websites of the Group companies which can be contacted if particular needs arise, such as requests for contributions and sponsorships.

Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4)

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, in particular the development of cultural realities, the inclusion of the weakest groups of society, support for the younger generations and financial education. In 2024, no human rights problems and incidents were reported in relation to the affected communities.

94 For more details, please see the disclosure requirement "Policies related to climate change mitigation and adaptation" (E1-2).

In order to further enhance the commitment in this context, in 2023-2024 BPER decided to initiate an analysis and monitoring pathway to optimise the impact of a few of the main initiatives undertaken; this commitment has found tangible implementation by applying a structured social impact assessment model to three important social and educational projects: "La trappola dell'Azzardo" (The gambling trap), "Present4Future" and "B-education: idee che valgono" (B-education: ideas that count). The assessment of social impact envisaged the processing and use of advanced conceptual and digital tools in order to bring to light, in the most possible accurate and scientific way , the positive social impacts generated by projects, services and organisations in terms of both their social and economic value[95].

The actions described below are aimed at pursuing positive impacts for the affected communities and are also designed to support the achievement of one or more of the UN Sustainable Development Goals (SDGs), such as:

- Goal 1 - No poverty;
- Goal 4 - Quality education;
- Goal 5 - Gender equality;
- Goal 11 - Sustainable cities and communities;
- Goal 12: responsible consumption and production.

Donations and investments in the community

The BPER Group's support for community development, in line with the "ESG Policy" and the "Group Regulations on the Process of Institutional Promotion and Donations", is developed through various initiatives.
The BPER Group creates value in various forms in the territories in which it operates. The commitment is also manifested through donations, decided and disbursed according to a logic of support and inclusion. In fact, 130 donations were approved in 2024; in the 2024-2027 Business Plan, donations will contribute Euro 20 million to support local communities, together with other initiatives such as sponsorships, Forum events, Gallery, etc.
The activities to be supported and the contributions, in accordance with the "Group Regulations on the Process of Institutional Promotion and Donations", are allocated on the basis of local needs, with reference to the various areas.
The strategy guiding the activity is elaborated with charitable purposes consistent with the principles of care and proximity, sustainability and attention to the new generations, on identified thematic strands and planned fields of intervention:

- school, education, training;
- solidarity and social inclusion;
- promotion of the territory and local development;
- culture;
- sports;
- social and health care;
- recreational and aggregation initiatives;
- humanitarian initiatives.

Further initiatives implemented in 2024 and also described later are listed below:

- for the third consecutive year, in 2024 the Parent Company promoted the fundraising event "Insieme per le Donne" (Together for Women) in cooperation with D.i.Re - Donne in Rete contro la violenza (Women's Network against Violence);
- BPER Banca's sixth call for tenders was launched to support projects for the redevelopment of spaces to create cultural and recreational activities for the younger generations in areas of Italy experiencing social and economic fragility. All five selected projects were placed on a crowdfunding platform and, having reached the 60% fundraising target, obtained co-financing from BPER Banca for the remainder of the project amount;
- the Present4Future project ended in 2024. It was carried out in partnership with the Fondazione Gruppo Abele, a social responsibility project aimed at Italian and foreign adolescents and young people living in the following cities: Turin, Milan, Genoa, Rome, Naples, Palermo. The project involved around 3,000 young people (in addition to the 150 who worked on an ongoing basis with permanent working groups).

The actions described are focused on different types of actors identified based on the nature of the initiative itself, such as young people. The projects are almost always annual or linked to a single project, although they may have a longer duration, for example social responsibility initiatives aimed at young people or combating gender-based violence.

95 Please see the action "Donations and Investments in the Community" below for the pursuit of the opportunity to "Strengthen relations and positioning in the territory through donations and sponsorships within the territories".

Financial education and other educational projects

The main initiatives and training projects related to the promotion of financial education in 2024 are:

- "B-education: idee che valgono" (B-education: ideas that count) (2024 edition): second and final edition of the national financial education project devised by BPER Banca and aimed at university students from any faculty and university, with prizes for the best entries during the final event on 13 December 2024. Activities are also underway to update the platform used in the project in order to continue making the training content available to interested students;
- "Un passo verso il futuro" (A step towards the future): an educational pathway for pre-school, primary and secondary school teachers through the educazionedigitale.it platform to help them plan fun, interactive lessons;
- "La Banca del futuro" (The Bank of the Future): a 20-hour pathway for transversal skills and orientation (PCTO) aimed at lower and upper secondary schools that addresses the need for orientation on the professions of the future in the light of changes in the economic system, especially with regard to sustainability;
- "GRANDE!": an educational project involving primary school students, guided by their teachers, on a journey to learn the secrets of economics;
- "Tarabaralla - il tesoro del bruco baronessa" (Tarabaralla - the treasure of the baroness caterpillar): a project for nurseries and the first two years of primary school to help to develop financial education topics in class by connecting to the educazionedigitale.it platform, along with the support of two books and a workshop sheet to be completed in class;
- "Che Impresa Ragazzi": 37-hour PCTO involving many colleagues in the role of tutors. The colleagues make their time and expertise available to guide students in this educational pathway aimed at acquiring the skills that are most in demand on the labour market. It is implemented through activities involving the entire process in order to create an entrepreneurial idea with a view to transversality and transferability of skills to different tasks and work environments;
- "Previmenti": PCTO on supplementary pensions aimed at secondary schools through the educazionedigitale.it platform;
- "La mia Impresa, il Mio futuro" (My Business, My Future): a project guiding secondary school students towards the conception of "sustainable" business start-ups;
- "Road to STEM": a project for secondary schools to raise awareness of job opportunities in the field of STEM disciplines (Science, Technology, Engineering and Mathematics);
- "Steam To Dream: 26-hour PCTO aimed at secondary schools introducing students to STEM disciplines.

In addition to the above-mentioned projects, it should be noted that small financial education snippets are accessible to all, provided through web and social channels.

Fight against compulsive gambling

Starting in 2013, the BPER Group, in consideration of its Corporate Social Responsibility towards the communities served, has implemented initiatives to inform, prevent and implement measures against the practice of compulsive gambling (CG), aiming to:

- 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.

The main actions related to combating compulsive gambling include:

- the branches have been instructed to carefully assess the operations of each customer, promptly communicating to the branch head any situations that may be attributable to the compulsive conduct in question;
- 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 addiction to gambling, and useful instructions and tips on how branches can approach a gambling addicted customer in order to take action to protect both the customer and their family;
- the use of credit cards and prepaid business BPER Cards for payment transactions at businesses (for example: betting shops) or on internet websites have been classified as pertaining to the "gambling" goods category (except consumer prepaid cards and black credit cards). 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 gaming and betting (but also including 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 marketing and promotion to customers of "Scratch & Win" tickets is also avoided;
- for a few years now a "Compulsive Gamblers and Banking Services" handbook has been produced 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;

- in collaboration with Avviso Pubblico, an “Online Gaming Handbook” has been produced, with a view to disseminating information and knowledge tools on the main critical aspects linked to the widespread offer of gambling (both legal and illicit) online, to make people aware of the dangers and pitfalls as well as point readers towards acquiring in-depth knowledge by providing an extensive documentation;
- in cooperation with Avviso Pubblico, the new edition of the project “La trappola dell’azzardo” (The gambling trap) was made in 2024, which included the organisation of a series of dissemination meetings in four Italian cities: Bari, Verona, Milan and Florence. The purpose of these initiatives was to develop a greater awareness on the issue of compulsive gambling and the risks associated with its addiction, as well as the potential impacts on the financial position, social relations and health of subjects involved, with particular attention paid to the new generations. The events represented moments for focused training and awareness-raising with both students and teachers, as well as citizens and local institutions, as part of an entire day dedicated to the issues of the lawfulness and correct information related to gambling;
- in 2024, the Webinar “Compulsive Gambling: Recognise, Intervene, Prevent” was held for the corporate population and aimed at raising awareness among employees about this disease. Carried out in cooperation with ATS Bergamo, the training course highlighted the suspicious signs/behaviours of the disease and the methodologies for “approaching” the client, a suspected gambling addict, are indicated in order to direct them to the appropriate assistance services.

The actions described above ended in 2024 with the exception of the new “Fate il Nostro Gioco” project, which will end by 31 December 2025. In 2025, BPER Banca will carry out five awareness-raising and information/training Show Lectures for secondary school students in as many Italian cities.

The interventions on banking operations are aimed at all customers of the BPER Group, including employees. The scope of specific initiatives include:

- “Compulsive Gamblers and Banking Services Handbook” and “Online Gaming Handbook”, addressed to the Group’s customers and employees;
- the second edition of the “La Trappola dell’Azzardo” project is aimed at secondary school students and citizens, journalists and lawyers;
- the Webinar “Compulsive Gambling: Recognise, Intervene, Prevent” is aimed at the corporate population of the BPER Group.

All the above-mentioned projects and initiatives aimed at BPER Group employees and the community, based on the reference context, are evaluated annually in terms of content and dissemination.

Actions/Initiatives on violence against women

BPER Banca is firmly convinced that financial independence is one of the antidotes to economic violence and a condition for greater decision-making freedom over one’s own life; it therefore promotes numerous initiatives aimed at making women financially independent as well. BPER Banca highly values diversity, equity and inclusion, taking concrete action both through the development of projects aimed at supporting the most fragile categories, and through the direct management of financial education initiatives, for the better social and economic inclusion of increasingly broad sections of society. BPER Banca’s commitment is to pursue a path of collective and individual responsibility, with the aim of bringing about a cultural change within the company and in society.

Since 2022, on the International day for the elimination of violence against women, BPER Banca promotes a fund collection campaign “Insieme per le donne” (Together for women) in favour of “D.i.Re – Donne in rete contro la violenza” (Women’s Network against Violence), a group of 89 organisations spread throughout Italy who manage over 100 Anti-violence Centres and more than 60 shelters, supporting over 20,000 women every year, many of whom lack the financial resources necessary to achieve true independence, welcoming them into the anti-violence centres and shelters. On 20 November 2024, the third edition of this fundraising campaign was inaugurated at the National Gallery of Modern and Contemporary Art in Rome. The fundraiser is focused on supporting women who are trying to build an independent life for themselves after experiencing violence, and who lack essential financial means. According to D.i.Re data, 34.6% of women who come to their centres have experienced economic violence, a form of control that severely hinders women’s ability for self-determination and for building an independent future. Again in 2024, the fund collection campaign was communicated on all the BPER Banca’s channels, in the press and on social media, especially on social networks.

BPER confirmed a donation of Euro 100,000, contributing to a total collection of Euro 250,000, as well as promoting various financial education initiatives, including training programmes to improve women’s economic skills, thus contributing to preventing economic violence. Among these, in the last quarter of 2024 BPER Banca launched the webinar “Oltre il rosa” (Beyond Pink) in collaboration with the economist Azzurra Rinaldi and Equonomics. It includes 10 online sessions with the aim of combating economic violence and promoting financial education, with particular attention to the world of women. In addition, all BPER Group employees were involved over the year in a series of awareness-raising, dissemination and training activities, in particular in the empowerment and enhancement of female leadership profiles.

The same year saw the presentation of the Handbook "Together against economic violence" produced by BPER Banca in cooperation with D.i.Re; it is available on BPER's institutional website and via QR code in the Bank's branches. Developed to help women recognise, cope with and prevent economic violence, the tool is an essential support for those seeking greater awareness and autonomy in using banking services. In fact, the brochure responds to the need to make the main aspects concerning this form of violence known, to help women suffering from it to regain (or build) their relationship with money and banks, but also to support people in understanding and recognising the phenomenon. In fact, access to banking tools can be a real emancipation tool; the handbook suggests intervention and monitoring actions in the use of banking services to support the autonomy of victims of economic violence, always in compliance with banking regulations.
This initiative and its outputs were conveyed through all BPER communication channels and thus concerned all stakeholders of the BPER Banca Group.

Enhancing culture

The BPER Group's support for community development, in line with the "ESG Policy" and the "Group Regulations on the Process of Institutional Promotion and Donations", takes the form of the development of initiatives with a social value, within the scope of which the initiatives for enhancing culture are included.

Actions undertaken to support culture, through support for literary prizes, cultural events and projects to promote reading, significantly contribute to achieving the aims and objectives of the bank's social responsibility policies. These initiatives not only strengthen the cultural offer and promote social inclusion, but also foster the area's socio-economic development, stimulating community participation and strengthening links with the local and national cultural heritage.

Through its commitment, the Bank supports activities that go beyond the economic dimension, focusing on the value of culture as a tool for collective growth. These actions reflect the principles of social responsibility, promoting the well-being of society, inclusion and access to culture for all, and consolidating the Bank's role as a responsible actor committed to improving the quality of life of people and communities.

The main actions undertaken in 2024 to enhance culture and promote the socio-economic development of the territory include:

- support for important literary prizes, including the "Strega Award", the "Taobuk", the "Dosi Award", and the "Rapallo Award";
- support for literary festivals such as the "Salerno Letteratura Festival" and "Lettera Futura", dedicated to new female writers, including two major projects promoting reading, namely the "Silent Book Contest" and "Reading straddling knowledge and inclusion";
- cultural and film festivals such as "Le sere dei Mercanti" in Milan and "Sotto le stelle del cinema" organised by the Cineteca di Bologna, Biografilm Festival;
- cultural events such as "Festival Francescano" in Bologna, "Festival della Filosofia" in Modena, "Festival della Letteratura" in Mantua, "Dialoghi sul diritto" in Rome, "Incontri Mediterranei" in Procida and "Festival del Presente" in Bologna;
- the "Forum Eventi - Incontri con l'autore" (Forum Events - Meetings with authors) event, which for 15 years has been hosting leading international authors at the BPER Forum for meetings and book presentations, offered free of charge to the public;
- support to historic drama theatres, such as Teatro Carcano in Milan, Duse in Bologna, Duse in Genoa and the Emilia-Romagna Theatres Foundation, also renewing its commitment alongside major concert seasons such as the "Ravenna Festival", "Bologna Festival" and "Musica Insieme";
- partnership in exhibitions such as "Picasso the Foreigner", "Giuseppe De Nittis. Painter of Modern Life" in Milan and "Guercino. The Painter's Craft", "Berthe Morisot. Impressionist painter" in Turin, "Sestante Domestico" at the Venice Biennale, and competitions such as the Photographic Award named after Nino Migliori.

The stakeholders involved include citizens (students, readers, teachers, the general public, etc.), customers, local authorities and institutions, schools, foundations, cultural institutions, publishers, Third Sector organisations and associations in the area. Most of the initiatives supported are carried out on an annual basis, some may extend over longer periods depending on the type of event or project (e.g. theatre programmes).

Enhancing artistic heritage

In line with the "ESG Policy", the BPER Group is committed to supporting societal development by supporting the local area in order to test and consolidate initiatives with a social value, which include the initiatives illustrated below.

The Gallery - La Galleria

La Galleria is a corporate collection spread throughout the country, thanks to BPER's latest bank mergers. It is considered not only and exclusively a physical location, but above all a project of responsibility that operates by providing the community with opportunities for growth and the enrichment of historical and scientific importance, building strategic relationships in the area and standing alongside local public institutions as a first-rate interlocutor. Art and culture are intrinsically linked to the development and well-being of society, which is why La Galleria makes its heritage available to the public with the aim of contributing to building a better future.

The exhibition “Mario Sironi. Solemnity and torment” curated by Daniela Ferrari at the exhibition space in Modena came to an end at the beginning of 2024. It explored the theme “word” of philosophy festivals thanks to a nucleus of works from the BPER Banca Group Collection coming from Banco di Sardegna, establishing a strong collaboration between the Group’s banks and the territory and enhancing high-level artistic heritage.
In spring, La Galleria proposed two exhibitions at the same time, one in Modena and one in Milan. In Modena, “The enchantment of truth. Fragments of everyday life in still life between the seventeenth and eighteenth centuries” curated by Lucia Peruzzi. The exhibition offered the public a selection of works dedicated to the theme of still life to reflect on the issue of environmental sustainability and food waste. At the BPER Banca Cesare Ponti headquarters in Milan, an exhibition entitled “Human Image Recognition” by Alessandro Sambini, curated by Luca Zuccala and Andrea Tinterri, featured photographic works dealing with the relationship between art and artificial intelligence technology.
In September, the Modena space reopened for the 2024 edition of Festival Filosofia with a new exhibition on the theme “psyche”: “Psyche in the mirror. Omnia vincit amor”, curated by Daniela Ferrari, who presented a transversal exhibition itinerary to explore the different meanings of “psyche” linked to emotions and feelings of human nature, starting with the myth of Apuleius’ “Cupid and Psyche”. On the occasion of this exhibition, a series of meetings entitled ARTalk was also launched, open to the public free of charge, which addressed women’s issues from different points of view. It was an opportunity to offer the city a series of appointments to experience the space of the BPER headquarters in Modena, the venue of the meetings, in a new way and to enjoy the “Psyche in the Mirror” exhibition in a new way.
The year 2024 ended with the exhibition “PRIMA. May I go further” curated by Giovanna Zabotti at Palazzo Martinengo di Villagana, BPER Banca office in Brescia. During the course of the exhibition, cultural itinerary dates were organised, always free for all, together with the Brescia Museums Foundation, with the story of female artists as a common thread. The themes of the enhancement of female talent and entrepreneurship were the protagonists of this exhibition through the centuries, from the works of Elisabetta Sirani from the BPER Banca Corporate Collection to contemporary works such as “Isola #49” by Stefania Galegati, winner of the BPER Prize at Arte Fiera 2024.

In addition, as a cultural banking organisation within Museimpresa, the Italian Association of Business Archives and Museums, La Galleria joined the first edition of the project “A scuola d’Impresa” (Learning about business). Italy in our museums and business archives” together with contemporary artist Fabrizio Dusi and the crowdfunding platform Produzioni dal Basso. Conceived as a pathway for Orientation and PCTO and dedicated to the second three-year period of secondary school, the project involved about 50 students of the Muratori San Carlo High School in Modena, who carried out a crowdfunding project that allowed the two classes to purchase, with the money collected, a neon work that was set up in their school.

“Palazzi Storici” Project
This initiative has been developed in collaboration with BPER Banca’s Real Estate Department and involves the opening of actual cultural centres. The aim is to create a Corporate cultural reality that enhances, protects and makes usable not only the cultural heritage owned by BPER Banca, but all-around culture and education with a special focus on the younger generations, because a sustainable future is only possible with knowledge of the past and appreciation of the present. The “Palazzi Storici” (Historical Palaces) project in Ferrara and L’Aquila has evolved and, for all intents and purposes, on-site activities have begun. At the same time, work has been carried out on the selection of suppliers, the collection and creation of materials and the elaboration of exhibition routes.

Strengthening Partnerships with Associations, Third Sector Organisations and Schools, Believing in the Social Function of Art
The exhibition catalogues have been transformed into drivers of solidarity to raise funds for the Dynamo Camp Association (during the exhibitions “Mario Sironi”, “The enchantment of truth”, “Psyche in the mirror” and “PRIMA”). Collaboration and support for Dynamo also led to moments for sharing during “The enchantment of truth” and “Psyche in the mirror”, offering boys and girls workshop activities and parents and families moments of entertainment with guided tours of the exhibitions.

Another important project concerns the digitalisation of the archival documents and artwork thanks to the collaboration with the Research Centre on Digital Humanities of the University of Modena and Reggio Emilia (DHMoRe), via the open source platform LODOVICO. The digitalisation of archival documents continued in 2024, and the digitalisation of works of art in the Collection began. The latter activity was presented at the conference “Art collections, corporate collections. Preservation, digitalisation and new forms of use”, where the first results of digitalisation were presented, offering insights into such a topical issue for bank collections and beyond.

All these activities were carried out free of charge by La Galleria BPER Banca and were open to all, bringing a valuable cultural offer to the different cities and strengthening partnerships with the territories.
The various initiatives promoted are outlined below:

- exhibitions: during the year, five exhibitions were held in Genoa “In the rooms of art”, Modena “The enchantment of truth” and “Psyche in the mirror”, Milan “Human Image Recognition” and Brescia “PRIMA. May I go further”;
- guided tours: there were free guided tours for the public on alternate Sundays for both exhibitions in Modena, to which the guided tour days at the BPER headquarters in Milan and Brescia must be added for a total of over 60 guided tour days;

- guided school tours: La Galleria is particularly committed to creating and disseminating free educational paths for the younger generations, particularly in the exhibition space in Modena. For each exhibition, an educational activity is structured according to the order and grade of education, which allows not only class visits but also workshop activities closely linked to the exhibition. The aim is to bring food for thought, moments for entertainment and sharing, starting with the artwork on display. La Galleria welcomed over 400 students to its workshops in 2024, stimulating reflection on current issues. In Milan, university classes visited the exhibition;
- ARTalk: for the first year, we organised a series of workshops related to the "Psyche in the mirror" exhibition in Modena with the aim of creating more and more moments of shared culture. In the setting of the BPER Banca headquarters in the centre of Modena, guests of national importance (writers, psychoanalysts) were invited to share and reflect on the theme of the exhibition and the female figure of Psyche. The aim was to bring new, also very topical points of view around the theme of women, starting with the works of art in the exhibition and beyond;
- activities/events in La Galleria: throughout the year, we offered free events and initiatives for citizens, held in the various exhibition spaces. During 2024, we shared over 23 days of initiatives and activities (Dynamo Camp family tour, Museum Night, Archive Night, Rolli Days) not only in Modena, but also in Genoa and Brescia.

BPER's commitment to enhancing culture is developed in continuity as part of an annual planning of projects in the broader context of corporate strategies:

- historical palaces: the renovation of the historical palaces in Ferrara and L'Aquila is continuing and their opening is expected during the second half of 2026;
- exhibitions: the above-mentioned exhibitions ended in the year 2024, with the exception of the exhibition "PRIMA. May I go further" in Brescia, which ended on 11 January 2025 and the exhibition "Psyche in the mirror" in Modena, which ended on 9 February 2025.

Promotion of sport

In line with the "ESG Policy" and the "Group Regulations on the Process of Institutional Promotion and Donations", the BPER Group's support for societal development also takes the form of initiatives in the field of sport.

BPER's sports promotion activities, through event sponsorships, championships and tournaments, are aligned with the Bank's objectives and values. These investments support sport, physical and mental well-being, inclusiveness and support for the younger generation, promoting social integration and the dissemination of sporting practices, including for persons with disabilities. BPER thereby also strengthens its ties with the territory and pursues its mission of sustainable growth and positive impact on society.

BPER promotes several sports initiatives, supporting associations and clubs that engage youth and bring together a broad and diversified audience. During the year, BPER supported:

- international events such as the European Artistic Gymnastics Championships;
- national sporting events, such as the BPER AIBVC (Italian Beach Volleyball Club Association) Beach Volleyball Italia Tour Young, the Granfondo Vie del Sale (amateur cycling event), the Crotone Sailing Club (regattas for young people) the Milano 21 and Monza 21 running races (10 and 21 KM routes), the Gran Prix of Gymnastics event. The Italian Sitting Volleyball Championship, Happy Hand and the Bergamo Special Volley Team represent realities in which inclusiveness and sport come together to fuel a virtuous path of social growth with respect to disability;
- sporting events mainly aimed at young people, such as the Nations Finals of the youth categories of the Italian Volleyball Federation (from Under 14 to Under 19), the Volleyball Regions Trophy, the Modena Volley Summer Camp, the Anderlini Volleyball School, and the Modena Volley and Bergamo Volley youth teams.

Over the years, BPER has achieved remarkable progress in its sports promotion initiatives, both in terms of participation and qualitative impact. With regard to international events, such as the European Artistic Gymnastics Championships, the company's commitment has helped to improve the sport's visibility among the general public.

As far as national sporting events are concerned, the BPER AIBVC Beach Volleyball Italia Tour Young and the Granfondo Vie del Sale have seen steady growth in the number of participants, consolidating as increasingly important events. Similarly, the Monza 21 and Milan 21 running races have seen a steady increase in registrations, becoming benchmark events for running enthusiasts.

In the field of social inclusivity and sport, events such as the Sitting Volleyball championship and the activities of the Bergamo Special Volley Team have had a significant impact, with an increase in the participation of people with disabilities and a greater awareness of the importance of inclusion.

Lastly, youth events such as the National Volleyball Finals and summer camps have seen an increase in the number of young athletes involved and have contributed to the promotion of the sport and its values to an ever wider public.

Sport is a catalyst for well-being and one of the main tools for inclusion. The main support actions took the form of accompanying events for different audiences, depending on the type of sport, age and territorial origin, with a special focus on activities for young people. Most of the initiatives supported are developed on an annual basis, while some may extend over different periods depending on the type of event or project (e.g. sports seasons often involve planning over a time frame that does not coincide with the calendar year).

Project Financing for the health/hospital sector and structured finance interventions to support housing

The Project Financing operations relate to the health/hospital sector, where BPER played a senior role in structuring operations with mainly institutional sponsors to support growth, the construction of important infrastructure for the local area and financial optimisation with a social purpose linked to the type of assets financed. The progress achieved in 2024 has consolidated a positioning that had already been achieved especially in 2023 in the health/hospital sector. During the year, BPER also financed operations aimed at building student dormitories.
Several projects were carried out during the year to build hospitals, nursing homes and student dormitories, financed in the Italian region through customer credit disbursements.
Specifically, disbursements were made during the year for the redevelopment and management of the IRCCS Gaslini Hospital in Genoa, support for the plan to acquire and develop new pharmacies, and the construction of a 500-bed student dormitory in Sesto San Giovanni (MI).
On average, the duration of the loans granted is about six/seven years.

Improving housing in the territories

In 2015, the BPER Group joined the initiative promoted by ABI - MEF to set up the Fondo di Garanzia Prima Casa (Consap) (First Home Guarantee Fund), initially envisaged to the extent of 50%.
In 2021, the BIS Support Decree extended the use of the Guarantee up to 80% also for the purchase of the first home by certain priority categories (as defined in the 2021 Bis Support Decree and the 2024 Budget Law, such as "large families", "single-parent families with minor children", etc.). For all priority categories, BPER Banca ensures the use of the Guarantee in accordance with the protocols and has created a special product dedicated to the Under 36 target, with certain characteristics (purchase of non-luxury properties, ISEE below Euro 40,000, no other property registered in the buyer's name). For more details, please see the information in disclosure requirement "Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions" (S4-4).

The Group's subsidiary banks develop products for customers belonging to the priority categories (as defined in the 2021 Bis Support Decree and the 2024 Budget Law, such as "large families", "single-parent families with minor children", etc.). These actions are developed continuously, also in line with the provisions of the Business Plan and the evolution of the regulatory framework.

Other activities with a strong social impact - Abele Group

The Present4Future social inclusion project was launched in 2022 and ended in 2024. It was dedicated to young people aged 14 to 24, conceived by BPER Banca together with the Abele Group Foundation and thanks to the help of six partners (ETS) linked to the Foundation itself, which developed through a three-year plan of activities in six major Italian cities, with social, educational, sporting and cultural actions.
The actions were developed in 2023-2024; they had been preceded by activities aimed at getting to know the boys and girls (their discomforts, needs, critical issues, etc.).
In the two-year period, the aim was to make them protagonists, encouraging their participation and active citizenship, in order to bring them closer to the territories to which they belong and allow them to explore their peculiarities and "links".
During the 26 months of the project, 130 activities were implemented. The five main categories of actions taken were:

- empowerment and well-being (psycho-pedagogical listening desk);
- formal and non-formal education (school workshops, Italian course, street education, orientation etc.);
- participation and leadership;
- regeneration and territorial animation (sports, socio-cultural events);
- contamination and cultural exchanges (cultural and nature visits).

The "summer relays" continued in 2024, which provided young people from the different territories with a mutual exchange and welcome lasting four to seven days each, across Italy from North to South.
The project concluded with an event open to citizens held in Modena on 16 January 2025 and aimed at celebrating, enhancing and recounting the journey of the young people.

The initiatives carried out in 2023 and 2024 covered the cities of Turin, Milan, Genoa, Rome, Naples and Palermo (13 neighbourhoods or small towns) on a daily basis and included six areas of intervention as listed above.
Approximately 3,000 children, 2,000 neighbourhood citizens, 128 organisations and 24 schools, 6 educating communities were involved throughout the project.

Other activities with a strong social impact - Third Sector crowdfunding

In line with the "ESG Policy", the BPER Group's support for societal development takes the form of the development of projects with a strong social impact, also through crowdfunding initiatives.

In fact, as part of the activities dedicated to the Third Sector and Public Administration, BPER Bene Comune launched the seventh call, "Il futuro a portata di mano" (The future at hand), in partnership with Produzioni dal Basso, the first crowdfunding and open innovation platform in Italy. In 2024, the call made it possible to co-fund 60% (through a donation) of five cultural and social projects involving young people in the target communities. Over the course of next year, the social impact assessment for these projects implemented in territories in Northern, Central and Southern Italy will be presented. The area of reference is support for the Third Sector engaged in the cultural sphere with the younger generations. The projects held in 2024 were carried out in continuity with previous years and are aimed at young people up to the age of 25.

In 2024, the initiative supporting the promotion of culture through the cultural project of La Galleria continued, making the funds raised through the free visits to the exhibitions in BPER's exhibition spaces available to Fondazione Dynamo Camp ETS.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5)

Euro 20 million in contributions to local communities

Consistent with the Group Regulations on the Process of Institutional Promotion and Donations, which aim, inter alia, to "disseminate and convey the Group's image in the various territories in which it operates", and within the context of preparing the Business Plan, support for local communities has been envisaged with a total amount of Euro 20 million over the plan period (2024-2027). The funded activities, which will cover support for culture, art, sport, associations and the Third Sector, will be implemented in Italy. The overall contribution estimation was determined based on the Bank's experience over the previous three years and the projects defined within the framework of the Business and Communication Plan.
The activity will be monitored constantly and reported in accordance with internal regulations. A report is prepared and submitted to the cost management structures on a quarterly basis, in which the accruals for the amounts committed are taken into account, and the activities related to the exercise of delegated powers are reported.
The SPM procedure allows the creation of the reports, presenting the situation in real time.

Based on past experience, the achievement of the objective produces an improved reputation and greater proximity and knowledge of the Bank in the territories.

3.4 Consumers and end-users (S4)

Impacts, risks and opportunities related to consumers/end-users and their interaction with business strategy (SBM-3)

The BPER Group bases its success on the relationship of trust established with its clientele, characterised by fairness and transparency. All customers that may be materially impacted by the company, including impacts directly related to the company's own operations and value chain, are included in the scope of disclosure under ESRS 2 and have in fact been covered in the double materiality analysis, sometimes with specific focus on potentially vulnerable customer categories.

As regards the types of customers affected by the operations of the Group's Italian banks, in 2024 there were approximately 4.9 million customers, of which 86% belonging to the "natural person" category (over 4.2 million) and 14% to the "legal entity" category (approximately 670,000). As far as the "natural person" category is concerned, 49% are women (about 2 million); with regard to age, 30% of customers are under 45 years old, 38% are in the 46-65 age group and 32% are over 65.
On the other hand, with regard to "legal entity" customers, 74% of customers belonged to the POE and Small Business service models in 2024 (about 501,000), while the remainder belong to Corporate, Large Corporate and Other (from 2024, legal entities such as Condominiums, Non-Legal Entities, including those of the Third Sector, and some Religious Entities will fall under the category "Other").

As regards the period of relations with the Bank, 36% have been customers for less than 10 years, 28% have been customers for between 10 and 20 years and 36% have been customers for more than 20 years.

Furthermore, there is a higher concentration of customers in Northern Italy in 2024, equivalent to 52% (approx. 2.5 million customers), while the remaining quota is subdivided between the South of Italy and the Islands (30%) and Central Italy (18%).

The Group excludes products from its offerings that are inherently harmful to people and/or increase the risks of chronic diseases. Also in line with the principles of the "Code of Ethics", the BPER Group is constantly committed to ensuring that the regulatory and organisational safeguards it has put in place, and which it systematically monitors and updates, are in place to prevent its customers from suffering any negative impact on their rights to privacy, personal data protection, freedom of expression and non-discrimination.

The BPER Group is committed to guaranteeing fairness and transparency with respect to customers also through clear, accurate and easily understandable information. To this end, it draws up documents following the main guidelines provided by the regulations, with particular attention to the criteria on the structure and layout of the documents, syntactic simplicity and lexical clarity, adjusted to the level of financial expertise of the target customers and using the most appropriate communication channel, in order to allow the customer to clearly understand the characteristics and costs of the service, to easily compare products and make well-thought out and informed decisions.

The outcome of the double materiality analysis identified two material negative impacts that may expose customers to increased risks, based on the assessment of the internal experts involved:

- loss of customer data due to inefficient data protection systems, and non-compliance with privacy rules and protocols (impact assessed as actual);
- impacts on customer safety due to inadequate branch security level.

It also identified multiple material positive impacts with reference to all Group customers, resulting mainly from the implementation of products and services with a social purpose, the focus on physical and digital security and on listening, innovation and digitalisation, and on the transparency and adequacy of the offer.
In addition, the material risks and opportunities have been identified with reference to all Group customers, and not related to specific groups.
Risks:

- detection of a serious cybersecurity incident (e.g. cybercrime);
- operational loss risk due to unauthorised access to customer data (data breach) by personnel external to the Bank/Company;
- operational loss risk attributable to inadequate management and/or protection of customers' / potential customers' personal data within the context of the transactions performed by the Bank / Company (for example current account management, credit granting, finance);
- relevant complaints received from customers (e.g. published in the media, etc.).

Opportunities:

- improved attraction of existing customers and prospects through significant investments in digitalisation and automation aimed at developing a new, more usable omnichannel service model.

The risk exposure analysis did not envisage a diversified approach according to the different customer categories, except for the occurrence of possible hardship situations for disabled persons.

Policies related to consumers and end-users (S4-1)

With regard to customers, a number of policies represent the key factors useful for identifying the pillars of the fiduciary relationship with the Group, marking the commitment to correct behaviour and respect for all end-users. Therefore, the BPER Group's main policies that identify the general approach to customers are presented below, before going on to address specific subject areas.

Code of Ethics

The "Code of Ethics" represents an important source of guarantee for the protection of the BPER Group's customers; to this end, it requires each recipient to perform their activities vis-a-vis customers with professionalism, competence, helpfulness, fairness, courtesy and transparency. Behaviour shall always be imbued with professional respect for the confidentiality of information acquired in the course of business, as well as for the applicable national and supranational regulations on personal data protection.

When starting commercial relations with new customers and managing existing customers, it is necessary, taking into account the available information, to avoid:

- maintaining relations with people known, or even merely suspected of being involved in illegal activity, particularly in connection with usury, organised crime, the production of "controversial weapons", trafficking in arms and drugs, money laundering and terrorism, and, in any case, with persons lacking the necessary requisites of professionalism and commercial reliability;
- financing illegal activities aimed at producing or marketing or illegally disposing of products that are highly polluting or hazardous to the environment and health;
- entering into financial relations with economic activities that, even indirectly, hinder human development and contribute to violating fundamental human rights (for example by exploiting child labour or prostitution).

The "Code of Ethics" is therefore strongly connected to the possible impacts linked to customers, as it is the instrument which guarantees the correctness of behaviour and the basis of the fiduciary relationship; in fact, the Code identifies the fundamental elements that must distinguish the Group and those who represent it through their actions to guarantee the fundamental aspects of customer relations (Privacy, Freedom of expression, Access to (quality) information, Security of a person, Non-discrimination, Access to products and services, Responsible marketing practices).
The "Code of Ethics" refers to the following material impacts:

- loss of customer data due to inefficient data protection systems and non-compliance with privacy rules and protocols;
- ensuring customers' freedom of expression by setting up systems for reporting inefficiencies or problems with products/services offered;
- provision of products and services for all customer categories, including the most vulnerable ones;
- customer satisfaction through responsible, fair and transparent marketing practices.

The Group is also committed to monitoring and objectively measuring the actual application of the principles and values expressed in the Code. The Supervisory Body appointed pursuant to Articles 6 and 7 of Italian Legislative Decree 231/01 monitors compliance with the Code within its competence. For more details, please see the description provided in the disclosure requirement "Business conduct policies and corporate culture" (G1-1).

Relevant Human Rights Policies and commitments for customers

To date, the BPER Group does not have a policy specifically referring to human rights in which processes and mechanisms are established to monitor the respect of relevant human rights for customers and end-users. The Group oversees the issue of human rights in the "Code of Ethics" and the "ESG Policy". Furthermore, within the "Personal Data Protection Policy", the Group defines the requirements for processing personal data, regulating rules and safeguards to ensure their protection and safeguard the rights and freedoms of everyone, including customers.
Within the "ESG Policy", the Group states that it endorses the United Nations Global Compact and is inspired by the OECD Guidelines for Multinational Enterprises. Furthermore, as already described in chapter S1, the new Policy for the management of human resources promotes and protects rights in accordance with the principles established in the "UN Guiding Principles on Business and Human Rights", the "OECD Guidelines for Multinational Enterprises" and the "International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work".
In addition, the Group also protects its customers through the principles outlined in the "ESG-linked Loan Origination Policy".
In the absence of a Policy specifically referring to human rights, the Group does not to date have specific processes and mechanisms for engaging with customers. However, it again confirmed its commitment to this issue in 2024 by promoting opportunities for dialogue and cooperation with various organisations working on key human rights issues independently of the development of business partnerships. In particular, BPER is constantly committed to ensuring respect for human rights and equal dignity and supports the fullest expression of each person's potential through the various initiatives developed and explored in the standard ESRS S3 Affected Communities.
The BPER Group has not defined an approach and/or processes to remedy human rights impacts, as it does not believe it has caused or contributed to material negative impacts. All this in relation to the commitments made in the "Code of Ethics", which is an integral part of the Organisation and Management Model pursuant to Italian Legislative Decree 231/01 and the safeguards put in place with the introduction of the "ESG-linked Loan Origination Policy".

There was no evidence of BPER Group non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving customers in 2024.

ESG-linked Loan Origination Policy

The "ESG-linked Loan Origination Policy" mainly refers to the following impacts: reduction of inequalities in access to credit thanks to the success of financial inclusion and financial education initiatives; increase in financing for specific customer targets, thanks to microcredit, social credit and other products aimed at vulnerable categories; development of entrepreneurship in the country, with particular attention to SMEs and female entrepreneurship, also through the development of credit policies that are attentive to the needs of value chains at national level; customer satisfaction thanks to responsible, fair and transparent marketing practices.
For more details, please see the disclosure requirement "Policies related to climate change mitigation and adaptation" (E1-2).

3.4.1 Customer privacy, listening and information

An important area for guaranteeing fairness in relations between the Group and its customers is respect for privacy, the ability to receive and handle requests in a timely manner, and the guarantee of access to adequate information.

Privacy

In order to ensure the protection and security of personal data, the BPER Group has adopted the "Group Policy on Personal Data Protection" and the Regulations on the processes of "Management and processing and related fulfilments", "Management of the requests of data subjects to exercise their rights", "Tracing of banking transactions pursuant to the Data Protection Authority's Provision 192/2011", "Management of Data Breach events" and "Management of the database acquisition process".
These policies apply to all customers and/or end-users as a whole.

These policies also refer to the issue of "Privacy", and in particular:

- to the negative and actual impact of "Loss of customer data due to inefficient data protection systems and non-compliance with privacy rules and protocols";
- to material risks:
- detection of a serious cybersecurity incident (e.g. cybercrime);
- operational loss risk due to unauthorised access to customer data (data breach) by personnel external to the Bank/Company;
- operational loss risk attributable to inadequate management and/or protection of customers' / potential customers' personal data within the context of the transactions performed by the Bank / Company (for example current account management, credit granting, finance).

Policies related to consumers and end-users in relation to privacy (S4-1)

Personal Data Protection Policy

The "Personal Data Protection Policy" defines the requirements for processing personal data within the BPER Group; it governs the rules and controls that BPER Banca, in its capacity as Parent Company, has set out for the Companies of the BPER Group with the aim of ensuring the protection of personal data and safeguarding the rights and freedoms of the data subjects. The Parent Company and Group Companies have set up their processing activities in compliance with data protection regulations and in line with the ethical and behavioural values, as well as sustainability, defined in the Group's "Code of Ethics" and Code of Conduct.
The Policy refers to the impact "Loss of customer data due to inefficient data protection systems, and non-compliance with privacy rules and protocols" in the context of the confidentiality of end-user information. In this context, the Policy also refers to the risks of "detection of a serious cybersecurity incident", the "operational loss risk due to unauthorised access to customer data (data breach) by personnel external to the Bank/Company", and the "operational loss risk attributable to inadequate management and/or protection of customers'/potential customers' personal data within the context of the transactions performed by the Bank/Company".

The Parent Company has identified organisational and security measures to protect personal data for the Group, which cover both the ability to ensure the confidentiality, integrity, availability and resilience of processing systems and services on a permanent basis, and the ability to promptly restore the availability and access of personal data in the event of a physical or technical incident. The effectiveness of these measures is monitored on a regular basis.
As the Parent Company, BPER Banca is responsible for defining guidance for the protection of personal data at Group level. Implementation of the guidelines laid down by the Parent Company takes place according to principles of gradual approach and proportionality according to the specific features of the various companies belonging to the Group and included in the scope of consolidation.

The Parent Company's BoD has adopted a Group organisational model to ensure the effective management of activities aimed at protecting personal data and the rights of data subjects. The Data Controller of each company is required to issue instructions on how Authorised Persons are to process personal data in the course of their work.
In particular, this model includes the following key figures:

- a Privacy Delegate in BPER and each Group Company in the scope, with the Chief Executive Officer (where present) or the General Manager being identified by the Board of Directors of each company as the Data Controller, with the task of implementing, in full operational autonomy and with decision-making powers, also in terms of expenditure capacity, the provisions and technical and organisational measures required by the reference legislation, with consequent assumption of all related responsibilities, to guarantee and be able to demonstrate that personal data is processed in compliance with the regulations in force. The Delegate exercises the functions by means of the decision-making, organisational and provisional powers, both ordinary and extraordinary, attributed to him/her, also in terms of expenditure capacity, with the right to sub-delegate the same, as well as the inherent representative powers. However, the conferral of the aforementioned delegated powers leaves the Controller/Board of Directors in charge of administrative responsibilities, actions for damages, inspections and measures of the Control Authorities, and civil and criminal liabilities not attributable to the Delegate;
- a single DPO (Data Protection Officer) for the companies of the BPER Group, designated by the Board of Directors of each company in its capacity as Data Controller, who is responsible for the functions and duties envisaged by Art. 39 of the GDPR (General Data Protection Regulation), including those of informing and advising on the obligations deriving from the reference legislation, monitoring compliance, cooperating with the supervisory authority and acting as a point of contact for the supervisory authority on matters related to the processing.

The Policy is based not only on the legislation in force from time to time, but also on the framework of the main sources of external legislation applicable to the field of personal data protection and of reference for the BPER Group, such as:

- Regulations and Guidelines of European and Italian origin on the subject (Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data; GDPR);
- Provisions of the Data Protection Authority (both those of a general nature and those specific to the banking sector);
- Guidelines and Recommendations of the European Data Protection Board (body that replaced the Working Party Art. 29 - WP29 - following the entry into force of the GDPR).

The Policy is published on the Group's institutional website and can therefore be freely consulted by interested stakeholders. In fact, the Privacy Policy contains the information required by the legislation on the protection of personal data, with particular reference to Articles 13 and 14. If personal data is collected from the data subject, the Privacy Policy is provided at the time the personal data is obtained; where, on the other hand, the personal data is not collected directly from the data subject, the Policy is provided at the time the personal data is obtained or in any event within a reasonable period of time after the personal data is obtained, at the latest within one month, having regard to the specific circumstances in which the personal data is processed and, where the personal data is intended for communication with the data subject, at the latest at the time of the first communication, as set out in the GDPR.

Security Management Macro-process Regulation

The "Security Management Macro-process Regulation" defines the BPER Group's security management principles, regulating the high-level principles and rules aimed at protecting the confidentiality, integrity and availability of data, information and ICT resources of the BPER Group and its customers.
The Regulation therefore governs the rules, the structure of the macro-process itself, the roles and responsibilities of the Corporate Bodies/Organisational Units of the Parent Company and Group Companies involved in the processes connected with mitigating "IT security" risk, in order to guarantee the protection of IT resources and of the information managed with them, and in the processes connected with the management of "physical security" to guarantee the effective protection of the BPER Group's assets and property.

The "Strategic Security Plan" of the Security & Business Continuity Service - CISO (Chief Information Security Officer) is aligned with corporate directives and guides security initiatives, involving the most appropriate Organisational Units. Key activities include regulatory compliance, responding to new threats and implementing security controls. The Service also defines "Security Action Plans" and "Security Operating Plans", ensuring consistency with business needs. Continuous monitoring and regular reporting to the BoD ensure the effectiveness and appropriateness of the measures taken.

The Regulation refers to the negative and actual impact of "Loss of customer data due to inefficient data protection systems, and non-compliance with privacy rules and protocols" in the context of customer privacy. In this context, the Regulation also refers to the risks of "detection of a serious cybersecurity incident (e.g. cybercrime)", the "operational loss risk due to unauthorised access to customer data (data breach) by personnel external to the Bank /Company", and the "operational loss risk attributable to inadequate management and/or protection of customers'/potential customers' personal data within the context of the transactions performed by the Bank/Company" (for example current account management, credit granting, finance).

The Regulation applies to the following Group Companies: Banks (Italian and foreign), Special purpose companies, Financial companies and SGRs. It not only defines the roles and responsibilities of the Corporate Bodies/Organisational Units of the Parent Company and Group Companies involved, as set out in the relevant external regulations, but also the rules and requirements for personnel and external parties (e.g. third-party suppliers) who are responsible for guaranteeing the BPER Group's information security.
The highest management level in the company's organisation responsible for implementing the aforementioned Regulation is the Chief Information Security Officer (CISO).

The reference legislation and third party initiatives from which the company draws inspiration in defining its Regulation, in addition to the legislation in force from time to time, come mainly from the supervisory framework (e.g. ECB, EBA (European Banking Authority) Guidelines, DORA - Digital Operational Resilience Act, Bank of Italy, etc.), from sector regulations (e.g. PSD - Payment Services Directive, NIS - Network Information Security, etc.) and from international standards (e.g. NIST - National Institute of Standards and Technology, ISO 9001, 27001, 27017, 27018, 22301).

The Regulation is preliminarily shared with BPER's functions (e.g. IT, control functions, Organisation, etc.) involved in various ways in the affected processes; it is initially submitted for approval to the Risk Control Committee and then submitted to the BoD. Following the approval resolution, it is published on the corporate intranet and disseminated via e-mail to the other Legal Entities for transposition. It refers to all consumers and/or end-users as a whole.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

Processes to remediate negative impacts and privacy issue reporting channels

In order to safeguard against the impact of "loss of customer data due to inefficient data protection systems, and non-compliance with privacy rules and protocols", in 2024 the BPER Group maintained its commitment to the protection and safeguarding of personal data, whether they relate to its customers, employees or any other type of data subject. The BPER Group's Banks and Companies have appointed the Data Protection Officer in compliance with Art. 37 and following of the GDPR.

The Policy and Regulations detailed above govern the aspects concerning the processing of personal data and the protection of the same for the entire BPER Group, including the persons authorised and the third parties that process personal data on behalf of Group companies.
In particular, the BPER Group complies with the principles "applicable to the processing" which includes privacy by design and by default: the products and services offered and distributed by the BPER Group are assessed "ex ante" from the planning stages, so that the control measures introduced to comply with regulations are constantly identified. The BPER Group Banks and Companies have designated the persons who process personal data as "authorised processors".
The BPER Group's Banks and Companies issue the privacy disclosure to data subjects. This concerns the information required by the regulation (arts 13 and 14 of the GDPR) such as, for example, the nature of the data collected, the use and purpose of the collected data, the possibility of voluntarily providing consent for marketing and profiling purposes, as well as the option to revoke them at any time. The aforementioned statement is also published on the institutional website of the BPER Group's Banks and Companies.

The Compliance Function's task is to ensure the adequacy of internal procedures to prevent the violation of external rules (e.g. laws and regulations) and/or self-regulation (e.g. Articles of association, codes of conduct, corporate governance codes) applicable to Group Companies.

The DPO, who operates within the Function, possesses specialist knowledge of the legislation and of the cases regarding personal data protection, set forth in EU Regulation no. 2016/679 (GDPR), to which the legislation attributes the primary duties of verification of compliance and of control of respect for the privacy provisions.
The "BPER Banca Guide to Complaints" explains the approach a customer can take to file a complaint. The first thing suggested is establishing dialogue with the branch in question, pointing out the reason for dissatisfaction and trying to find a solution.
The branch personnel is the first point of contact, precisely because of the knowledge and trust established over time. Should the customer be dissatisfied with the solution proposed and should it not be possible, for whatever reason, to resolve the differences that have arisen with the Bank, the customer can submit a complaint in writing by ordinary mail, e-mail, fax, or hand delivery to a BPER Banca branch. Once the complaint has been brought to the attention of the Banking Complaints Department/ Financial and Insurance Complaints Department, on the basis of their respective competences, they examine the issue and immediately start the preliminary investigation.

In addition, the BPER Group provides the contact details of the DPO for requests concerning the protection of personal data, contacts which are also set out in the privacy notices pursuant to articles 13 and 14 of the GDPR as well as on the website of all companies belonging to the Group.

On the websites of all Legal Entities, accessible and inclusive even for differently abled people, in the “Transparency” section the following documents can be found:

- the “Complaints Guide” which provides simple and immediate suggestions on how to file a complaint, on management criteria and response times;
- the “Form for filing of complaints”;
- the annual reports on the management of complaints.

In addition, the BPER Group’s “Complaint Management Process Regulation” contains a specific process for monitoring complaints, which calls for sample checks on the correct recording of complaint fields and verification of compliance with the customer response timeframes envisaged by regulations, as well as verification of compliance with corrective actions following the complaint and/or the outcome of any appeals, and reporting on the progress of complaints to the Corporate Bodies and Functions involved.
Finally, in the event of a personal data breach, the BPER Group takes technical and organisational measures aimed at correcting the breach and mitigating its potential negative effects. The action to be taken varies according to the nature and severity of the violation, and is determined on a case-by-case basis.

Customers are aware of the existence of the process through the contracts signed, the receipt of the various notices from the Bank (e.g. Privacy Policy), the information sheets in the branch, and the presence of a special “Transparency” section and “Privacy” section on the Bank’s website.
The Group’s ambition is to ensure full customer satisfaction, and every action is geared towards preventing retaliation against customers.

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

Actions related to Privacy and Data Protection

With a view to improving its data protection policies, the Bank adopted the new Privacy Policy for customers in February 2024. Changing market needs, digital innovations and ESG areas were taken into account when drafting the document.
In addition, in 2024 the Bank updated its Privacy Policy for the employees of the BPER Group, so as to disclose information on the processing of personal data in a clearer and more intelligible manner.
Also in 2024, privacy training courses were provided to all BPER Group employees, which were developed with the advice of the Group Data Protection Office in order to tailor the content to the needs of the users.
These actions were undertaken and completed in 2024.

The indicated actions were taken to remedy the material and actual impact “Loss of customer data due to inefficient data protection systems, and non-compliance with privacy rules and protocols”.

The management of data breach events is defined in the “Data Breach Management” Regulation, which describes the methods for reporting and detecting a personal data breach, the responsibilities identified for its resolution and for assessing the impact on the rights and freedoms of data subjects, as well as the possible need to notify the Data Protection Authority and communicate to the data subjects.

Specifically, the process consists of the following sub-processes:

- reporting: identifies events that qualify as incidents or breaches, which are also presumed to be potential data breach events;
- detection: ensures the acquisition of the elements necessary to confirm (or exclude) the existence of a personal data breach;
- management, resolution and closure: manages personal data breaches until they are closed;
- impact assessment: verifies the actual existence of a personal data breach and identifies the impacts that a data breach event may have on the rights and freedoms of data subjects;
- notification and communication: identifies the cases in which notification of a personal data breach to the Data Protection Guarantor and/or data subjects is required;
- actions to be carried out if the Company acts as a Processor: this aims to regulate the activities to be carried out if the Company acts as a Processor and not as a Controller.

In addition, when preparing new banking products, the Group Data Protection Office is involved to assess the privacy and data protection measures to be taken. In order to confirm or rule out the existence of a personal data breach, the aforementioned Office engages the Security Department to identify possible remedial actions and minimise the recurrence of the breach.

In order to monitor the Bank's compliance with the requirements of personal data protection legislation, in the second half of 2024 the Internal Review Function launched an assessment of the "Analysis of the management process for privacy compliance". The assessment was completed at the end of the year with a final residual risk rating of "medium-low", taking into account both the effectiveness of the actions implemented and the overall progress of the project.

Actions related to IT Security

In order to fully implement the "Security Management" Macro-process Regulation and to ensure the reduction of material negative impacts and risks also related to the issue of confidentiality, the BPER Group periodically adopts the three-year Strategic Security Plan.
Specifically, the three-year Strategic Plan 2022-2024 achieved significant results in strengthening the overall security stance, with a structured approach across six key domains:

- Group Governance & Third Party Security: evolution of the Group's security governance and risk management models;
- Cyber Culture & Resilience: strengthening of the Security Culture and evolution of the Business Continuity process within an Operational Resilience perspective;
- Next Generation Cybersecurity & Anti-fraud: technological and operational evolution of Cyber and Anti-fraud controls to ensure their efficient, effective and synergistic operation;
- Data Protection: extension of data protection-oriented processes and technologies to implement a data-driven security model;
- Cloud Security: evolution of the security architecture in order to use cloud services;
- Physical security: reinforcement and efficiency of the physical security governance and monitoring model.

The integration of these areas has enabled the Group to strengthen its security presence, increasing awareness of security issues among employees and Top Management through appropriate training, awareness and induction campaigns. In addition, detection and response capabilities evolved through the acquisition of specific tools, data protection was enhanced with the blocking of USB ports, security measures in the cloud environment were strengthened, and the model for controlling and monitoring the physical security of branches was standardised.
The Operational Plan for the year 2024, consistent with the Strategic Plan's guidelines, envisaged 32 technological and organisational initiatives to mitigate potential threats and strengthen security safeguards.

The new 2025-2027 Strategic Security Plan continues in line with what has been achieved, further evolving and enhancing the objectives. Specifically, the Group's new Strategic Security Plan adopts an integrated approach to mitigating cyber threats, strengthening protection, detection, response and resilience capabilities, covering the following security initiatives:

- Cyber Detection & Response: innovation and strengthening of security incident identification and management mechanisms to improve the Bank's readiness and effectiveness in mitigating cyber threats;
- Cyber & Data Protection: safeguarding data and critical infrastructures through an integrated approach, including the implementation of a strategy to prevent data exfiltration, strengthen access modes and enhance encryption;
- Cyber Resilience: strengthening the Bank's cybersecurity and resilience through impact analysis, advanced testing, continuous improvement of response and recovery plans, and the integration of proactive security practices into the software development lifecycle;
- Cyber Platforms: upgrade and expansion of security platforms, and implementation of cutting-edge technologies to improve resilience and effectively address evolving threats in the cyber landscape;
- Governance & Culture: consolidation and updating of processes and methodologies to promote awareness of good cybersecurity practices and spread a resilient culture;
- Physical Security: advanced protection of corporate infrastructure and assets to ensure a secure and resilient environment against physical threats.

The three-year 2022-2024 Strategic Plan, as well as the new 2025-2027 Plan, apply to Italian and foreign banks, special purpose and credit financial companies and the SGR.
The actions envisaged in the three-year 2022-2024 Strategic Plan are considered completed by the year 2024, while the 2025 Operational Plan, which contains the list of planned implementation initiatives for 2025 and their deadlines, is currently being consolidated.

In addition to the Operational Plan initiatives, the CISO Function implements constant monitoring and oversight of vulnerabilities, computer fraud and all security events/incidents, as well as customer awareness initiatives aimed at reinforcing awareness of the risk of fraud on payment systems, e.g. through security information brochures, messages on the smartweb and account statements. In addition, there was also training for all staff on IT security.
The results of security processes are monitored through performance indicators (KPIs) included in the Business Plan.

The intervention approach applied can be defined as dual in that, from an operational point of view, it bases its principles on the processes outlined in the "Security Management Macro-process Regulation" and, from a planning point of view, it is implemented in the context of the Strategic Security Plan, acted upon with the Operational Plan.
The processes mapped and regulated by the Security Management Macro-process Regulation are as follows:

- Security Strategy Management;
- Security Measure Management;
- Management of Cybersecurity Incidents;
- Management of Fraudulent Events;
- Management of Logical Access to the IT System;
- System Administrator Management;
- Vulnerability Management & Compliance Security Policy Configuration;
- Security Remediation;
- Physical Access Management;
- Video Surveillance;
- Operational Problem Management;
- Management of Physical Security Incidents;
- Management of Safes and Vaults.

The security processes involve first-level controls and monitoring by second- and third-level control functions.
The planned action for mitigating major risks is the implementation of the 2025-2027 Strategic Security Plan.

IT Security Training

Staff awareness activities on security continued in 2024, both through ad hoc information and the introduction of new courses for all employees of the Group's Italian banks and financial companies on IT security.
These courses cover:

- defence against spear phishing threats;
- avoiding dangerous links;
- protection from unintentional insider threat.

New training sessions were proposed for Top Management and the decision-making bodies.
The internal "BSecurity" community is in place and is constantly updated through the publication of in-depth articles and training, in order to spread the culture and awareness of security at all levels of the company and to make personnel aware of the risks posed by security threats. A specific Board induction session was also held in 2024 concerning cybersecurity to raise awareness even with the Body responsible for strategic supervision of constantly evolving IT threats.

The activities in the training plan were completed within the calendar year 2024 and a dedicated C-Level training course on security topics is planned for 2025.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

IT Security Targets

Within the Business Plan, KPIs are foreseen to measure the degree of completion of the Strategic Security Plan. There are two targets:

- strengthening IT systems;
- increased data security to prevent unauthorised data leakage by acting on exit points, such as e-mail.

The objectives are articulated in qualitative terms and measured through the following KPIs:

- KPI 1: systems compliant with Hardening Policies; (IT asset measurement unit), baseline 25%;
- KPI 2: Data Loss Prevention (DLP) implementation; (unit exit point), baseline 10%.

These targets are expressed in absolute terms, while KPIs are expressed in percentage terms. The baseline year is 2025 and the targets apply to the three-year period 2025-2027.

The scope of both initiatives concerns the Group IT system.
The milestones of the Business Plan include:

- Deliverable 1: Activation of hardening monitoring platform - Q1 2025;
- Deliverable 2: DLP tool implementation - Q4 2025.

The initiatives are guided by a logic of raising security levels in areas that are less mature for BPER. This assessment emerges from the regular security maturity assessment that the company carries out with the help of external advisors.
All the targets were shared with the BoD during the approval of the overall Strategic Plan. No discussions were held with additional parties to define the target.

Periodic progress reports are carried out, during which any changes are evaluated on the basis of changes in the context. Any change is validated by the BoD.

The process for setting the targets included in the Strategic Plan is based on the analysis of the problems that have arisen during the constant monitoring and management of security (incidents, lack of coverage, frauds, data loss, etc.), the prevention and resolution methods, the reports/recommendations received from the Supervisory Authorities and internal control functions, and the future developments of the company in both technological and strategic terms.

The targets are monitored through the evaluation of the relevant KPIs by a periodic (quarterly) table coordinated by the organisation, which updates the status and progress by asking the relevant structure to report back.
The continuous improvement of corporate security, also achieved through the achievement of targets, is based on monitoring, analysis and lessons learned.

Freedom of expression

Policies related to consumers and end-users (S4-1)

Regulation on the ABF and ACF Complaints *and Appeals Management Process*

The Regulation on the ABF (Banking and Financial Arbitrator) and ACF (Arbitrator for Financial Disputes) Complaints and Appeals Management Process outlines the rules, methodologies and articulation of the process in question, as well as the roles, responsibilities and tasks of the different Organisational Units of the Parent Company and Group Companies involved in various ways.
Consistent with the "Group Policy for the governance of risk of non-compliance with the legislation on the fairness of customer relations", it outlines the methodologies and rules aimed at ensuring the correct fulfilment of the complaints management process. In particular, it addresses the following types of complaints:

- complaints regarding banking or financial products and services;
- complaints concerning the provision of payment services;
- complaints concerning the provision of investment and ancillary services;
- complaints concerning insurance distribution;
- complaints regarding personal data protection (privacy);
- complaints relating to third-party services/products (e.g. telepass, etc.).

The complaints received from customers must be dealt with promptly, and in any case within the time limits set out by the regulations in force and specified in the detailed internal rules, to be counted from the date on which the Company receives the complaint.
The Regulation on the ABF and ACF Complaints and Appeals Management Process refers to the positive and actual impact of "Ensuring customers' freedom of expression by setting up systems for reporting inefficiencies or problems with products/services offered" in the context of end-users' freedom of expression. In this context, the Policy also refers to the risk of "Relevant complaints received from customers (e.g. published in the media, etc.)". The "Regulation on the ABF and ACF Complaints and Appeals Management Process" has been adopted to protect customers as a whole, and to ensure effective management.

The scope of application of the policy refers to the Group's banking perimeter (BPER, Bibanca, Banco di Sardegna and Banca Cesare Ponti) and to the financial credit companies (BPER Factor, Sardaleasing, Finitalia).
The highest management level responsible for the policy's implementation is the Chief General Counsel.

In implementing the policy, the BPER Group is guided in particular by the following sources, in addition to the legislation in force from time to time:

- Italian Legislative Decree 385 of 1 September 1993 - "Consolidated law on banking and lending matters";
- Italian Legislative Decree 58 of 28 February 1998 - "Consolidated law on financial matters";
- Italian Legislative Decree 209 of 7 September 2005 - "Private insurance code";
- Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market (known as PSD2);
- Italian Legislative Decree no. 11 of 27 January 2010;
- Guidelines on complaints-handling for the securities and banking sectors, issued by the Joint Committee of the ESAs on 27 May 2014;

- Guidelines on complaints-handling for the securities and banking sectors, issued by the Joint Committee of the ESAs on 4 October 2018;
- Bank of Italy document on "Organisation and functioning of complaints offices: good practices and critical issues identified in the control activity", of 18 March 2016;
- CONSOB Resolution 16902 of 4 May 2016 on the "Establishment of the Arbitrator for Financial Disputes" (ACF) and adoption of the Regulation implementing Article 2, paragraphs 5-bis and 5-ter, of Italian Legislative Decree 179 of 8 October 2007;
- CONSOB Intermediaries Regulations, adopted by resolution 20307 of 15 February 2018;
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

No stakeholder engagement processes were carried out to define the policy.
A "Guide to Complaints", "ABF Practical Guide in Simple Words", "Form for Filing a Complaint" and "Guide to the Arbitration of Financial Disputes" are published on the Parent Company's website.

Processes for engaging with consumers and end-users about impacts (S4-2)

The BPER Group has established various measures to manage the significant impact on customers in relation to freedom of expression ("Ensuring customers' freedom of expression by setting up systems for reporting inefficiencies or problems with products/services offered"). In particular, BPER Banca considers the views of customers through the following actions, which are useful for guiding the Bank's strategies and decisions.

La Piazza

The branded community "La Piazza" has been online since 2017, with the aim of having an active listening solution to give voice to the suggestions and ideas of customers and thus build an increasingly customer-centric relationship. "La Piazza" has more than 5,700 "active" customers, mainly Family customers and a smaller number of Personal customers. Users are engaged within the community to participate and give feedback on different types of surveys. The surveys can cover a variety of topics and be useful in different areas involving the Bank. Questionnaires, either quantitative or qualitative, are administered to the identified target group and their answers are compiled into insights. The community is therefore a quick and efficient tool to engage directly with customers, with an average redemption per survey of around 25%. In 2024, "La Piazza" was used for both qualitative and quantitative surveys with insights into the needs of a particular service model and the effects branch closures can have on customers.

"Voice of Customer" and Customer Satisfaction Surveys

As part of the project for listening to the "Voice of Customer", the service quality planning and control system is articulated through customer satisfaction monitoring. Engagement takes place through customer experience survey processes. Customer listening occurs either following certain customer interactions with the Bank or in a random manner following a monthly sample of the contactable customer base.
For further details on the process and metrics used, please refer to the disclosure requirement "Processes for engaging with consumers and end-users about impacts" (S4-2) in the section on "Access to quality information".

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

Processes to manage negative impacts and channels on complaints

The effective, proactive and timely handling of claims and complaints is a tool of fundamental importance to preserve customer relations. Indeed, their careful analysis can highlight potential areas for improvement in the products and services offered, providing opportunities for recovering dissatisfied customers and regaining their trust.
For more details regarding the steps in the "Complaint Management" process, please see the description in disclosure requirement "Processes to remediate negative impacts and channels for consumers and end-users to raise concerns" (S4-3), discussed in the section on "Privacy".
There are useful resources to support customers on the websites of several Group companies (BPER Banca, Banco di Sardegna, Bibanca, Banca Cesare Ponti, BPER Factor, Sardaleasing, Finitalia).
Complaints are acknowledged by means of an interlocutory e-mail and registered in the appropriate IT procedure, which highlights the deadlines for feedback. Finally, in the event of a personal data breach, the BPER Group takes technical and organisational measures to correct the breach and mitigate its potential negative effects.

At the bottom of the complaint acknowledgement there is a disclaimer informing the customer of the possibility of recourse to appropriate bodies if they are not satisfied. In any case, the Group's ambition is to ensure full customer satisfaction; therefore, any retaliation would be counter-productive. Consequently, every action is geared towards preventing them.

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

Interventions and actions related to freedom of expression and complaint management

The IT system called Legal Work - management of legal files and complaints - was updated in 2024. This platform is used by the Group's Legal Structures to manage legal files, including complaints, ABF and ACF appeals, complaints to Supervisory Authorities, passive and active non-lending related cases, mediations, criminal proceedings and investigations. The update of Legal Work entailed a series of interventions aimed at improving operational efficiency, simplifying procedural processes and optimising the preliminary activity in complaint management, thus representing a useful tool to mitigate the risks related to the issue.
The Legal Work IT system is used by the complaints departments of the Group companies falling within the banking perimeter (BPER, Bibanca, Banco di Sardegna and Banca Cesare Ponti) and of the financial credit companies (BPER Factor, Sardaleasing, excluding Finitalia which is not aligned in terms of IT).
The upgrade of the Legal Work IT system was completed in 2024, leaving room for possible future refinements. Due to the nature of the action described, aimed at internal efficiency, an ad hoc monitoring process has not been foreseen.
No serious human rights problems and incidents were reported in connection with customers in 2024.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

Objectives related to complaint management

There are no specific objectives in the area of freedom of expression for customers, more specifically concerning complaint management; however, the general guideline is to minimise the number of complaints and resolve those received as quickly as possible.

Complaint management is monitored annually by means of the Directors' Report on Group Operations, submitted to the Board of Directors, in which the complaints received are reported in terms of number and type.
In parallel, response processing times are monitored on a monthly basis, with a check on compliance with response deadlines for all complaints received in the previous month. In addition, daily monitoring is carried out with the aim of producing a weekly report on pending complaints.

Access to Quality Information

Processes for engaging with consumers and end-users about impacts (S4-2)

Processes related to listening to customers

The BPER Group has implemented several measures to manage the material impact identified with reference to the sub-topic "Customer satisfaction in terms of needs, expectations, benefits, adequate service and timely responses and introduction of alternative solutions".
The Group defines its strategies on the basis of the needs and expectations of its customers. To this end, the customer satisfaction monitoring process, which is useful for gathering the perceptions of customers and adapting the Group's products and services accordingly, is of fundamental importance. Customer Satisfaction is one of the main levers of the system for planning and monitoring the quality of services, as well as a strategic competitive factor on the market.
The perceived quality monitoring system, which covers both Retail and Corporate and Private customers, is based on this principle. In the context of Retail customers, the chosen metric is the Net Promoter Score (NPS), an indicator that measures the difference between the percentage of "promoters" (customers who recommend the Bank) and the percentage of "detractors". The contact channel used is e-mail, which allows to collect as much feedback from customers as possible.

The "Voice of Customer" listening project also includes "on the spot" customer experience detection processes, activated following specific incidents. As of today, the active ones regard the subscription of six products (current accounts, payment cards, insurance policies, mortgages, loans and instalment products) and the interaction with five Bank channels (branch, ATM, Self-Service cash desk, Smart Web and Online branch).

The metric chosen is the Net Satisfaction Score ("NSS"), an indicator that measures the difference between the percentage of satisfied customers (score 9 or 10) and the percentage of dissatisfied customers (scores 0 to 6). The customer feedback collected during the online subscription of different products (accounts, cards and instalment products) has also been analysed since 2024.

Every year, two waves of customer satisfaction surveys are also sent out on Corporate and Private customers via telephone: the first in June and the second in November. The metric chosen is CSat (Customer Satisfaction), i.e. the average satisfaction ratings on a scale from 0 to 100. A customer satisfaction survey was also conducted on Large Corporate customers in 2024. Engagement is carried out directly with the end customers and varies depending on the initiative.

The results of customer listening activities are mainly disseminated through a BI (Business Intelligence) application available to the entire network and central functions, which is updated daily (BVoice), thus triggering internal comparisons between the various structures and the sales network for the appropriate checks.
The monthly NPS report is part of the monthly management reporting made available to Group Management.
Specific reports are also disseminated to support the decision-making process of the central structures.

The office operationally responsible for customer listening activities is the Customer Analytics and Service Models Office, within the Customer Governance Service of the Marketing Department under the CRCBO (Chief Retail & Commercial Banking Officer). The person with operational responsibility for ensuring that the engagement takes place and that the results guide the company's approach is the CRCBO (Chief Retail & Commercial Banking Officer).

The periodicity and systematic nature of customer engagement is a significant element of its effectiveness.

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

Interventions and actions related to "Customer Satisfaction in Terms of Information Quality"

The process of continuous and daily dissemination and sharing of the results of customer listening activities enables the central offices to monitor the customer satisfaction of their segment/area of responsibility and to identify corrective actions to improve the NPS. The objective of organising cross-functional coordination tables is to identify priority action points for improving the customer experience and enhancing overall satisfaction, based on the evidence from the various listening surveys. In the new Strategic Plan, an expansion of the Voice of Customer listening facility is envisaged, in order to be even more pervasive in the ability to listen to customers and intervene to improve customer satisfaction.

Customer satisfaction monitoring is part of the more general process of identifying the target market, which is the prerequisite for ensuring that product distribution is consistent with customer characteristics, needs and objectives.

Therefore, the reference policy is the "Policy for governing the risk of non-compliance with product governance regulations". For more details, please refer to the disclosure requirement "Policies related to consumers and end-users" (S1-4), in particular the section on "Responsible marketing practices".
The reports and application make it possible to identify strengths and weaknesses that emerged from listening to the customers of BPER, Banco di Sardegna and Banca Cesare Ponti banks; in particular, these are factors that generate promotion and factors that cause detraction, such as relational elements or more functional aspects, and drivers that drive satisfaction, ranging from the products and services offered to the channels of contact with the bank. The network has a timely "close the loop" process for customers who express dissatisfaction.

The Territorial Retail Manager monitors and is responsible for the NPS level of the assigned branches, defining action plans based on the survey evidence with the owners. The owner monitors the NPS, involving his/her team at least monthly ("NPS Day") to define initiatives/actions to improve advocacy. Cross-functional coordination tables are held quarterly and define any action plans in a coordinated manner in relation to their respective planning.

3.4.2 Customer safety

Policies related to consumers and end-users (S4-1)

Group Policy on Workplace Health and Safety

With reference to the issue of the physical health and safety of customers, the internal regulatory reference is given by the "Group Policy for governing the risk of non-compliance with occupational health and safety regulations", which also represents the formal reference for the material negative impact "Impacts on customer safety due to inadequate branch security level".
The Policy describes the guidelines that BPER Banca, in its capacity as Parent Company, has defined to ensure compliance with the contents and principles of the current health and safety regulations applicable in all Group companies operating in Italy. The protection of the health and safety of workers and other persons who may be affected by the Group's activities, including customers, is considered of paramount importance.
In particular, this commitment is based on the desire to provide a working environment that protects and promotes the health of all employees, customers and visitors to the branches, as well as Group suppliers and contractors.

The Policy and controls in place concern customers as a whole. For more details, please see the contents of disclosure requirement "Policies related to own workforce" (S1-1).

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

Interventions and actions related to customer safety

The BPER Group has taken measures to prevent and mitigate the material negative impact "Impacts on customer safety due to inadequate branch security". In fact, the protection of the customers' health and safety within the BPER Group's branches is guaranteed through a cross-sectoral approach, in line with the provisions of current legislation on occupational health and safety (Italian Legislative Decree 81/08). Although the decree is primarily aimed at workers, the implementation of the planned prevention and protection measures also has a positive impact on the safety of all those who access company premises, including customers and visitors.
In 2024, specifically, BPER Banca revised and supplemented the "SOM" (Security Operations Manual), which defines the security measures adopted and to be adopted in the Group's branch network. As a result of the recent regulatory updates that implement the INAIL Guidelines to be adopted as part of the monitoring of workplace environmental parameters, the new environmental monitoring protocol will be adopted in 2025. It will include the analysis of certain factors such as biological and chemical pollutants, air exchange, microclimate, lighting and noise.
Workplace health and safety is ensured through annual environmental monitoring. This was also carried out in 2024, with attention being paid to the branches to ensure the safety of employees and customers.

Appropriate actions are identified to ensure physical security in branches and customer relations areas through process that are part of the Annual Review of the Risk Assessment Document (Italian Legislative Decree 81/08).
The health and safety in the branches under the Group's control is the responsibility of the Branch Safety Supervisor, in addition to the dedicated Branch Safety Officers, for customer care. The Group manages these impacts through competent Human Resources and Safety structures.

In the area of health and safety, there is no evidence of major incidents relating to customers.
For further information, please refer to the content of disclosure requirement "Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches" (S1-4).

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

Targets related to customer safety

There are no specific targets with reference to customers, as the general direction in the occupational health and safety management process is to continuously improve performance.
For more details related to monitoring the effectiveness of health and safety policies and actions, please refer to the content of disclosure requirement "Policies related to own workforce" (S1-1) and "Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches" (S1-4).

3.4.3 Customer social inclusion

Non-discrimination

Policies related to consumers and end-users (S4-1)

Code of Ethics with Focus on Customer-related Principles

The Bank shows constant sensitivity and attention to the quality of customer relations and its continuous improvement, this being a necessary prerequisite for the process of creating and distributing value in the Company. This is also enshrined in the "Code of Ethics".
In order to safeguard the Bank's image and reputation - built through the commitment, dedication and professionalism of its staff - it is essential that relations with customers be based on:

- full transparency and correctness, including with a view to creating a strong relationship that enables the customers to understand the characteristics and value of all the products and services they purchase or are offered;
- maintenance of high standards of service quality and maximisation of customer satisfaction. Training activity, internal procedures and information technology in use support these aims, also through regular monitoring of the achievement of customer satisfaction and loyalty targets;

- prompt response to complaints, aiming at a speedy, out-of-court settlement of disputes. Complaints are an opportunity for improvement in order to overcome conflicts and recover customer trust and satisfaction;
- treating each customer or category of customers with care and attention, without any discrimination, favouring financial education initiatives and, where possible, microcredit services and financial inclusion programmes;
- compliance with the law, with particular reference to the prevention of money laundering and terrorist financing, usury, corruption and respect for transparency and fair competition, as well as compliance with the standards issued by the Supervisory Authorities;
- independence from any undue influence, both internal and external;
- principles of clarity, completeness and easy comprehensibility of the information provided to customers, in order to make it easier for them to compare the products and services offered by the Bank with those of its competitors and help customers make well-considered and informed decisions.

For more details, please see the description provided in the disclosure requirement “Business conduct policies and corporate culture” (G1-1).

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

The actions implemented by the BPER Group with reference to its customers, both private and corporate, are described below. These actions are implemented by Group companies and focus on the downstream value chain, with specific reference to:

- Products and services with social purposes for private individuals;
- Disaster loans;
- Products and services with social purposes for Corporate customers;
- BPER Bene Comune.

Due to the nature of the actions described, they do not directly involve any human rights violations.

The Group has defined its objectives and time horizons in relation to the above actions in line with the Business Plan.

Products and services with social purposes for private individuals

With reference to private customers, the Group’s attention is focused on the development of products with social purposes which, in addition to allowing true accessibility with a view to financial inclusion, also have a strongly innovative nature.

Specific products for minors and youth

Mortgages for young people under 36

The Group’s banks have extended their offer with dedicated mortgage lines for customers under 36 for the purchase of their first home with a Consap guarantee, at subsidised conditions, with the possibility of requesting up to 100% of the property’s value. The endorsement of the extensions provided by the government for the year 2024 includes favourable conditions for young people and priority subjects. A communication campaign and a dedicated section on the BPER website have also been prepared to support this offer.

TEEN account

Since August 2024, the offer for 13-17 year olds has evolved with the introduction of modern tools to manage money, with a high level of security and protection. In combination with the account, the offer includes the Teen Debit Card, with dedicated usage limits and ceiling, and Smart Web Teen with features designed to meet the needs of minors. The offer, which can be subscribed both in branches and via app, also has an educational value: through the app, the youth can learn how to manage their savings and expenses in a responsible way, in a real financial education path that will accompany them in their development.

GRANDE! Savings account

For children up to the age of 12 it is possible to open a Savings account in their name where they can start collecting their savings. Agreements have been arranged for the holders of this product so they can access theme parks, learning farms and swimming pools for free.

BPER Card Pay-Up Teen

This is a prepaid, rechargeable and named card designed for customers under 18. It is ideal for online purchases and can be used anywhere in the world. Furthermore, this card cannot be used for certain types of purchases: gaming and gambling, telephone and postal sales, door-to-door sales, alcohol and tobacco, drugs and political organisations.

Honour loan for study purposes
Investing in a young person's training and post-graduate specialisation is an investment for a more sustainable future and can help the country's economic and social growth. BPER Banca offers a range of solutions in partnership with private and public institutions to guarantee the right to study. In particular, the "Cattolica University of Milan Honour Loan" initiative was launched in 2022 as a partnership between the Istituto G. Toniolo for higher education (a founding body of the Cattolica University of Milan) and BPER Banca. The aim of the initiative is to provide access to programmes of excellence for particularly deserving students who do not have the necessary financial resources.

Futuro Garantito
This is a product intended for young students - in the form of an unsecured loan to private individuals - with a 70% guarantee from the Youth Credit Fund (Study Fund), set up in synergy with ABI thanks to the inter-ministerial decree of 19 November 2010 issued by the then-Minister of Youth in agreement with the Minister of the Economy and Finance. Applicants between 18 and 40 years of age who are eligible may apply for funding to enrol at university, to attend postgraduate specialisation courses or to further their knowledge of foreign languages, as well as PhDs, also abroad. Managed by Consap s.p.a., the Fund guarantees the loan will be granted to a student who meets the requirements, without necessarily having a pay slip, income or specific guarantee.

Other products

Senza Barriere Loan
This is a low-interest loan dedicated to disabled customers in order to finance requirements linked to their disability. In accordance with said objectives, the loan may also be disbursed to family members of the individual in question. The loan is complementary to what is already covered free of charge by the National Health Service (wheelchairs, prostheses and anything else that may fall within the health area) or recognised by any regional laws. For example, the loan finances technical aids for mobility (crutches, lifts, stabilisers, etc.), therapeutic, physio-therapeutic and rehabilitative treatments (massage therapy, postural rehabilitation, ultra-sound therapy, etc.), aids for everyday life (special tools for the home, specific equipment for hobbies and sports, etc.), personal care items, computer aids (voice recognition, ad hoc keyboards, educational software, etc.), aids for environmental accessibility (installation of a home automation system, sensors, automatic sliding doors, etc.), purchase of cars with steering wheel controls, purchase of vehicles with wheelchair lifts for persons with reduced mobility, and communication devices (alphabetical, symbolic, other).

Fifth of salary/pension-backed loans
The BPER Group has subscribed to the Memorandum of Understanding signed between Assofin and Consumer Associations, to promote good practices in granting the fifth of salary/pension-backed loans and payment authorisations. The Memorandum was defined with the objective of encouraging greater transparency in customer relations to increase consumer protection and prevent over-indebtedness. The Memorandum provides for certain activities to be carried out in the assessment of customer credit risk and reliability, guaranteeing the disbursement of loans only if the customer's financial sustainability conditions are met. To ensure that customers fully understand the terms of the loan, the memorandum provides for setting out separately in the price three items at most: application processing costs, including tax costs, corresponding to the costs actually incurred in processing the application, network brokerage commissions, charged to the customer, and annual nominal rate. The BPER Group has adopted the "all TAN" (Nominal Annual Rate) pricing model since June 2020, which guarantees the greatest possible transparency for the customer: in fact, the TAN represents all the costs that the customer incurs in order to obtain a fifth of salary/pension-backed loan with the BPER Group. In October 2024, the new "QuiQ" pension-backed loan product was launched, which through an innovative investigation process (provided all policy requirements are met) succeeds in eliminating the Time To Yes and making disbursement almost instantaneous.

Quicash
January 2023 saw the start of "QuiCash", an innovative product tested in the Bank of Italy's first regulatory fintech sandbox. The product is exclusively earmarked for employees of major affiliated companies who, independently and without the need for any documentation, can obtain a spending ceiling linked to their net monthly wage, that they can use at any time depending on their actual needs. Quicash was awarded the National Innovation prize, "Premio dei premi" and the ABI prize for the customer Retail innovation segment which analysed projects which, with a view to promoting and simplifying services and products for families and the new generations, promote a greater financial inclusion in terms of both access to loans and saving management, making the bank feel closer to a person's needs and easier to collaborate with.

Resto al Sud
This is a government project that provides incentives to support the creation of new entrepreneurial activities started by individuals (aged between 18 and 55) in the regions of Southern Italy (Abruzzo, Basilicata, Calabria, Campania, Molise, Apulia, Sardinia and Sicily).

The effectiveness of products with social purposes is monitored through a quarterly analysis of commercial performance.

The opportunity "Improved attraction of existing customers and prospects through significant investments in digitalisation and automation aimed at developing a new, more usable omnichannel service model" is pursued through the actions described above.
No serious human rights problems and incidents were reported in connection with private customers in 2024.
Consistent with the principles and aims set out in the "ESG Policy", the Group's focus is on developing products with a social purpose that not only allow real accessibility with a view to financial inclusion, but also have a strong innovative character.

Disaster loans

BPER strengthened its position in the territory also through cooperation with local, national and EU bodies and institutions during 2024.
The Group has updated and supplemented its offer of dedicated disaster loans, i.e., loans to support the financial needs of customers (both individuals and companies) who have suffered direct (material) damage as a result of a natural disaster.
There is no specific monitoring system for this area; however, some initiatives will produce positive impacts starting from 2025: these include the Bank's resolution to endorse the ABI-CDP (Italian Banking Association - Cassa Depositi e Prestiti) Protocol "Romagna 2023 Floods Ceiling". These loans will not reasonably be disbursed before early 2025 and will be made with CDP funds, according to the tax credit mechanism. Like the Romagna 2023 flood initiative, in past years the Bank joined the ABI-CDP protocols relating to the "Emilia Earthquake 2012", "Central Italy Earthquake 2016", and "Morandi Bridge 2018".

In particular, with regard to updating the offer of disaster loans, BPER has planned the following initiatives:

- Ceiling of Euro 25 million for flooding in Valle D'Aosta in June 2024;
- Ceiling of Euro 200 million for bad weather in Campania in August 2024;
- Ceiling of Euro 50 million for bad weather in Ancona in September 2024;
- Ceiling of Euro 100 million for bad weather in Emilia-Romagna in September 2024;
- Ceiling of Euro 20 million for bad weather in Bergamo in September 2024;
- Ceiling of Euro 250 million for bad weather in Emilia-Romagna in October 2024;
- Ceiling of Euro 100 million for bad weather in Tuscany in October 2024;
- Ceiling of Euro 100 million for bad weather in Calabria in October 2024;
- Ceiling of Euro 100 million for bad weather in Liguria in October 2024.

In addition, BPER has activated a special ceiling for loans to support companies that have suffered damage in the Bank's areas of operation. The purpose of these loans is to partially support financial requirements pending the possible definition of structured operations as well as possible public benefits for the repair, restoration, and repurchase of assets damaged by the calamitous event.

Products and services with social purposes for corporate customers

During 2024, the Group Banks strengthened their ability to offer companies specific solutions to facilitate their financial inclusion and economic strengthening.
To establish a local foothold, the bank also cooperates with local, national and EU institutions and bodies, including trade associations and their credit guarantee consortia (Confidi), the Guarantee Fund for SMEs and the European Investment Bank (EIB) and the European Investment Fund (EIF).
These partnerships permit the Group's banks to offer companies specific solutions to facilitate their financial inclusion and economic strengthening.

The proposition and disbursement of these financing products is monitored by the Bank through a specific process and effectiveness is measured in the volume and number of transactions disbursed. On the other hand, with regard to opportunities, no specific material opportunity arose from the double materiality analysis that can be linked to the topic.

In particular, the main products with a social purpose for the Corporate segment are described below.

Fin PMI
An unsecured loan backed by a direct guarantee from the Central Guarantee Fund for small and medium-sized enterprises, aimed at facilitating access to financial sources and accompanying them in their development and investments for business growth.

Fin PMI Female Entrepreneurship
An unsecured loan backed by direct guarantee from the Guarantee Fund for small and medium-sized enterprises, to facilitate access to financial resources by SMEs with a predominantly female component.

Fin PMI Start UP – Start Up Innovative
An unsecured loan backed by direct guarantee from the Guarantee Fund for small and medium-sized enterprises, to facilitate access to financial resources by traditional and innovative start-ups.

Fin PMI Microcredit
This is an unsecured loan for micro-enterprises, including agricultural enterprises, and VAT-registered freelancers, backed by a direct guarantee from the Guarantee Fund, which is granted to encourage the start-up and development of micro-entrepreneurship.

FIN PMI Resto al Sud
This is an unsecured loan backed by a direct guarantee from the Guarantee Fund for Small and Medium-Sized Enterprises, aimed at supporting the establishment of new entrepreneurial activities started by young people (aged 18 to 55) in the regions of Abruzzo, Basilicata, Calabria, Campania, Molise, Apulia, Sardinia, Sicily and in the municipalities of the earthquake crater in Central Italy. It is promoted by the Ministry for Territorial Cohesion and Southern Italy.

EIB (European Investment Bank) loans - Emilia-Romagna Region
A medium and long-term loan available up to the end of June 2024 to support investment programmes of small and medium-sized enterprises and Midcaps engaged in industrial and service sectors and in agro-industry. The loan covered 100% of the project cost. Thanks to an agreement with EIB and the Emilia-Romagna region, BPER Banca allocated a ceiling of Euro 15 million, with advantageous economic conditions, with a view to supporting the cash and investment needs of local companies that suffered direct and indirect damages linked to the flood events that took place starting in May 2023.

Fin Sabatini
Defined by the agreement between ABI-Ministry of Economic Development and Cassa Depositi e Prestiti s.p.a. for the implementation of the "Beni Strumentali Decree" (Legislative Decree 69/2013)", it is a loan for small and medium-sized enterprises to support the purchase of new machinery, plants and equipment, hardware, software and digital technologies.

Fin Cultural
This is an unsecured or mortgage loan aimed to support loan access for companies operating on cultural and creative sectors. It is guaranteed by the European Investment Fund and the guarantee is issued within the folds of the Invest EU Sustainability Linked Loan ("SLL") measures. Starting in April 2024, a new loan product became available termed Sustainability Linked Loan, linked to regular objectives that the beneficiary companies must achieve (KPIs), measured using Sustainability Performance Targets (SPTs).

BPER Banca - Coopfond Agreement
BPER Banca s.p.a. has entered into an agreement with Coopfond s.p.a. reserved for cooperative enterprises that are members of Legacoop, or enterprises wholly owned by cooperatives that are members of Legacoop, which calls for the establishment of a ceiling of credit lines such as: medium-term unsecured loans and Signature Loans to cover requests for advances on contributions received following the provisional award of participation in NRRP/Economic Programme 21/27 calls. Coopfond's guarantee is granted free of charge.

CYBER SECURITY Service
The Group has signed an agreement with Start 4.0 to support companies interested in designing and implementing cybersecurity solutions such as: assessment of the level of digital maturity, pre-investment testing, training on the use of innovative technologies and solutions, advice and assistance on intellectual property protection and process or product innovation. The involvement of UnipolSai is intended to promote an important action to develop the sustainability of Italian companies.
Through this collaboration, UNIPOL, Start 4.0 and the BPER Group aim to foster the development of cybersecurity in SMEs classified as vulnerable, making them safe, resilient and insurable against cyber risks.

FIN JOB Loan
Loan aimed at supporting and facilitating companies which, as part of their development plans and taking advantage of the regulatory changes of the "Poletti Decree", have planned to hire new employees.

Special Credit
This is a loan aimed at freelancers, artisans, sole proprietorships and companies that aims to finance the advance payment of taxes, contributions and thirteenth months' pay, in the amount of 80%.

BPER Bene Comune

In line with the "ESG Policy", the BPER Group supports community development by proposing projects, products and services with a social impact.

In this regard, the Bank created BPER Bene Comune in 2023, an organisational unit capable of offering specific skills, relations and services to Public Administration and Third Sector entities. Through its proximity proposals and logic, BPER Bene Comune supports the non-profit and public sector in meeting the primary needs of the territories and the community.

To this end, BPER Bene Comune defined its service offering and structure in 2024, while consolidating important relationships with entities working for the development of a more inclusive economy.
One such example is support for the Third Sector Forum for the Cantieri ViceVersa project, acting as a facilitator of dialogue and interaction between non-profits and the financial-insurance world. An important development is also the constant exchange set in motion with CSVNet at national level and with local Service Centres for Volunteering, as well as Dioceses and the most significant networks of associations.
BPER Bene Comune gradually consolidated its market positioning thanks to a number of initiatives, for example its presence in the context of Milan Civil Week in May.
At the same time, it has launched a crowdfunding call for cultural projects. Furthermore, BPER Bene Comune guaranteed its support and presence at the Cantieri ViceVersa Summer School organised at the BPER Forum in Modena, at the Fundraising Festival, at the Philantropea event promoted by Italia Non Profit and at “More Fundraising More Culture” in Rome.

Great emphasis was also placed on research into donations and listening to Third Sector needs through two far-reaching initiatives: support for the Donation Observatory of the Italian Institute for Donation and In Ascolto, a listening path in stages, carried out in collaboration with CSVnet, Legacoopsociali, Fondazione Unipolis, in the form of a workshop and which touched upon ten territories in the country.

Moreover, the focus on combating inequalities and economic fragility has led to the enrichment of the Bank’s offer with services with a high social impact, such as Honour Loans for students, social microcredit for people in economically fragile conditions, and the signing of protocols with Anti-usury Foundations to combat and prevent usury and over-indebtedness, aimed at the financial inclusion of those most at risk.

Among the actions implemented, the financial education activity for the Third Sector and for people in economically vulnerable situations is quite important, which has been carried out in agreement with some voluntary organisations and local CSVs.
With specific reference to financial education initiatives for organisations of the Third Sector, these are focused on increasing skills in the management of financial flows, while those in favour of people in economic fragility are aimed at facilitating relations with banks and more aware access to credit.

The Bank has worked to create and propose products and services for all categories of customers, including the vulnerable and those, such as the Third Sector, whose mission is to work for the most fragile.

The actions described refer to the financial year 2024; the continuity of actions will be evaluated in 2025.

The products offered to the Third Sector and those in an economically fragile condition do not relate to specific periods.

The main products and services BPER Bene Comune has mainly designed for the Third Sector are listed below.

Current accounts for the Third Sector:
- “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, 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, Pro Loco associations, Trade Unions, Political Parties, etc.).

In addition, in agreement with the Associative Networks (and similar) on these account lines, there are welcome fee reductions for entities belonging to the network.

Company Business BPER Card for the Third Sector
This is a specific credit card for the Third Sector that can be issued with a stamp exemption for those entitled to it.

Non-Profit Loan
This is short-term financing to support the liquidity and investment needs of non-profit organisations.

Advance on Funds for the Not-for-profit sector
In order to support the organisations in their public and private fundraising and management activities, advance credit lines have been created designed for entities that have a temporary need of cash while they are waiting to receive "5x1000" tax donations or funds originating from the public or private tenders they are awarded.
This is a fixed term credit line activated on a specific advance account, designed for not-for-profit concerns:
- beneficiaries of the "5x1000" donations according to the list published by the Tax Revenue Office;
- successful bidders for public tenders promoted by Ministries, Regions, Councils or other Entities that operate through agreements with the Public Administration;
- successful bidders of private tenders of banking Foundations or other philanthropic Entities and disbursing Foundations.

Loans in agreement with Cooperfidi Italia
Loans in agreement with Cooperfidi Italia allow Third Sector organisations to benefit from conditions reserved specifically for them and to make use of the guarantee issued by the Confidi to facilitate access to credit.

Fundraising solutions
In order to give substance to the Third Sector's action, tools and initiatives focusing on fundraising have been set up to increase fundraising for projects with a social purpose, such as the solidarity transfer,
partnership fundraising campaigns, crowdfunding, charitable donations, as well as sponsorship of the Fundraising Festival and the event "più Fundraising, più Cultura" (More Fundraising, More Culture).

FRI Social Economy
The measure provides subsidies in the form of Facilitated Financing, with resources coming from the FRI Fund - Fondo Rotativo Imprese managed by CDP (Cassa Depositi e Prestiti), to which bank financing is associated on the basis of the specific MISE (now Ministry of Enterprise and Made in Italy)-CDP-ABI Agreement.

The following are eligible to apply:
- social enterprises, however established, registered in the appropriate section of the commercial register;
- social cooperatives and their consortia referred to in Italian Law 381 of 8 November 1991;
- cooperative societies with non-profit status, in compliance with the provisions of Articles 101, paragraph 2 and 102, paragraph 2 of Italian Legislative Decree 117 of 3 July 2017;
- cultural and creative enterprises, established in the form of partnerships or corporations, which operate or intend to operate in the economic sectors listed in Annex 1 of the Italian Decree of 8 August 2022.

BPER Bene Comune and Public Administration
BPER Bene Comune implements its actions for the benefit of the community by providing instruments and support for Public Administrations in the digitalisation of its processes and optimisation of its payment systems, thus achieving positive outcomes and impacts for citizens. A great deal of attention is paid to the public sector in terms of financial advances that enable the implementation of local social programmes.

Third Sector crowdfunding

For more details on this initiative, please refer to the content of disclosure requirement "Taking actions on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions" (S3-4).

Accessibility and digitalisation

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

Accessibility to websites

The topic of digital accessibility contributes to generating positive impacts:
- customer satisfaction in terms of needs, expectations, benefits, adequate service and timely responses and introduction of alternative solutions;
- customer satisfaction through responsible, fair and transparent marketing practices;
- improving offer quality and usability thanks to the increasing availability of products, services and information on digital channels and the implementation of omnichannel strategies.

In line with the general principles defined by the Group within the "ESG Policy", BPER wants to be closer to all its customers, through actions that promote inclusiveness and an omnichannel digital experience.

This is achieved by making tools, processes and products increasingly accessible, promoting events and activating supports to improve the shopping experience and educate consumers.
The main actions prepared with the primary objective of making a positive contribution to improving social outcomes for consumers and/or end-users are:

- website accessibility: increased usability of content for people with physical and cognitive disabilities, with customisation tools (enlarging text, removing animations) and tools such as AccessiWay for testing and improving accessibility;
- accessible by design: design of websites and functionalities with an accessible approach, tested with real users through AccessiWay and accompanied by declarations of conformity;
- inclusive education: creation of school kits within the project GRANDE! with QR codes for audio tracks and inclusive publishing criteria for children with learning difficulties;
- provision of financial education webinars for women and adults.

The effectiveness of website accessibility actions is inherent in improving the usability of websites. During 2024, there were no reports of serious problems or incidents with regard to the accessibility of website content.
These actions refer to the pursuit of the opportunity to improve the attraction of existing customers and prospects through significant investments in digitalisation and automation aimed at developing a new, more usable omnichannel service model.

The Bank's websites continue to be increasingly accessible in 2024, allowing their contents to be used even by people with physical or cognitive disabilities. This development is part of a structured strategy to foster diversity and inclusion, through which the Bank has long been committed to addressing all forms of distinction, creating the proper conditions for everyone to feel respected and comfortable.
The new feature is recognisable by the orange icon in the shape of a stylised man that appears at the bottom left of the site's screen, in both the desktop and mobile versions, from which customisations can be set to make the pages more accessible. Blind or visually impaired persons can set the option that analyses and interprets each element of the online page. Fonts and text spacing can also be enlarged and, if necessary, flashing animations and videos potentially dangerous to photosensitive people can be removed.

Innovation and digitalisation

The main actions prepared with the primary target of positively contributing to improving social outcomes for end-users are focused on ensuring the widest accessibility to banking services by using digital channels as an always open door to one's bank.

The Group Banks are pursuing a path of digital evolution, with a focus on smart digital services and their accessibility. In this regard, a strategy based on concrete and progressive pillars was consolidated in 2024 to ensure a distinctive positioning. The main focuses are:

- gradual planning of dedicated releases to ensure full accessibility of core features within digital channels;
- extensive application of accessibility principles to all features, with the support of integrated collaboration and remote consulting tools;
- adoption of an accessible-by-design approach applied to all new and evolving developments envisaged in the release of the B:FYouture strategic plan.

BPER Banca continuously monitors the use of the various features present on the digital channels through real-time dashboards that highlight the performance of channel utilisation in terms of transactional operations and the effectiveness of business processes.
In particular, KPIs for customer digitalisation, digital sales and self transactions are monitored:

- customer digitalisation: measures the level of digitalisation of customers;
- digitalisation of transactions: measures the share of transactional operations migrated to branch self-service equipment (ATM/CSA);
- sales digitalisation: measures the digitalisation level of sales in the branch through qualified electronic signature with Smart Desk, with customers present and remotely (OAD).

These actions also make it possible to pursue the opportunity to improve the attraction of prospects and the retention of existing customers thanks to important evolutions and investments in digitalisation and automation aimed at developing an evolved omnichannel service model that is more usable with an increasingly simple, complete and rewarding customer experience.

The projects in the field of innovation and digitalisation developed by the BPER Group are part of the growth strategies defined by the Business Plan, and are fully consistent with the regulatory frameworks and business processes involved from time to time.

To offer its services with reliability and quality on an ever-broader population diversified through all available channels, the BPER Banca Group is constantly committed to analysing the needs of customers to propose innovative solutions able to satisfy them. Digital evolution aims to ensure an increasingly effective, simple and gratifying experience, an effort that is reflected in customers' appreciation, evidenced by the growing ratings on the main app stores, where BPER ranks among the best in class competitors.
From the perspective of banking services accessibility, strategy based on concrete and progressive pillars was consolidated in 2024 to ensure distinctive positioning for the Bank.

The key initiatives in the area of service innovation within an increasingly omnichannel logic are listed below.

Digital User Experience Review
Revised digital user experience and a dedicated customer experience for different segments (retail, business, teen customers) with contextual continuous improvement and evolution of channels deriving from behavioural analysis and suggestions from customers and colleagues.

Human Collaboration
Remote interaction with advisors in the Online branch underwent a significant evolution in 2024 to offer an increasingly efficient user experience.
The distance between bank and customer is eliminated thanks to the new "Hey BPER" feature: available from the app and PC, Hey BPER allows customers to interact with Online Advisors by choosing their preferred mode of contact (call, chat, telephone appointment, video call and screen sharing during remote support sessions). Hey BPER is accessible from the home page of the app and is also present within the sales flow: in this way customers, even when purchasing a product from the app, can work with a consultant who accompanies and supports them in real time.

In November 2024, Hey BPER was also enriched by the chatbot with virtual assistant: customers looking for quick answers on smart digital services can in fact ask their questions and receive an immediate and automated answer thanks to the chatbot, which aims to offer the customer an ever-growing and personalised range of answers thanks to the ongoing learning process.
The introduction of this tool constitutes a first step towards a further evolution of the conversational tools that the Bank makes available to its customers, with the aim of offering them constantly improved services and being at their side wherever they are and even when they cannot or prefer not to go to the branch.

Smart Desk
The service for underwriting contracts and documents with a digital signature directly via an app, allowing sales and processes to be completed very quickly both in the branch and remotely. The service has been conceived to provide a simple and intuitive experience: the signing of documents can be done with just few steps directly on the app, without the customer having to previously underwrite a signature certificate of a third party provider or having to acquire specific devices.
The service also allows customers to digitally and remotely send all the documentation required to complete applications, all with high levels of security for both the bank and the customer and with paperless document management.
Given the service's strategic relevance in terms of the evolution of digital behaviour in interactions with the Bank, its adoption is also promoted through dedicated training sessions and monitored with the help of dedicated indicators and targets.

Data Quality
With the aim of simplifying the customer's experience in their relationship with the bank, features are available that let them manage various tasks using digital channels from the comfort of their home: uploading their identity document and health card, filling in the due diligence questionnaire, and updating their investor profile to ensure that customers receive products that suit their investment objectives and needs.

Digitalisation of documentation
A programme for the digitalisation of banking documentation was launched in 2024, enabling customers to receive documents concerning their banking relationships digitally, retiring the paper format.

New investment and insurance positions
To enable the visibility of portfolios held by customers on smart digital services, regardless of the purchasing channel.

Showcase & digital engagement
The app has been enriched with a new Products section that presents customers with a showcase of products that they can subscribe to online or with the support of the Online Branch. Dynamic CRM (Customer Relationship Management) driven engagements were also enhanced during the year with the development of new content zones (also used on a contextual and behavioural basis) and CMS (Content Management System) based.

Device enrolment, de-enrolment and password recovery
New full self processes were introduced to facilitate the customer experience and speed up the customer's self operations.

In the area of sales, the continuous evolution of products in the digital lending world (Loans and PagaPoi) was pursued to enable omnichannel access to financing products.

Smart Loan
Customers can apply for a loan independently via the app or in a Remote Offer with the support of Online Advisors. An optional policy to protect the loan can be combined with the subscription.

PagaPoi
This credit product was conceived in order to subdivide the expenses incurred during the current or previous month into small instalments. Launched in July 2023 on digital channels and also remotely and in branches, it can be activated independently by the customer to enable a flexible cash management based on the customer's needs. The customer can open new instalment plans autonomously (up to the maximum agreed ceiling), monitor the instalment plan and proceed to close it directly using the digital channels.

VPAY/Maestro debit card stock replacement
The initiative is part of the ongoing card evolution that continues into 2024: customers can replace their VPay, Maestro or Carige Cash cards via app (and with the support of Online Advisors) with a new, more advanced debit card that offers more benefits for the same cost.

Credit card application
Since November 2024, it has been possible to apply for a credit card directly from the smart digital services, already providing the data and documents needed for evaluation. Once the creditworthiness has been analysed, the customer is contacted by Online Advisors to communicate the outcome of the application and finalise it by remote signature.

Teen account
1 August 2024 saw the launch of Teen, the account dedicated to 13-17 year olds, which accompanies them on their first approach to the Bank and on their path of growth and financial education. The proposal designed for teens includes an account, debit card and smart digital services.
The Teen account gives them with basic payment features, always under the supervision of the parent who, thanks to Parental Control, can keep an eye on their account and card directly from their smart digital services, setting periodic payments and spending limits or areas of use (e.g. online purchases).
To ensure responsible use of the payment means, purchases on certain goods categories not appropriate for the child's age, such as alcohol, gambling or tobacco, are also automatically disabled.
In order to accompany teenagers in managing their finances also in adulthood, the digital development roadmap envisages, already in 2025, to give them the possibility to switch from Teen Account to the On Demand Account with a seamless experience, thus keeping the same IBAN and credentials.

Digital Insurance
As part of the gradual expansion of the digital insurance offering, two new types of coverage were introduced in 2024 that can be purchased from apps or with Online Advisors:

- UniSalute Sorriso: a policy dedicated to the dental well-being of customers, offering coverage for expenses incurred and access to a network of affiliated facilities with reserved rates on specialist services;
- UniSalute 4ZAMPE: policy for domestic dogs and cats, to cover veterinary expenses and assistance services in the event of an accident or illness of four-legged friends.

Wealth
2024 was a key moment for the growth of digital functions related to stimulating and enhancing customers' savings, allowing them to compare investment solutions, simulate their performance over time, and find those best suited to their investor profile based on objectives, risk appetite and time horizon.
In fact, if consistent with their investor profile, the customer can subscribe to accumulation plans from the app that invest in mutual funds and that can also be activated with small periodic sums to foster the propensity and habit of saving. Each fund has an ad hoc ESG scoring sheet, with particular emphasis on funds classified as sustainable. The offer was calibrated to allow customers to make a sustainable investment choice based on their investment objectives.

B:Me
As part of the initiatives aimed at increasing the digitalisation rate of customers, the new Business Plan will include a series of interventions that will expand the Bank's ability to remotely identify customers to facilitate their access to digital services. The constraint by which only customers with an account and card can access smart digital services will also be overcome, so as to enable the use of these services and the consequent benefits (paper reduction, less travel, greater timeliness in communications and operations, etc.) also to those customers who are currently excluded.

BPER On Demand online

Launched in September 2023, it is the first online BPER Banca Group account that can be opened entirely online. The customer, acquired through digital channels, is always connected to a branch of his/her choice during the opening of the account, which enables him/her to develop a relationship that can be managed through all available channels. The human component is always centre stage thanks to the presence of consultants at the branch and online at the customer's disposal. The online account is the solution to reach a more digital clientele: the acquisition channels increase and the relationship with the customer is strengthened by exploiting all the ways and opportunities available to access banking services; This is a constantly growing product, which already includes a version dedicated to enterprises in its evolutionary roadmap.

Evolution of Cards and Payments

The launch of new products and the revamping of existing products continued, with associated insurance-value services, e.g. the digital card carrier for new e-money products with card activation via QRCode or the extension of the number of instant credit transfers to three on a daily basis, dashboard in app for activation and deactivation of instant credit transfers, display of transfers on the post cut-off time channel.

Card management

As early as 2023, customers were able to manage their cards from a single app. It is possible, for example, to receive and view the PIN (without having the paper copy), arrange for the card to be blocked, set and manage the Key6 security code, activate and renew a card withdrawn at a branch or received at home, view sensitive card data (card number, CVV, expiry date), authorise online payments, temporarily suspend a card, set spending limits by amount and by category, and add a card to digital payment wallets. Since November 2023, debit or prepaid cards can be requested directly from the app, which will be received and can be activated directly at home.

Light profile

A dedicated smart profile for all non-digital payment card holders was created in 2024, which allows them to manage their cards from the app and the web.

Self Banking

A major Self Banking evolution plan took shape in 2024, with the aim of increasing the number of facilities available to customers and improving the functionality of those already in place.

New self equipment

In the course of 2024, the fleet was enriched with 207 new automated teller machines - Smart Cashiers (CSA) and 261 new evolved ATMs. In addition, 161 branches were switched to the cashless operating model, which does not include the traditional over-the-counter cash service. In this case, the role of colleagues in the branch becomes even more crucial in accompanying the customer in the use of the equipment, making them more autonomous in managing their own operations. This progressively frees up valuable time that the colleague can devote to developing customer relations and to consulting and accompanying digitalisation activities.

New experience

Since the end of May 2024, the Smart Cashiers (CSA) have featured a new graphical user interface offering customers a simplified user experience in line with other digital channels.
Since September 2024, customers can also access the Smart Cashiers from the app. This is a major evolution of branch self-service equipment that offers customers an integrated experience with smart digital services and improves operations, making them even simpler and more effective. This new feature is currently available for private customers. Implementation for corporate customers will follow.
The Self Banking evolution plan will continue in 2025, in line with what is represented in the 2024-2027 Business Plan, with the installation of a further 180 CSAs, 250 evolved ATMs and the activation of 160 branches for the cashless model.

Innovative Releases for an Advanced Customer Experience

In 2024, BPER introduced key business features that mark a major evolution in digital services:

- remote qualified electronic signature (QES) with high standards of security and compliance for remote operations;
- digital presentation of multiple invoices and management of orders and contracts to facilitate the use of self-liquidating lines and simplify administrative tasks;
- new corporate identity to optimise corporate information management and improve service customisation;
- advanced reporting on the Ri.Ba. (Bank Receipts) portfolio for an integrated and up-to-date view of the customer portfolio;
- signature for freelancers, sole proprietorships and legal entities that expands digital signature possibilities for accessing online services;
- automated verification of signature powers to ensure efficiency and accuracy in the identification of authorised signatories;
- self-selling of debit cards for simplified and immediate management of company cards;

- digital KYC in online self-sales processes to optimise the onboarding process and reduce identification time during self-sales processes;
- new business showcase as an intuitive digital space to present BPER Banca's offer to businesses in an innovative and personalised way.

Interventions for the Business Segment

In the business segment, BPER Banca has launched a strategic investment plan to redefine its digital business model and offer companies a seamless experience that goes beyond the traditional transactional approach, evolving towards a relational model that allows them to interact with the Bank in an innovative and personalised way. The digital transformation programme is based on key pillars that include the expansion of the digital product and service offering for business customers, usable remotely and in self mode with a fluid, differentiating and omnichannel customer journey.

Business Smart Banking

This is the relational portal for companies with simple operational needs that emphasises lean management and efficiency. New features were developed in 2024, marking a major evolution in smart digital services for businesses.
The new features include:

- the possibility for freelancers, sole proprietorships and legal entities to sign digitally, in person and remotely, through QEF (Qualified Electronic Signature), thus reducing environmental impact and optimising time management for business customers;
- the continuous enrichment of Smart Desk and remote signature features through extension to the business segment and integration with processes in finance and bancassurance;
- digital submission of multiple invoices and management of orders and contracts to facilitate administrative tasks;
- advanced reporting on the Ri.Ba portfolio for an integrated and up-to-date view of the customer portfolio;
- automated verification of signature powers that ensures efficiency and accuracy in the identification of authorised signatories;
- the self-selling of debit cards for simplified and immediate management of company.

A major project was also launched in 2024 to create a platform dedicated to complex companies and groups, creating an advanced and relational contact point for corporate customers, the new Digital Corporate Banking (DCB).
Also in the area of business e-money, an overall renewal of the card offer is planned for early 2025 to ensure that customers receive solutions adapted to the highest market standards and enriched with value-added services specifically for the business segment.
These initiatives and features for the business world represent a crucial step in BPER Banca's digital strategy, aimed at creating relational and functional portals capable of responding with timeliness and value to the needs of an increasingly digitised and complex market.
The digitalisation initiatives are aimed at an extremely wide audience of private individuals, freelancers, companies, associations and Third Sector organisations.
The digitalisation path is constantly evolving. A number of priority actions are planned for 2025:

- strengthening opportunities for the digital acquisition of new customers with process improvement and offer enrichment, enhancing the value of new deposits;
- evolution of automatic scale-up logic towards more evolved and comprehensive products/services in accordance with the customer's characteristics and needs (e.g. transition from Teen account to On Demand account upon reaching legal age, evolution from prepaid card to current account, etc.);
- opening the digital channel to both customers and prospects for the sale of mortgages in self mode with the support of a dedicated Online Advisor;
- development of the loan offering with the introduction of the pre-valued loan and optimisation of the loan origination process;
- introduction of credit card sales to private customers in self mode;
- expansion of the catalogue of investment products that can be purchased independently by customers in line with their investor profile (funds, government bonds, corporate bonds, etc.);
- growth of insurance coverage and services that can be requested in self mode to protect the well-being and protection of customers, particularly in the areas of health, travel and cars.

Many actions are also planned for enterprises:

- new Digital Enterprise Account product;
- prepaid card dedicated to the business world;
- innovative lending offer with the possibility of advance payments from POS and invoices;
- new Corporate portal.

Artificial Intelligence (AI) Governance
Artificial Intelligence (AI) makes it possible to streamline processes, offering customers targeted responses to their needs and increasingly personalised and effective service experiences. As part of the 2022-2025 Business Plan, BPER has set in motion an ambitious programme to introduce artificial Intelligence models in the different business and governance areas of the company.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

Targets related to digitalisation

Customer digitalisation is one of the pillars of the 2024-2027 Business Plan and the focus on this area is of utmost importance.

At the end of 2024, thanks to the actions aimed at achieving the digital evolution path, it was possible to reach the 64% digitalisation target of private customers, published in the PRB (Principles for Responsible Banking) Report 2023, ahead of schedule. It should be noted that in the commercial targets set for the network, the over-75 customer segment was purposely not included in order to protect this less digitally inclined clientèle from any commercial pressures. For the two-year period 2025-2026, the digitalisation target for private customers at the level of sustainability reporting has been raised to 75%.

The digitalisation KPI of private customers is calculated in percentage form by including the customers who have a contract that allows them access to digital channels in the numerator and the entire active customer base in the denominator, according to CRM (Customer Relationship Management) rules.

The target is monitored on a daily basis by dynamically considering the actual active customer base and the digital contracts actually in place, and is re-evaluated annually to observe the dynamics of digitalisation and any deviations, positive or negative, from the expected pace.
Digitisation targets are defined by the Digital Business Department based on the observation of the current and potential customer base and the competitive environment.

The stated objectives are first shared and validated with key internal stakeholders: HR, Business Department, Markets, to ensure their sustainability with respect to the Bank's overall objectives.
The targets defined at the beginning of the year are only revised in the event of any extraordinary situations that may significantly change the customer base.

BPER did not envisage a customer engagement process for determining these targets.
Once defined, the targets are articulated throughout the network and the centre and semi-centre structures and constantly monitored through institutional management control dashboards with daily updates.
Any deviations from the expected pace are subject to corrective action in order to ensure that the targets are met.
To this end, specific figures were set up in 2024 with the new Bcustomer Model at the semi-centre (Digital Specialists) and network level (Receptionists and Digital Representatives), which guarantee monitoring the targets linked to the digitalisation process through functional coordination with Digital Business Department.
In order to ensure the pursuit of digitalisation targets and the maximum extension of opportunities for customers to access banking services through digital channels, both quantitative (KPIs) and qualitative indicators (behaviour and evolution of customers' digital attitude) are observed.

Responsible marketing practices

Policies related to consumers and end-users (S4-1)

Group Policy for the governance of the risk of non-compliance with Product Governance regulations

The "Group Policy for the governance of the risk of non-compliance with Product Governance regulations" describes the guidelines that BPER Banca, in its capacity as Parent Company, has defined for the Group Companies in order to regulate the rules and procedures to be adopted for the governance of the commercial offer in the BPER Group, in compliance with the relevant regulations.

The Policy provides, among other things, for monitoring and periodically sharing data on sales, customer composition, product range on offer, and customer satisfaction.

The Policy refers to the following impacts:
- provision of products and services for all customer categories, including the most vulnerable ones;
- improving offer quality and usability thanks to the increasing availability of products, services and information on digital channels and the implementation of omnichannel strategies.

The aim of the Policy is to outline the lines to be followed by BPER Group companies, both as manufacturers and as distributors, in the development of products that support their commercial offerings.
The Policy applies to the following product areas: banking, insurance, financial products, bundled products, non-core products or services or related activities.
The initiatives proposed to enrich the commercial offer can take the form of the introduction of new products and services, the significant modification of products already in the catalogue, expansion of new sales channels, agreements for the distribution of third-party products. Commercial initiatives also include those envisaged in the 2024-2027 Business Plan, i.e. the set of Transformation Projects and Programmes developed as part of the Group Business Plan.

The Chief Retail & Commercial Banking Officer (CRCBO) is the highest management level responsible for the Policy's implementation.
The main external regulations to which the Policy refers include the regulations in force at the Policy's publication date and the relevant EBA, ESMA, IVASS and Bank of Italy Guidelines:

- Consolidated Law on Banking and Lending matters (TUB) - Italian Legislative Decree 385 of 1 September 1993;
- Consolidated Law on Financial Intermediation (TUF) - Italian Legislative Decree 58 of 24 February 1998;
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets of financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU - MiFID II;
- Delegated Directive (EU) 2021/1269 amending Delegated Directive (EU) 2017/593 with regard to the integration of sustainability factors in product governance obligations.

The Policy is developed on the basis of internal experience and expertise, within the internal and external regulatory framework of reference, and is disseminated to all Group Companies and published on the corporate intranet. Moreover, there are no exclusions envisaged in the Policy, which in fact covers all customers as a whole.

Group Policy for governing the risk of non-compliance in relation to sustainability in the provision of investment services

The "Group Policy for governing the risk of non-compliance in relation to sustainability in the provision of investment services" defines the guidelines and general principles for integrating sustainability risks and considering the negative effects on sustainability factors in the provision of investment services, demonstrating the Group's commitment to responsible investment practices.

The Policy establishes rules for identifying and prioritising the main negative impacts of investment decisions on sustainability factors, both in portfolio management and investment consultancy, indicating a proactive approach in considering social aspects.
The Policy envisages the use of ESG scoring and the identification of a minimum threshold for detecting the ESG quality of investments. This system makes it possible to assess and monitor social, environmental and governance aspects in investments proposed to customers. Moreover, special attention is given to gathering clients' sustainability preferences and assessing suitability, demonstrating a commitment to aligning proposed investments as closely as possible with customers' sustainability goals and values.
It includes transparency requirements, such as the publication of policy statements on the integration of sustainability risks and the negative effects of investment decisions, enabling customers to make informed choices.
The Policy therefore refers to the impact "Customer satisfaction through responsible, fair and transparent marketing practices", as well as to the risk "Significant complaints received from customers".
ESG-specific governance is established internally, ensuring adequate oversight and ongoing commitment to socially responsible investment practices.
Finally, this Policy refers to all customers of the BPER Group as a whole.

Group Policy for the governance of risk of non-compliance with the legislation on the fairness of customer relations

The "Group Policy for the governance of risk of non-compliance with the legislation on the fairness of customer relations" describes the guidelines that BPER Banca, in its capacity as Parent Company, has defined for Group companies in order to ensure:

- transparency and fairness in relations with customers;
- compliance with the limits on interest rates on financing transactions beyond which they are considered usurious (known as the "threshold rate") in accordance with the rules and principles set forth in the relevant regulations and on the basis of the principles and provisions of, inter alia, the current "Group Policy for the management of non-compliance risk".

The Policy refers to the positive and actual impact of "spreading a culture of fairness and ethics".
The Corporate Functions responsible for managing supervisory reports ensure the quality and correctness of such reports by carrying out periodic monitoring to identify any anomalies, conducting in-depth investigations as necessary and activating the competent functions to make the appropriate adjustments.

They are responsible for carrying out the "monitoring of the detailed positions used to determine the supervisory reports to the Bank of Italy on usury", aimed at intercepting, before the reports are sent to the Bank of Italy, any anomalous TEGs; if found, the necessary investigations are carried out and any adjustments made.
The transparency provisions apply:

- to all transactions and services governed pursuant to Title VI of the Consolidated Law on Banking (TUB) of a banking and financial nature offered by the Group Companies, including payment services and consumer credit also in the case of "off-premises" offers or through the use of "remote communication techniques", unless otherwise provided for;
- to customers - natural or legal persons - who have a contractual relationship or who intend to enter into a relationship with the intermediary, subject to the exclusions set out in the legislation; with regard to relationships with consumers or retail customers, the legislation provides for greater protection governed by the Consumer Code.

They do not apply to investment services and activities and services that are components of financial products subject to the transparency rules of the Consolidated Law on Finance, except in the case of consumer credit transactions governed by Title VI, Chapter II of the Consolidated Law on Banking.
Consistent with the Policy, the activation of the principles contained therein is attributed to the BoD, the Chief Compliance Officer, the Chief Business Officer, the Marketing Planning Department, the Supervisory Reporting Office and the Complaints Office.
For Group companies, the Policy identifies similar commercial and supervisory reporting functions.
The main external regulations referred to in the Policy include the legislation in force from time to time:

- Italian Legislative Decree 385/93 "Consolidated Law on Banking and Lending matters" and subsequent amendments and additions ("TUB");
- Italian Legislative Decree 206 of 6 September 2005, Consumer Code;
- Italian Legislative Decree 58/98 "Consolidated Law on Finance" (TUF). Provision issued by the Bank of Italy on 29 July 2009 "Transparency of banking and financial transactions and services - Correctness of relations between intermediaries and customers" and subsequent amendments and additions (hereinafter also "Provisions");
- Italian Law 24 of 28 February 2001, "Conversion into law, with amendments, of Italian Decree Law. 394 of 29 December 2000, concerning the authentic interpretation of Law 108 of 7 March 1996, containing provisions on usury".

The policy is made available to employees on the company intranet and refers to all customers of the BPER Group as a whole.

Regulation of the Ethics and Governance process of Artificial Intelligence Systems

The Regulation of the Ethics and Governance process of Artificial Intelligence Systems was prepared to handle issues related to AI (Artificial Intelligence). In particular, it describes:

- the general definition of the process, and supporting tools, that all of the organisational units of the BPER Group, without exclusion, must follow for the development and management of AI Systems, including POC, and for the management (monitoring) thereof during their entire life cycle (from the definition of business requirements, to performance monitoring after release into production, to decommissioning), so that they comply with the standards required by the internal and external regulatory framework;
- the indications, included in the above-mentioned process and tools, to which all organisational units of the BPER Group must, without exclusion, adhere for the use of "buy" type AI systems;
- guidance on the BPER Group's internal regulatory requirements to be complied with to ensure that the output of all AI Systems is in line with the BPER Group's moral and ethical values;
- identification of all parties that need to be involved during the development of AI systems, according to business, governance and IT perspectives.

Furthermore, the document defines the activities to be carried out in order to manage AI-related risks and opportunities, ensuring compliance with the European AI Act Regulation.
The Regulation establishes that each AI System must have a dedicated Monitoring System; this System serves to ensure the monitoring of AI System risks and the continuous verification of and compliance with ethical and compliance requirements.
The document applies to the entire BPER Group and describes all stakeholders involved; only "Other subsidiaries" that are not part of the BPER Banking Group are excluded.
The highest organisational level responsible for the document's implementation is the Chief Data Officer (CDO), to whom the "AI Factory" Office, which has operational responsibility for the implementation of the policy, reports.
The following regulatory regulations are included in the document:

- Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act);
- Regulation (EU) No 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

Moreover, the following technical regulations are included in the document:
- ISO/IEC 23053:2022 - Framework for Artificial Intelligence (AI) Systems Using Machine Learning (ML);
- ISO/IEC 22989:2022 - Information technology — Artificial intelligence — Artificial intelligence concepts and terminology;
- ISO/IEC 38507:2022 - Information technology — Governance of IT — Governance implications of the use of artificial intelligence by organizations;
- ISO/IEC 24027:2021 - Information technology — Artificial intelligence (AI) — Bias in AI systems and AI aided decision making;
- ISO/IEC 23894:2023 - Information technology — Artificial intelligence — Guidance on risk management;
- ITIL Framework, v. 4.

All internal functions concerned have been informed and involved in the definition of the policy, and these functions also have access to documentation through internal tools.
The Policy and controls in place concern customers as a whole.

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

Interventions and actions in relation to "Responsible marketing practices"

The Bank ensures the responsible development and management of the product catalogue, in terms of developing products and services in line with its customers' needs. For this reason, the development of the commercial offer is based on the analysis of customer needs and characteristics.

Product Governance regulations call for monitoring the commercial offer with the aim of:
- verifying that the distribution of products is consistent with the type of clientele;
- assessing product profitability;
- verifying possible disservices/defects through complaint analysis reports;
- adapting the product according to changes in the market environment, competitive positioning and evolving customer needs.

Periodically, on the basis of an annual plan shared by the Process Owner, during meetings with the Product Management areas and the Product Governance and Pricing Committee, evidence is given of sales data also in relation to the target market. In addition, the Complaints Report highlights the main operational or product disservices reported by customers. The objective is to identify and share possible corrective actions on the offer.

There were no reports of serious problems or incidents on the topic of responsible marketing practices.

Adequacy of the offer

In terms of offer adequacy, with reference to the Product Governance Process and in compliance with the "Group Policy for the governance of non-compliance risk", the Bank guarantees an offer of products and services in line with the characteristics and needs of its customers.

The commercial offer is developed in the annual Product Plan, which is prepared on the basis of the commercial offer development guidelines shared with the product management areas and validated by the Product Governance and Pricing Committee. The definition of development guidelines is supported not only by portfolio analysis, market benchmarking and product possession data, but also by evidence from customer listening activities, if available (e.g. Customer Satisfaction, panel community and Net Promoter Score).

In terms of the product governance process, the reference area is the development of products and services that support the Group's commercial offer.

Time horizons are defined when planning the activities necessary to implement the products and services that support the commercial offer, therefore specific to each initiative.
Customer needs and characteristics are analysed continuously throughout the year and performed annually.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

Fair business practice targets - ESG ceiling

Consistent with the "ESG-linked Loan Origination Policy" and the strategies of the 2024-2027 Business Plan, which envisaged concrete targets and actions based on a number of relevant drivers, a target is included that refers to the identification of a ceiling of more than Euro 7 billion of ESG disbursement within the Plan's time horizon.
The target is financial in nature and is measurable and monitored systematically.
The target includes the provision of financing to private and corporate customers operating in Italy, divided into the three components E-environmental, S-social and G-governance. The distribution of funding foresees moderate progressive growth over the years.

The base value from which progress is measured is 0. The target applies to the three-year period 2025-2027.

To set the target, the Group operated in continuity with the planning of the previous three-year period.

BPER devotes constant attention to the evolution of market trends and customer expectations in order to define a coherent product and service offer; however, in this specific case the target definition process did not include the involvement of BPER customer representatives.

Business Plan targets are constantly monitored and submitted to the Management Sustainability Committee on a quarterly basis.
The achievement of the target set out in the 2022-2025 Business Plan confirms the validity of the criteria for defining the new target, set out in the new 2024-2027 Business Plan, in line with the evolution of the market and the new needs of the different customer segments.

4. GOVERNANCE INFORMATION

4.1 Business conduct (G1)

4.1.1 Corporate culture and protection of whistleblowers

Business conduct policies and corporate culture (G1-1)

Corporate culture is a fundamental element for the BPER Group, which is committed to ensuring the integrity of those who work within it. It is essential to identify, assess, prevent and manage behaviour that is not in line with the Group's values, in order to ensure the quality of credit, the protection of all stakeholders and the strengthening of fiduciary relations with them.
To this end, the Group has defined internal regulations, management systems and tools to establish and strengthen a working environment based on transparency, accountability and trust, as well as able and suitable to guarantee the protection of whistleblowers.
As part of the double materiality analysis and consistent with this orientation, the BPER Group has identified two positive impacts, namely the spreading of a culture of fairness and ethics and the protection of stakeholders through the provision of safe and effective whistleblowing channels. The approach with which the Group promotes and manages its corporate culture is mainly founded on the structuring of a body of internal regulations based on: "Code of Ethics", "Organisation and Management Model" (OMM) according to Italian Legislative Decree 231/2001, "Antitrust Policy", "Policy for governing the risk of money laundering and terrorist financing", "Policy for the governance of tax compliance risk".
In order to prevent and remediate possible impacts generated by those who operate within the Group and/or in the name and on behalf of BPER, the internal rules are periodically checked and updated; they are also made known through the implementation of specific training activities, a fundamental action to concretely apply the rules on which the Group's culture is based.

Code of Ethics

On 30 May 2024, BPER Banca's "Code of Ethics" was updated. In particular, it:

- describes the set of rights, duties and responsibilities that the Bank assumes towards the subjects with whom it interacts to achieve its business purpose (customers, employees and/or collaborators, shareholders, suppliers, Supervisory Bodies, Institutions, Independent auditing firm); it is therefore a standard whose rules of conduct must be taken into account in day-to-day work and whose first pre-condition is compliance with the laws and regulations in force, including rules internal to the Bank;
- is meant to set ethical standards of reference and rules of conduct to guide the Bank's decision-making processes and conduct;
- requires a consistent behaviour from the management and all the persons to whom it is addressed, i.e. actions that are not, even only in spirit, dissonant with the company's ethical principles;
- contributes to implementing the Group's social responsibility policy, in the awareness that the Group's decisions and actions have direct and indirect effects on society and that paying attention to social and environmental issues helps minimise the exposure to compliance and reputational risks, reinforcing the sense of belonging in its stakeholders.

Among the values expressed in the "Code of Ethics", accountability (Art. 11) especially stands out, which is also expressed in the commitment to achieve social and economic growth in the footprint areas where the Bank has its roots.

The "Code of Ethics" is an integral part of the 231 Organisation and Management Model pursuant to Italian Legislative Decree 231/01 (detailed below) and constitutes the first tool for preventing all offences.

In its role as Parent Company and in compliance with its "Code of Ethics", BPER Banca requires that all Legal Entities refrain from carrying out behaviours or making decisions that are prejudicial to the integrity and reputation of the Group or its components.
The Group's Legal Entities include within their "Code of Ethics" the same values expressed by the Parent Company, adapting their behaviours to these values, in accordance with the current laws and with any regulations in force. In fact, the "Code of Ethics" is adopted by all Group Banks and Companies operating in Italy and Luxembourg and is approved by the Board of Directors. Each corporate structure oversees and guarantees the compliance of its actions and activities with the principles and values of the "Code of Ethics", which conforms to the principles indicated in the "Guidelines of the Italian Banking Association (ABI) for the adoption of Organisational Models for the administrative liability of banks", adopted in February 2004, and subsequent updates.
It is further inspired by the principles of sustainability set out by international organisations and institutions such as the European Union, the Organisation for Economic Co-operation and Development and the United Nations, working to promote and respect universally recognised human rights, as set out in the Universal Declaration of Human Rights.

Given the purpose of ethically steering the Group's business, the Code is binding for shareholders, members of the 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, collaborators in any capacity, consultants, suppliers). All the above-mentioned recipients are required to comply and, to the extent of their competence, ensure compliance with the principles contained in the "Code of Ethics". Compliance with the rules of the "Code of Ethics" must also be considered an essential part of the contractual obligations of the Company's employees pursuant to and for the purposes of the provisions of the Italian Civil Code.
Furthermore, contracts with parties outside BPER Banca include an explicit reference to compliance with the principles of the "Code of Ethics", with the warning that failure to comply may constitute a breach of the contractual obligations undertaken.

The Supervisory Body appointed pursuant to Articles 6 and 7 of Italian Legislative Decree 231/01 monitors compliance with the Code within its competence. In particular, it is responsible for:

- checking compliance with the "Code of Ethics", so as to reduce the risk of committing the crimes identified in Italian Legislative Decree 231/01;
- promote and coordinate the updating of the Code of Ethics, also through own proposals;
- promote and monitor initiatives aimed at fostering the communication and dissemination of the "Code of Ethics" to all parties required to comply with the relevant provisions and principles;
- suggest an ethical education plan;
- comment on any alleged violations of the Code of Ethics it becomes aware of, reporting any potential infringements to the competent Corporate Bodies.

The "Code of Ethics", as well as the General Section of the 231 Model, are made available on the Company's website, so that they are brought to the attention of all those with whom the Bank has business relations. In particular, its updates are brought to the attention of all recipients (internal and external) through appropriate communication and dissemination activities. A copy of the Code of Ethics, together with the link to the page on which the document may be viewed on the company intranet, is also given to each board director, statutory auditor, employee or external staff member at the time of their respective appointment, hiring or entering into a business relationship.

In promoting a corporate culture based on ethics, integrity and good governance, the BPER Group provides its employees with adequate communication channels for reporting illegal, improper or suspicious behaviour within the Group. Reports may be made through traditional channels (e.g. e-mail, telephone, etc.) to direct supervisors and/or directly to the Compliance Function for the Prevention of Corruption (CFPC). It is also possible to use alternative channels (e.g. a dedicated IT procedure or a post office box) that can also guarantee anonymity, in accordance with current legislation and the provisions of the internal regulations on Whistleblowing, i.e. the internal system for reporting violations, which allows reporting, directly and with the full guarantee of confidentiality, any unlawful conduct carried out within the Group itself (for more details, see the section on Whistleblowing).

Organisation and Management Model

Italian Legislative Decree 231 of 8 June 2001 introduced an administrative liability regime in the Italian legal system for legal persons, companies and associations, including non-legal entities, which is in fact comparable to criminal liability, in addition to the liability of the natural person who has materially committed certain criminal offences. The Decree aimed to bring Italian legislation into line with international conventions, in particular:

- the Brussels Convention of 26 July 1995 on the protection of the European Community's financial interests;
- the Brussels Convention of 26 May 1997 on the fight against corruption;
- the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

The adoption of the "Organisation and Management Model" (OMM or 231 Model) is an "option" for the Bank and Group Companies, and not a legal obligation. However, given BPER Banca's attention to the need to ensure that its corporate and business affairs are run correctly and transparently, to safeguard its reputation, as well as that of its shareholders and employees, the Bank deemed it consistent with its corporate policies to adopt and update its own 231 Model over time
(the last update of the Model pursuant to Legislative Decree 231/01 and the "Code of Ethics" was carried out on 30 May 2024).
Several BPER Legal Entities, at the instigation of the Parent Company, decided to proceed with the adoption of the Model, with a view to establishing correctness and transparency in the conduct of business and corporate activities to protect their own image and that of partners and shareholders. As at 31 December 2024, the following BPER Group Companies had their own Organisation and Management Model pursuant to Italian Legislative Decree 231/01: BPER Banca, Banco di Sardegna, Bibanca, Banca Cesare Ponti, BPER Real Estate, Sardaleasing, BPER Factor, Finitalia, and Arca Fondi SGR.
Whenever the OMM 231 is updated, it is approved by the Board of Directors. Each corporate structure safeguards and ensures the compliance of its actions and activities with the provisions of the OMM 231.

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. As envisaged in its Articles of Association, the Supervisory Body reports on the results of its activities and on the operation of and compliance with the Model, except in cases of particular gravity, in a special six-monthly report to the Board of Statutory Auditors and the Board of Directors.

The adoption and implementation of the Model, in addition to realising a possible exemption from administrative liability, pursues the following objectives:

- to inform the addressees of the Model 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 offences envisaged by the Decree from being committed;
- to fully implement the values stated in the respective "Code of Ethics".

From an organisational perspective, it is believed that adopting the Model can also support achieving the following:

- contributing to the prevention of the commission of offences of various nature;
- increasing the effectiveness and the efficiency of business operations to achieve the company's strategies;
- improving competitiveness in the domestic and international market;
- improving the internal work environment.

The Model also promotes personnel training and the empowerment of individuals, enhancing the contribution of human resources (employees and collaborators) to monitoring operational compliance with internal and external rules and encouraging behaviour based on principles such as honesty, professionalism, seriousness and loyalty.

In short, the 231 Model makes it possible to both protect the company's assets, avoiding the application of fines and prohibitory sanctions, and to achieve organised management of the Group's companies based on the principles of proper administration, favouring the achievement of economic development objectives.

In particular, BPER Banca's Model and the provisions and prescriptions contained or referred to therein must be complied with, to the extent of their specific competence in the performance of the tasks and functions assigned by the Bank, by the following persons:

- members of the Corporate Bodies, such as the Board of Directors, the Board of Statutory Auditors and the Supervisory Body;
- employees (personnel belonging to the first, second and third professional categories, managers, executives);
- seconded employees of Group Companies, limited to any activities carried out within the Bank;
- collaborators who, although not employees, work for BPER and are under the Bank's control and supervision (e.g., financial agents, financial promoters, placement students, workers on a temporary contract or project, temporary workers).

The following are instead not recipients of the Model[96]:

- shareholders, because it is impossible to subject them to the training, controls, procedures and reporting obligations set out in the Model itself for persons identified as recipients. They are however recipients of the Bank's "Code of Ethics", which they must respect in their relations with the Company;
- "External Parties" which, by virtue of contractual relations, provide services to the Bank for the performance of specific activities; in the context of such relations with the Bank, they must in any case undertake to observe the principles enshrined in the Bank's "Code of Ethics".

Provision is made for the involvement of personnel in the constant updating of the Organisation and Management Model, in order to collect any proposals for the variation and implementation of its contents. To this end, BPER Banca and the main Group companies have developed an internal IT procedure through which the Organisational Units are called upon to collaborate in a proactive manner, reporting any organisational changes involving them, as well as any new, potentially sensitive areas pursuant to Italian Legislative Decree 231/01 and any amendments and additions to be made to 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.
For the purposes of the Model's effectiveness, it is the BPER Group's objective to ensure proper knowledge and dissemination of the provisions and principles contained or referred to therein to all its recipients. This objective concerns all present or future resources of the company.

96 For the purposes of this Model, External Parties include, by way of non-limiting example: self-employed workers, professionals, consultants, suppliers, auditing firms, business partners, persons and/or entities that enter into agency agreements with the Bank (other than financial agents).

The Board of Directors of BPER Banca and the Group Companies, with the help of the corporate structures, shall inform all recipients of the existence and content of the Model. In particular, the Model is formally communicated to the recipients via publication on the company intranet.

Contracts with External Parties include an explicit reference to compliance with the principles of the "Code of Ethics", with the caveat that failure to do so may constitute a breach of the contractual obligations undertaken.

Antitrust Policy - Protection of competition

The "Antitrust Policy" updated in November 2022 is aimed at promoting a culture of competition and the prevention of antitrust offences, ensuring uniform global minimum standards of reference and illustrating the initiatives conducted by the BPER Group for the concrete implementation of the Antitrust Compliance Programme. In particular, the Policy:

- describes the guidelines that the Parent Company has defined to ensure compliance with antitrust regulations, also in consideration of the principles and provisions of, inter alia, the "Group Policy for governing the risk of non-compliance";
- illustrates the cases that may be relevant for the purposes of compliance with Italian and EU antitrust law;
- defines the risk profiles for antitrust purposes identified as sensitive for the BPER Group and the related principles of conduct, including the identification of roles and responsibilities of the Functions of the Parent Company and the other Group Banks/ Companies deemed to be impacted.

In the conduct of its business, the BPER Group is required to take appropriate measures to avoid restrictive agreements on competition, abuse of a dominant position, unlawful concentrations and unfair business practices.
In order to ensure the effectiveness of the antitrust risk prevention process, continuous monitoring activities and initiatives are foreseen, aimed at promptly intercepting any anticompetitive offences that may arise and updating the monitoring programme (known as the Antitrust Compliance Programme, hereinafter also Programme) if changes in the Companies' activities or in the regulatory framework are detected, with consequent impacts on the risk exposure of the Parent Company and Group.
To this end, in fact, a set of controls is defined, with particular regard to processes characterised by greater criticality, in order to intercept any conduct or behaviour contrary to the reference discipline ex-ante and to verify its correct compliance ex-post. Appropriate information flows to the Parent Company's Antitrust Officer are also defined in order to ensure ongoing awareness of the Group's situation in terms of risk control and the effectiveness of the designed Programme.
The various controls implemented are associated with monitoring KPIs and related attention thresholds, the periodic calculation of which at Parent Company and individual subsidiary level makes it possible to verify compliance with the Programme as well as the trend of any misconduct, thus verifying the ongoing effectiveness of the initiatives for training and disseminating the culture of competition.
The Policy applies at Group level (i.e. for BPER Banca, Banco di Sardegna, Banca Cesare Ponti, BPER Bank Luxembourg, Sardaleasing, Arca Holding, Bibanca, Finitalia, BPER Real Estate, BPER Factor, Modena Terminal, Adras).

The Chief Compliance Officer (CCO) is responsible for implementing the Policy, updating it before submitting it to the BoD for approval.
The CCO sends the prepared reports to the Parent Company's Board of Directors, which adopts the "Antitrust Compliance Programme", that takes into account the nature, size and market position of the Group, as well as the peculiarities of the business and the size and complexity of the structures of the Banks/Companies that are part of it.
The document and related Compliance Programme are drafted in accordance with the "Antitrust Compliance Guidelines"[97] (also "AGCM Guidelines") adopted by the Italian Antitrust Authority ("AGCM") on 25 September 2018, and the applicable national and EU legislation.
In particular, the national reference legislation is Italian Law 287 of 10 October 1990 (Rules for safeguarding competition and the market, as amended and supplemented).
At European level, the main regulatory source is instead Articles 101 and 102 of the Treaty on the Functioning of the European Union ("TFEU"), as well as Commission Regulation (EU) 720/2022 of 10 May 2022 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices.

The framework of the controls envisaged by the Policy include guaranteed training and information activities for all the recipients of the Policy itself, also through the dissemination of specific documentation published on the corporate intranet.

The AGCM Guidelines require that the Antitrust Compliance Programme include the definition of processes suitable to reduce risk, allowing for the timely detection of any conduct capable of entailing antitrust offences and, on this basis, the prompt adoption of appropriate remedial measures. To this end, the reporting process in place (Whistleblowing) guarantees the possibility for the resources of the various Group Companies as well as third parties to make reports with reference to specific events/behaviours observed that could entail the risk of incurring antitrust offences, to request precise clarifications on

97 The "Antitrust Compliance Guidelines" illustrate the contents and characteristics of the Antitrust Compliance Programme, in order to ensure the effectiveness of antitrust risk control and to obtain the recognition of mitigation in the event of an investigation.

specific issues, up to and including reporting, also anonymously, possible violations when more serious cases occur. For further information, please see the section on Whistleblowing.

Anti-Money Laundering Policy

The “Policy for governing the risks of money laundering and terrorist financing” was updated in December 2024.
Accessible to all employees via the corporate intranet, the Policy provides solutions for the various relevant profiles of conduct, organisational structures, procedures and internal controls in order to ensure full compliance with current legislation and effectively counter the involvement, even unknowingly, of Group Banks and Companies in money laundering and terrorist financing. The document also defines:

- the preconditions of the process for governing and managing the risk of money laundering and terrorist financing, i.e. the process whereby risk is identified, measured, assessed, assumed, monitored and controlled;
- the roles and responsibilities of the Corporate Bodies and Organisational Units involved in managing the aforesaid money-laundering risk.

The document addresses the main areas which the anti-money laundering and counter-terrorism legislation is structured into, including:

- customer due diligence;
- obligations to retain data and information and to send aggregated data to the Financial Intelligence Unit for Italy (FIU);
- active cooperation required of the Group’s banks and Companies through the reporting of suspicious transactions;
- personnel training obligations.

The prohibitions and thresholds relating to the use of cash and bearer negotiable instruments are also outlined.

As required by the regulations in force, BPER Banca prepares the Anti-Money Laundering Function Report annually. It contains the self-assessment exercise of the risk of money laundering and terrorist financing; this report also highlights the Group’s training objectives, defined by the Anti-Money Laundering Function in cooperation with the Human Resources Function.
Based on the combined provisions of Italian Legislative Decree no. 231/07 and the Banca d’Italia provision of 26 March 2019, the Legal Entities of the Group currently subject to anti-money laundering regulations are: the four Italian-law Banks (the Parent Company BPER Banca and its subsidiaries Banco di Sardegna, Bibanca and Banca Cesare Ponti) and the five Italian-law non-banking Companies (Arca Fondi SGR, BPER Trust Company, BPER Factor, Finitalia and Sardaleasing). The Bank incorporated under Luxembourg law (BPER Bank Luxembourg), although not a recipient of Italian regulations, is nevertheless indirectly affected by the application of the provisions focused on the Parent Company, aimed at standardising the System of controls, coordination and management by the Parent Company.

The BPER Group’s organisational model envisages that the exercise of the Anti-Money Laundering Function, in implementation of the principles expressed in the “Group Internal Control System Policy”, is entrusted, by all the Italian entities directly subject to the regulations, to a structure operating at the Parent Company, appointing in any case a Function Contact Person, pursuant to Bank of Italy Circular 285/2013 and Bankit Measure of 26 March 2019. The head of the Group Anti-Money Laundering Function - identified as Chief AML Officer (CAMLO) - is entrusted with the role of Anti-Money Laundering Officer, Corporate Delegate for Reporting Suspicious Transactions (SOS for short) and Group Delegate.
The corporate Anti-Money Laundering Function for BPER Banca and for all Group Legal Entities that have outsourced this role to the Parent Company is defined in the terms set out in the Provisions on the organisation, procedures and internal controls aimed at preventing the use of intermediaries for the purposes of money laundering and terrorist financing published by the Bank of Italy on 26 March 2019 and subsequent amendments and additions.

Moreover, in 2024, the BPER Group continued its strategic programme for the evolution and strengthening of the ICT Risk Management and Cyber Security framework and launched a series of projects, included in the 2024-2027 Business Plan, aimed at supporting the management of compliance with internal regulations by employees, to streamline the reporting activities to the Authorities carried out by the Anti-Money Laundering Department and to enable the collection of relevant information for anti-money laundering purposes through the internet.
To ensure efficacy of the anti-money laundering measures, the Bank has developed a number of appropriate IT procedures and instruments, such as: the “Gianos” application for customer profiling and risk management, with identification/reporting of potentially suspicious transactions; an Electronic Questionnaire for compliance with the customer assessment and monitoring measures; the NAUI (Nuovo Archivio Unico Informatico - New Single Electronic Archive) to record and store information; and lastly internally developed software dedicated to the remote control of cash flows carried out by the clientele. The risk of money laundering and terrorist financing is also monitored by checking, in real time, the names included in the Bank’s databases or involved in payment/transfer transactions in order to exclude their inclusion in “black lists”; further real-time checks are aimed at detecting any political exposure of customers.

Company Policy for the governance of tax compliance risk

In October 2024, the "Corporate Policy for the governance of tax compliance risk" was updated, which defines rules and processes for managing the risk of non-compliance with tax regulations, in the context of the "Group Internal Control System Policy" and the "Group Policy for governing the risk of non-compliance".
In order to ensure the correct control of the risk of non-compliance with regulations, particularly in the area of tax regulations, the Parent Company has adopted a system of rules, processes and tools to manage and control tax risk, inspired by international and domestic best practices (Tax Control Framework, hereinafter also "TCF"). The Policy therefore regulates the operation of the TCF adopted and provides rules for the procedures in governing the risk of non-compliance with tax regulations, in close connection with adherence to the collaborative compliance regime, consistently with and in application of the principles and operating rules set forth in the Tax Strategy approved by the Parent Company's Board of Directors.

The Policy recipients are the special purpose companies, credit financial companies, Arca Fondi SGR, Arca Holding, all Group Banks with the exception of BPER Bank Luxembourg.
Considering the regulatory nature, the Group's compliance functions with regard to tax regulations are carried out by the specialised supervision, identified in the Financial and Supervisory Reporting Department which, for these purposes, is functionally dependent on the Chief Compliance Officer.

The BPER Group has undertaken to implement and include, in the context of the internal control and risk management system, a specific system for the detection, measurement, management and control of tax risk (the aforementioned TCF), in line with OECD guidelines and the domestic regulations implementing them. Furthermore, in order to strengthen transparency towards tax authorities, it adheres to the Italian cooperative compliance regime. In addition, in order to protect its interests and its shareholders, it upholds - also in litigation - interpretative positions that are considered sound and reasonable, even if not shared by the tax authority within the framework of prior dialogue envisaged in the collaborative compliance regime. In the event of a disagreement with the domestic tax authority on transfer pricing and cross-border issues, the Group reserves access to unilateral institutions and international double taxation resolution instruments.

The Tax Control Framework is monitored in order to allow the identification of any gaps or errors in the functioning of the control system and the consequent activation of the necessary corrective actions. TCF monitoring is ensured in particular with regard to:

- fiscal risk management in compliance with the rules and procedures contained in the TCF;
- the effectiveness of the risk mitigation measures outlined in the TCF.

On an annual basis, a Report prepared by the Financial and Supervisory Reporting Department is sent to the Board of Directors via the Control and Risk Committee.
The Report contains, inter alia, the results of the periodic review and audits carried out on tax compliance, the planned activities, the related results and the measures put in place to remedy any shortcomings revealed in the monitoring. The Report highlights any needs for updating the Tax Strategy and Tax Control Framework.

In the case of conflicting episodes, internal regulations provide the possibility of direct reporting to the competent manager who, having assessed the situation, will proceed with any necessary corrections, working with the institutes made available by the relevant tax legislation.
If the analysis of interpretative certainty gave rise to uncertainties related to the relevant tax discipline, the Offices of the Tax Service are called upon to define and assess this uncertainty as regards the company's operations.

The safeguards of the Policy include the information provided to all its recipients through the dissemination of appropriate documentation published on the company intranet.

Whistleblowing

The Whistleblowing Reporting System is an important way of promoting corporate culture, as it encourages reporting unlawful conduct through dedicated channels that guarantee confidentiality and protection from retaliation for all those involved in the process.
The System incorporates the provisions of Italian Legislative Decree 24/2023, which broadened the range of reporting parties and extended the regulatory perimeter of whistleblowing reports also to violations pursuant to Italian Legislative Decree 231/01 and Organisation, Management and Control Models. The transposition of the above-mentioned regulatory provisions was an opportunity to update the IT "Whistleblowing Communication" procedure, which now integrates all types of reports. In particular, if the Whistleblowing Officer receives a report concerning conduct potentially attributable to what is called a "predicate offence" as referred to in Italian Legislative Decree 231/01 or a breach of the Organisation and Management Model and/or of the "Code of Ethics", the "Whistleblowing Reporting System Macro-Process" Regulation states that the report, together with the relevant information, must be promptly forwarded to the Supervisory Body of the Bank/Company pursuant to Italian Legislative Decree 231/01, to which the report refers for the performance of the necessary verification activities.

The Group has implemented an organic system for managing reports of unlawful conduct and has identified a Whistleblowing Officer, responsible for managing the reports received through the appropriate channels.
The Whistleblowing Officer in BPER is the Chief Audit Officer (CAO) of the Parent Company, who performs this role for all the Banks and Companies to which the relevant regulatory framework applies; in BPER Bank Luxembourg and in Arca Fondi SGR, the Whistleblowing Officer is identified in the respective Audit Managers.

The following are eligible to make a whistleblowing report: permanent or fixed-term employees, contract workers, trainees and collaborators, financial advisers authorised to offer their services outside their offices, financial agents, debt collectors, suppliers, self-employed professionals and consultants working for the Group, shareholders, and persons with administrative, management, control, supervisory or representative functions.
The Recipients of the "Code of Ethics" are required to report any violation, including well-founded suspicions of violations of national and European Union regulations (administrative, accounting, civil or criminal offences), of the Organisation and Management Model, labour contracts, internal regulations or the same "Code of Ethics", of which they become aware as part of their duties. Failure to comply with the reporting obligation is expressly sanctioned.

Compliance with the Model as well as the effective performance of the Supervisory Body's duties is facilitated by a complex flow of information to the Supervisory Body itself. This includes an important obligation for all addressees of the Model and of the "Code of Ethics" to report any conduct that infringes the provisions thereof.
The Supervisory Body assesses the reports received by using, according to their nature, the internal structures of the Bank to carry out in-depth analysis of the facts being reported; the Supervisory Body can directly listen to the author of the report or the parties mentioned in it. At the end of the preliminary inquiry, the Supervisory Body provides the necessary input for preparation of the disclosure by the Whistleblowing Officer - containing the outcomes of the verifications carried out and an opinion on the potential violation committed by the reported party - that the Whistleblowing Officer will submit to the competent Corporate Functions/Bodies that are required to take organisational/disciplinary measures. If necessary, the Supervisory Body requests the Bank to implement the appropriate measures on the Organisation and Management Model and/or the "Code of Ethics".

More specifically, with regard to the process of handling and assessing reports, the Whistleblowing Officer intervenes, where appropriate with the cooperation of:
- resources of the Internal Audit Function or belonging to other Control Functions;
- other resources in Group Functions according to the specialised subjects covered;
- professionals outside the Group.

In order to have the necessary expertise for the correct assessment of the report, he/she:
- makes a preliminary assessment of the alert received;
- assesses the admissibility of the alert;
- ensures having provided the whistleblower with an acknowledgement of report receipt within seven days of its receipt;
- maintains communications with the whistleblower;
- carries out in-depth investigations by analysing the documentation provided at the time of the report, supplemented with data/information acquired in the course of the preliminary investigation.

The reports must describe the alleged illicit conduct in detail and must be based on precise and consistent factual elements. BPER Banca received four reports in 2024. Of these, two were dismissed because the subject of the report did not fall within the scope of the whistleblowing legislation. For the relevant reports, the in-depth investigations carried out confirmed the merits of the reported issues, which were promptly communicated to the competent Corporate Functions and handled in accordance with Whistleblowing regulations.

In compliance with the Whistleblowing Regulation, anonymous reports shall not be taken into consideration for whistleblowing purposes, due to lack of traceability. Reports received anonymously will therefore not be managed according to the process defined in the Regulation. Consequently, the protections envisaged for the whistleblower, as defined by the Whistleblowing System, will not apply. The Bank will not tolerate direct or indirect acts of retaliation, discrimination and penalisation for reasons directly or indirectly connected to reports that have been made in good faith, without prejudice to legal obligations and the protection of the rights of persons accused wrongly or in bad faith. The Bank provides for sanctions against those who violate the measures for the protection of the reporting subject and against those who maliciously or negligently make reports to the Supervisory Body that turn out to be unfounded.

The procedure to be followed in making a whistleblowing report is disclosed to employees through dedicated internal rules, available on the company intranet. In order to ensure that all recipients of the Regulation are properly informed, this information is also available on the institutional website of BPER and of each Group Bank and Company to which the regulations apply.
As part of the initiatives taken by the Group to promote the knowledge and purpose of whistleblowing and thus the potential use of the whistleblowing channel - also to promote greater risk awareness - the Internal Audit Department oversaw the design and content of a training course, the use of which will be made compulsory for all colleagues and must be completed by 2025.

In implementing the regulatory provisions on whistleblowing, the Group has set up adequate safeguards to protect the whistleblower and those involved in the report in various capacities, divided into two categories:

- protection from retaliation: the BPER Group ensures measures to protect whistleblowers and other persons involved in whistleblowing from any retaliation and discrimination in relation to the report made, ensuring that the report is not prejudicial to the existing relationship. Any act of retaliation or discrimination against whistleblowers is forbidden and, if it occurs, may lead to disciplinary proceedings against the whistleblower and to sanctions and/or administrative proceedings by the authorities, in accordance with the provisions of the applicable legislation. The whistleblower may consider making an external report if they fear any possible retaliation;
- protection of confidentiality and processing of personal data: the BPER Group guarantees the confidentiality of the personal data of the whistleblower and of all persons involved in the report. In particular, the identity and any other information - from which the identity may be inferred even indirectly - may not be disclosed to persons other than the Whistleblowing System Officer and those authorised to process the whistleblower's personal data for the purpose of following up the report.

The company to which the whistleblower belongs is obliged to maintain the confidentiality of the whistleblower, unless:

- the whistleblower has given consent to disclosure;
- disclosure of the whistleblower's identify is indispensable to ensure the defence of the person against whom the disciplinary charge is brought, in the context of disciplinary proceedings initiated against the whistleblower;
- disclosure is required by external regulatory obligations (e.g. as part of investigations initiated by the judicial authorities or within the scope of legal proceedings).

Each Bank and Group Company to which the whistleblowing legislation applies is a data controller, in accordance with data protection legislation, in relation to the report and the subsequent activities carried out.

Actions and resources related to Material Sustainability Matters

Actions related to the Code of Ethics and 231 Model

The main actions related to corporate culture and connected to the "Code of Ethics" include the annual training plan and the dissemination plan. In particular, there is a specific course dedicated to the "Code of Ethics", as part of the annual training plan for employees; furthermore, in addition to what has been described above, in order to promote the full application and dissemination of the Code, it may be the subject of specific dissemination campaigns to customers and other stakeholders.

On the other hand, with reference to the OMM 231, the main actions are its regular updating and the related training plan.

Training on the contents and updates of the Model is implemented after its adoption. The competent functions define the programme of training courses, ensuring that it is relevant to the roles and responsibilities of the recipients. The Training Plan is prepared annually and is a cyclical and recurring process, as is the plan to disseminate the Code to the Group's stakeholders.

The Supervisory Body monitors the definition and delivery of the plan of training courses on the subject of Italian Legislative Decree 231/01, for all the persons identified, in accordance with the provisions of the 231 Model and Article 9 of its Articles of Association.

Participation in the training courses is compulsory for the recipients. In particular, training activities are organised:

- for newly recruited employees (in addition to the information provided on the subject at the time of recruitment);
- for all recipients on the occasion of significant changes to the Model;
- by role and/or Organisational Unit, oriented on prevention protocols relating to the processes in which they are - even potentially - involved, to be established according to organisational, legislative and risk perception changes.

The current training offer on the subject of the OMM 231 and "Code of Ethics", in line with previous provisions, includes induction sessions aimed at Corporate Bodies and Top Management, a compulsory web learning course, a compulsory thematic course for new recruits, apprentices and other figures identified from time to time, as well as "catalogue" courses for other employees. Top Management is trained through meetings and training initiatives organised by the Bank, or through participation in specific external training and refresher courses. In terms of Model recipient training, Top Management is defined as the members of the Corporate Bodies and employees holding the position of Heads of Organisational Units of the Bank.

The training is subdivided into two parts: a "general" part and a "specialist" part, the latter being of an eventual and/or partial nature.

"Specialist" training is only provided to persons involved in risk activities and/or prevention protocols, limited to what is their responsibility.

Among other things, the Body may boost such training activities and - subject to validation by the Compliance Function - express an opinion on the plan proposed by the competent internal functions, also with specific reference to the relevance of the courses in question with respect to the roles and responsibilities of the recipients.

The plan of training activities is presented to the Board of Directors and the Board of Statutory Auditors by the function responsible for training. The body may call for further training measures than those planned if deemed appropriate or necessary.

Antitrust actions - Protection of competition

In order to better implement the "Antitrust Policy", making its contents widely shared, as well as permeating the internal regulatory system with the rules of fairness envisaged by the Policy, the Group implements the following actions:

- promotion/training activities through the training module to raise employees' awareness of competition protection issues (issued in November 2023);
- strengthening of detailed internal regulations relating to business processes impacted by the regulations on the Protection of Competition (e.g. process for managing Relations with the Authority; Purchasing process and payables cycle; Whistleblowing Macro-process; Risk-based Pricing process; Ius Variandi process).

According to the Group, the maximum dissemination of adequate knowledge of the expected rules of conduct in antitrust matters and the associated risks is the best way to make the Antitrust Policy effective and efficient.

The main actions implemented relate to the provision of specific training on the protection of competition, with the provision for further customisation on the basis of those who oversee the processes most exposed to antitrust risks.
To this end, a training programme is defined for all levels of the company, including mechanisms for assessing the skills of personnel and timely follow-up in the event of identified gaps. The Human Resources Management Department defines and manages a periodic training plan to disseminate the necessary knowledge and skills in the Antitrust field, contemplating the use of a varied panel of formats (e.g. induction for Top Management, online training courses and in-person lectures, etc.) in order to ensure that the different levels of the organisation are reached in a "tone from the top" perspective. The Compliance Function supports tailoring the training programme to the actual characteristics of the Parent Company and the Group, as identified in the risk identification and assessment phases. A parallel process of skill mapping & monitoring is envisaged, again with the contribution of the findings emerging from the Compliance activity, focused on the continuous identification of any shortcomings in terms of knowledge and skills necessary for Antitrust risk management, and the consequent activation of specific and targeted training modules.
The stakeholders involved in the training activities are the employees of BPER Banca, BPER Factor, Banca Cesare Ponti, Banco di Sardegna, Bibanca, Sardaleasing, Finitalia.
Participation in training courses is documented. In order to hold periodic training and refresher courses for the representatives most at risk of committing antitrust offences, BPER engages external consultants, if necessary.
Antitrust training is mandatory for all Group employees and must be completed once.
The Group adopted a training module in November 2023 to raise Bank employee awareness of "Protection of Competition" issues, with the aim of increasing awareness of anti-competitive practices, promoting fair competition between companies, avoiding collusive agreements and behaviour that may harm consumers and restrict competition.

The training is carried out annually and will be further refined also in relation to regulatory developments. In addition, the Group is planning a specific "Antitrust Induction" activity for Board members in 2025, aimed at further enhancing awareness of antitrust risks and the importance of fostering a corporate culture based on free competition.

With specific reference to the activity of strengthening internal regulations, the updating of internal regulations to strengthen safeguards and the provision of flows to the Antitrust Programme Manager is aimed at creating greater awareness and protection from risks and sanctions and is a significant action in managing the issue.
This update concerns all Legal Entities of the Group and involves all employees, with a special focus on those functions most exposed to the risks covered by the regulations being updated.
Activities to strengthen detailed internal regulations relating to business processes impacted by the Competition Protection Act were implemented and concluded in the two-year period 2023-2024.
In addition, the Antitrust Compliance Programme is implemented on an ongoing basis and includes strengthening additional business processes impacted by the most sensitive antitrust risks for the Group.

Actions in relation to anti-money Laundering

The actions put in place by the Group to pursue the objectives of the "Policy for governing the risk of money laundering and terrorist financing", as already extensively described therein, include specific training as set out in Article 16 of Italian Legislative Decree 231/2007 as a risk mitigation measure.

Training is a fundamental lever for spreading Policy awareness and knowledge, as well as a safeguard for reducing the risks associated therewith.
The Legal Entities of the Group currently subject to anti-money laundering related actions are: the four Italian-law Banks (the Parent Company BPER Banca and its subsidiaries Banco di Sardegna, Bibanca and Banca Cesare Ponti) and the five Italian-law non-banking Companies (Arca SGR, BPER Trust Company, BPER Factor, Finitalia and Sardaleasing). The Bank incorporated under Luxembourg law (BPER Bank Luxembourg), although not a recipient of Italian regulations, is nevertheless indirectly affected by the application of the provisions focused on the Parent Company, aimed at standardising the System of controls, coordination and management by the Parent Company.

Anti-money laundering and counter-terrorism training is carried out annually according to the schedule defined in the specific Anti-Money Laundering Function Report, in cooperation with the Human Resources Function.

In particular, the Parent Company requires compliance with the following measures:

- deliver training courses to all employees and associates, so as to ensure the acquisition of appropriate knowledge of relevant legislation and related responsibilities, and so that they will be able to use the instruments and procedures adopted for proper application of the law. In particular, specific ongoing training should be provided, as a matter of priority, to personnel with the most direct contact with customers or otherwise involved in the process of reporting suspicious transactions;
- define high-profile, suitable training provided by external organisations for the employees in charge of money laundering risk control at the central Offices;
- continually update the educational material in compliance with legislative and regulatory developments;
- monitor actual attendance of employees and collaborators at the training courses provided.

The training is delivered through on-line courses in "synchronous" mode (distance webinars lasting two or five hours with the administration of a final test to check the level of knowledge acquired by the students) and in "asynchronous" and Internal Training Group mode (training meetings for the Network lasting about one hour).

In order to apply the above mentioned guidelines:

- the Group's Italian banks:
  - adopt training programmes consistent with the training objectives defined by the Parent Company;
  - inform the Parent Company of the manner in which the training programmes are delivered;
- the non-banking companies of the Group:
  - transpose the guidelines and training objectives defined by the Parent Company and identify the subjects for which specific training courses are to be provided;
  - establish training programmes while taking into account their operational and business specificities;
  - request a prior opinion from the Anti-Money Laundering Function on the conformity and consistency of the training programmes and procedures adopted with the guidelines set out in the Policy;
- the Group's foreign companies and other Group companies that have not outsourced the Anti-Money Laundering Function to the Parent Company:
  - transpose the guidelines defined by the Parent Company and identify the subjects for which specific training courses are to be provided;
  - establish training programmes taking into account mandatory local regulations and their operational and business specificities;
  - within the scope of the management and coordination activities exercised by the Parent Company, transmit the training plans scheduled for the purpose of detecting any risks of non-compliance to the Parent Company's Anti-Money Laundering Function.

Actions in relation to fiscal transparency

In the area of fiscal transparency, too, training is a key lever to flesh out the expected rules of conduct. For this reason, meetings and training sessions were organised internally within the tax department during 2024, aimed at office managers and key support resources, to disseminate the culture of fiscal transparency and to train resources in the correct use of the IT platform called "Tax Risk Map".

The main recipients of the training sessions were the heads of the tax service offices. Training was also extended to some staff members involved in specific and sensitive subject areas.

4.1.2 Corruption and bribery

Business conduct policies and corporate culture (G1-1)

Anti-corruption

Bribery against public or private parties is one of the areas of greatest concern for the BPER Group, as it can generate risks of an operational, compliance, business continuity and reputational nature, such as financial damages connected with sanctions, falls in reputation ratings, de facto or legal exclusion from markets and/or the possibility of contracting with the Public Administration. These risks could directly and negatively affect the implementation of corporate strategies, the achievement of the related objectives and, in general, the Group's stability and integrity. Therefore, it is necessary to define a consolidated internal management system to prevent, detect and mitigate the risk of corruption and comply with Anti-Corruption regulations and voluntary commitments applicable to its activities.

In this sense, the BPER Group has had an "Anti-Corruption Monitoring Model" since December 2022. It is aimed at defining, within the Group, a system of controls and verifications of the risk of non-compliance with regard to combating corruption that allow systematic guidance of corporate conduct towards a common ethical approach and thus to prevent the spread of corruption. The Model adopted consists of the "Anti-Corruption Policy" (also known as the "ABC Policy") and an associated Anti-Corruption Programme. For more details on the Model and the Anti-Corruption Programme, please refer to the description in the disclosure requirement "Prevention and detection of corruption and bribery" (G1-3).
The "Anti-Corruption Policy" is addressed to all BPER Group Companies and applies to all members of the strategic supervision, management and control bodies, employees, agents, financial advisors and occasional collaborators of the BPER Group and, transversely, to all the Group's business activities, in compliance with the local regulations in force at any given time. All recipients of the Policy and those who interact with them in any capacity are expressly required to adhere to the fundamental values of integrity, transparency and responsibility and to promote a sound culture of regulatory compliance, where corruption is never allowed.

The "Anti-Corruption Policy" is validated and periodically updated; it establishes the rules, general principles and actions to prevent and manage the risks connected to corrupt phenomena that, in any form or manner, involve the BPER Group. The goal is to promote and spread awareness within the Group about risks and internal controls (risk culture) in relation to anti-corruption. Therefore, the Policy:

- formalises and articulates the BPER Group's commitment to the fight against corruption, in compliance with anti-corruption regulations in force at any given time or in any specific place;
- defines operating standards for the identification, prevention and management of potential episodes of corruption to protect the Group's integrity and reputation;
- clearly defines the anti-corruption principles for the parties concerned, both inside and outside the Group, promoting ethical values at a consolidated level;
- defines the framework and strategic guidelines of the Group's Anti-Corruption Monitoring Model.

The "Anti-Corruption Policy" articulates the anti-corruption monitoring model, which calls for the presence of a Group Anti-Corruption Officer, identified in the Head of the Market Integrity Service of the Compliance Department, a local Anti-Corruption Contact Person, which unless otherwise specified coincides with the Compliance Contact Person - for each Legal Entity that has outsourced the Compliance Function to the Parent Company - and a local Anti-Corruption Officer for each domestic and/or foreign Legal Entity that has not outsourced the Compliance Function to the Parent Company.
The Group Anti-Corruption Officer and the local Anti-Corruption Officers are appointed by the Board of Directors of BPER Banca and by the Group Companies, respectively, at the time of approval of the Policy.
The Parent Company and Group Companies ensure that these appointments are granted to persons in possession of the status, authority, independence and necessary skills required by the position held.
The Group Anti-Corruption Officer, the local Anti-Corruption Contact Persons and the local Anti-Corruption Officers constitute the Compliance Function for the prevention of corruption and guarantee its independence.
The CFPC reports directly to Top Management on critical issues relating to acts of corruption or violations of the Anti-Corruption Monitoring Model.

The purpose of corruption risk assessment is to enable the Group to identify and monitor the bribery risks to which the Group Companies are exposed during their activities, to determine to what extent the control frameworks manage these risks and to measure the level of residual risk.
This assessment is carried out, and periodically updated, by the Parent Company Compliance Function, which performs a corruption risk assessment based on:

- the specific information flows received from the Group Companies, through the local Anti-Corruption Contact Persons;
- the specific information flows received from the Group Companies - through the local Anti-Corruption Officers - and the results of the risk assessment procedures carried out at local level;
- reports received from personnel;
- situations that emerged as a result of independent verification activities.

This assessment provides the CFPC with a complete picture of which aspects of the business or other activities may be most vulnerable to corruption and whether the controls in place are adequate to mitigate the inherent risks.
The CFPC periodically reports the results to the Top Management of the Parent Company and, if necessary and/or appropriate, to the Board of Directors in order to agree on corrective and improvement actions and, if necessary, carry out a periodic review of the Anti-Corruption Monitoring Model.

In the event of anomalous situations and/or possible violations of the Organisation and Management Model pursuant to Italian Legislative Decree 231/01, the Group Anti-Corruption Officer and the local Anti-Corruption Officers make an ad hoc disclosure to the Supervisory Body.

Within the context of the anti-corruption regulatory framework, in order to determine rules and principles that refer to a context that is as comprehensive, harmonised and effective as possible, the “Anti-Corruption Policy” takes into account international standards and first-level EU and national regulatory sources, as well as implementing regulations, in force from time to time.

In addition to the legislation in force at the time, with reference to the international regulatory framework, the Policy considers:
- UNI ISO 37001 standard. The requirements of ISO 37001, albeit voluntary, can constitute a sound best practice of reference;
- G-20, “2015-16 G20 Anti-Corruption Implementation Plan”, 2014;
- Transparency International, “Business Principles for Countering Bribery, a Multi-Stakeholder Initiative led by Transparency International”, 2013;
- International Chamber of Commerce, “ICC Rules on Combating Corruption”, 2023;
- The Wolfsberg Group, “Wolfsberg Anti-Bribery and Corruption Compliance Programme Guidance”, 2023;
- United Nations Organisation (UN), “United Nations Convention Against Corruption”, adopted through resolution 58/4 of 31 October 2003;
- Council of the European Union, “Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector”, 2003;
- Council of Europe, “Criminal Law Convention on Corruption” and “Civil Law Convention on Corruption”, 1999;
- Organisation for Economic Cooperation and Development (OECD), “Convention on Combating Bribery of Foreign Public Officials in International Business Transactions”, 1997.

The “Anti-Corruption Policy” is made available to interested external parties by means of electronic publication on the website of BPER Banca and Group Companies or in any case through official channels.
The Policy is also available on the company intranet.
With reference to information on how the company communicates its policies, in addition to circulars, news, various communications, internal regulations (Group Directive) aimed at the dissemination and transposition of the Policy also by the Banks and Group Companies.

The BPER Group asks all personnel, customers, business partners and third parties with whom it operates to report, in good faith and on the basis of reasonable conviction, any act of corruption committed, attempted or alleged or any deficiency found in the internal management system adopted by the Group for the prevention and mitigation of corruption risk (i.e. Anti-Corruption Monitoring Model). Reports can be submitted through traditional channels (i.e. e-mail, telephone, fax) directly to the Compliance Function for the prevention of corruption, or through alternative channels (e.g. dedicated IT procedure, P.O. Box), which are more confidential and can possibly be used anonymously, as governed by internal regulations on whistleblowing (which should be referred to for further details). The Companies of the BPER Group may also decide to make other channels available, as long as they are easily accessible and possibly also usable on an anonymous basis.
As described above, the BPER Group has procedures in place to promptly, independently and objectively investigate incidents concerning business conduct, including cases of corruption and bribery.

Actions and resources related to Material Sustainability Matters

Actions related to anti-Corruption

The anti-corruption prevention and counter-corruption measures put in place in 2024 concerned training initiatives aimed at consolidating and/or strengthening the level of risk culture within the Group (one “training snippet” for all BPER Group personnel). The training activities take place on an ongoing basis. During 2024, the Parent Company produced an anti-corruption training video, in line with the training provisions contained in the “Anti-Corruption Policy”. Classrooms were also prepared which were dedicated to some owners of sensitive Anti-Corruption processes.

The BPER Group promotes values of integrity and business methods free from the risk of corruption among all its stakeholders, investing in training programmes for members of its strategic supervision and control bodies and for the personnel and policies distributed internally and to third parties.
As for specific training programmes, their main purpose is to ensure that company personnel understand:
- the corruption risks to which they and the companies of the BPER Group are subject;
- the internal policy adopted by the Group for preventing and combating corruption;
- the aspects of the management system for the prevention of corruption relevant to their specific role;
- any necessary preventive and/or reporting action to be taken by them in relation to any risk of corruption or suspected corruption.

With regard to dealings with the Institutions, the BPER Group governs the channels of communication with Public Administration at all levels; in this respect, it has identified the relevant specific authorised Company Functions which may take on commitments with regard to Public Administrations, performing their duties with integrity, independence, fairness and transparency. In order not to hinder their institutional activities, relations between BPER Banca and Public Administration are based on the utmost collaboration, so as to preserve the proper scopes of mutual independence, avoiding any action or attitude that might be interpreted as an attempt to improperly influence decisions.
Particular attention is paid to the collaboration with the Legal Authorities and the relative authorised bodies, in the event of inquiries against the Bank or its clientele.

Finally, the functions most exposed to risk include: Labour Law & Litigation, Procurement Planning & Analytics, Sponsorships, Asset Management RE, Product Governance & Partnership Management, Equity Investments, M&A Financial Services, Legal, Tax, Financial Reporting and Supervisory Reporting, Safety, Finance.

Ex-post checks were performed on the anti-corruption due diligence of the Parent Company and the other supervised Group Legal Entities. Ex-ante monitoring activities were also carried out on an ongoing basis by the CFPC (e.g., pre-clearance activities on the benefits received/provided by all Bank and Group departments) and the periodic information flows envisaged. A half-yearly summary was reported to the Top Management of BPER Banca regarding the authorised/refused requests for approval of benefits relating to the area of competence, and a periodic report was made to the Chief Executive Officer and/or the Board of Directors of the Parent Company.

In 2025, the main actions envisaged include:
- BoD induction;
- additional classrooms dedicated to some owners of sensitive anti-corruption processes;
- ex-post controls being planned on most anti-corruption sensitive processes;
- ex-ante monitoring activities, through the continuous activity of the CFPC and the planned periodic information flows;
- the half-yearly summary, provided to the Top Management of BPER Banca, of the authorised/refused requests for approval of benefits relating to the area of competence;
- the periodic report to the Chief Executive Officer and/or the Board of Directors of the Parent Company.

The actions involve all BPER Group companies and the contents of the Policy apply to all members of the strategic supervision, management and control bodies, employees, agents, financial advisors and occasional collaborators of the BPER Group and, across the board, to all the Group's business activities, in accordance with local regulations in force at any given time and to all persons who interact with the aforementioned recipients in any capacity.
The company intends to carry out the actions in the time horizon of one year.

For further details with regard to training activities, please refer to the description in the disclosure requirement "Prevention and detection of corruption and bribery" (G1-3).

Prevention and detection of corruption and bribery (G1-3)

The "Anti-Corruption Monitoring Model" is the corporate governance system adopted by the Parent Company for the management and monitoring of corruption risk. The Framework is consolidated and formalised through the following documentation:
- "Anti-Corruption Policy" which, as previously described, defines the principles, strategic guidelines and steering guidelines for corruption risk management, the structure of the Anti-Corruption Monitoring Model, the areas sensitive to corruption risk (i.e. Risk Areas) and the related principles of conduct;
- Anti-corruption Programme, in which the processes underlying the risk areas that are directly exposed to corruption risk are identified (i.e. sensitive processes); instructions regarding risk assessment procedures are provided; specific mitigation, control and monitoring controls are envisaged; the breakdown of roles and responsibilities, the system of powers and delegations and the related authorisation system are detailed; tracking procedures are defined.

The adoption at a consolidated level of an "Anti-Corruption Monitoring Model" is aimed at defining, within the Group, a system of controls and verifications of the risk of non-compliance with regard to combating corruption that allow systematic guidance of corporate conduct towards a common ethical approach and thus to prevent the spread of corruption.
Furthermore, in accordance with the Anti-Corruption Programme, gifts and invitations received/offered by the Parent Company and other Legal Entities of the Group continue to be assessed by the CFPC.
A risk assessment was also carried out to evaluate the organisational and procedural controls adopted by Banca Cesare Ponti to ensure compliance with anti-corruption regulations.

In conducting and supervising investigations following reports of corruption, the Group Anti-Corruption Officer has the power to investigate any case of suspected or actual corruption, to request and review all documents and to bring such evidence to the attention of the Chief Executive Officer or another competent member of the Board of Directors and, if necessary, to request the appointment of an independent external auditor.

The Compliance Function for the prevention of corruption periodically reports the results to the Top Management of the Parent Company and, if necessary and/or appropriate, to the Board of Directors in order to agree on corrective and improvement actions and, if necessary, carry out a periodic review of the Anti-Corruption Monitoring Model.

BPER Banca has also issued the document "Control Function Information Flows - Corporate Bodies", which, in line with the "Group Internal Control System Policy", represents the operational articulation of the principles of cooperation and coordination between the control functions (corporate and non-corporate) and between these and the Corporate Bodies, both of the Parent Company and of the Group Companies, implemented also by means of "vertical" (between control functions and Corporate Bodies) and "horizontal" (between control functions) information flows. The Parent Company's Organisational Units are responsible for technically directing the corresponding functions envisaged in the Group Companies, defining the methodologies, processes, reporting and tools with the Parent Company's Organisational Function that enable taking a unified approach to managing the controls to be activated to safeguard against risks.

The Supervisory Body is the recipient of specific information flows, as indicated in the "Articles of Association of the Supervisory Body", an integral part of the Model, to which reference is made for consultation.
For more details on how the Group communicates its Anti-Corruption Policy, please see the disclosure requirement "Business conduct policies and corporate culture" (G1-1).

Personnel are trained, in a manner commensurate with their roles and duties, on the policies and procedures adopted to manage corruption risk in the identified risk areas. The training activity also includes information on the contact details of the persons from whom advice or guidance on corruption matters may be sought (i.e. Group Anti-Corruption Officer, local Anti-Corruption Contact Person and, if any, local Anti-Corruption Officer) and an express reference to all relevant internal documentation.
Each Group Company undertakes to provide its personnel, also through the Anti-Corruption Programme, appropriate information with reference, at least, to:

- the concept of corruption;
- reasons why corruption is so problematic and worthy of attention today;
- the description of the consequences, both personal and at Group level, following involvement in corrupt phenomena;
- explicit mention of the zero tolerance principle adopted at Group level;
- details of internal whistleblowing procedures and channels, including the guarantee of confidentiality and non-retaliation.

During 2024, the Parent Company produced an anti-corruption training video, in line with the training provisions contained in the internal regulations ("Anti-Corruption Policy"). This training was compulsory for all personnel of the Italian Banks and Financial Credit Companies belonging to the Banking Group.

Finally, the Chief Compliance Officer provides the Corporate Bodies with training related to 231 induction, which also includes anti-corruption matters.

Incidents of corruption or bribery (G1-4)

There were no cases of corruption or bribery in 2024 involving the Group's personnel and business partners. Consequently, there are no reported sanctions or convictions imposed for violations of laws against corruption and bribery.

4.1.3 Management of relationships with suppliers, including payment practices

Management of relationships with suppliers (G1-2)

The BPER Group is committed to respecting payment terms, with the aim of concretely supporting the financial sustainability of suppliers. Internal policies provide a clear and transparent framework, ensuring that all contractual agreements are formulated in accordance with the principles of fairness and transparency.

In order to ensure that deadlines are met, advanced digital tools allow accurate planning and continuous monitoring of operations to avoid delays caused by operational inefficiencies. The management of administrative processes has been simplified thanks to well-defined internal procedures and an automated invoice management system.

The “Regulation on the purchasing process and payables cycle” outlines how the service provision of suppliers is checked (e.g. in terms of compliance with deadlines and delivery methods, quantity delivered, quality of the good/service, price of the good/service, etc.) and compared with what was contractually agreed, also including the related accounting aspects, as well as the authorisation of payment.
In particular, the verification of the receipt of goods and/or services is the responsibility of the original requester: it is carried out upon the delivery of the purchased goods, or during the performance of the service, at the end thereof or, where contractually envisaged, during the progress of the work.

Finally, with regard to the material impact on payment practices, please refer to the description in the disclosure requirement “Payment practices” (G1-6).

In general, the relationship with suppliers is governed within the “Code of Ethics” described above; it defines the rights, duties and responsibilities vis-a-vis all parties with which it interacts to achieve its corporate goals, including suppliers. To this end, the Group promotes and ensures compliance with applicable internal and external regulations also by suppliers.
Furthermore, to ensure full respect for the rights of the individual, the Group is committed to respecting and enforcing labour legislation, with particular attention to protection against child labour. Moreover, in compliance with the principles of fairness and objectivity, it is committed to listening to the requests of its suppliers and all other stakeholders, without prejudice and with an attitude aimed at ensuring an open dialogue lacking any defensive intentions or aimed at the exclusive defence of its own position and work.

More specifically, the “Code of Ethics” sets out the principles applied to relations, recalling fairness and transparency as central elements. In particular, inclusion in the Register of Suppliers and the criteria for selecting suppliers for the assignment of orders are subject to objective and transparent assessments of their professionalism and corporate structure, quality, price, service and delivery methods, with priority, all other things being equal, given to companies based in the local area of operation. Service providers are selected by also assessing their ability to meet the confidentiality obligations required by the type of service offered. Adherence to these principles is guaranteed by the adoption and compliance with appropriate internal procedures regarding procurement and supplier selection. Suppliers are sensitised to carry out their activity by following standards of conduct consistent with those set out in the Code. As part of relations with suppliers, the recipients of the “Code of Ethics” are prohibited from promising or offering money or other benefits, for themselves or for others, to persons in top positions or employees in order for them to perform or omit acts in violation of the obligations inherent to their office or obligations of loyalty, thereby causing harm to the supplier.

The risks relative to the supply chain are carefully governed through preliminary analysis and document requests that enable each supplier to be assessed as extensively as possible. The reputational risks in this area are mapped together with the designated office and monitored periodically.

The issue of supplier protection through the provisions of the Group’s policies on workplace health and safety is also an element of great attention in the selection and management of suppliers. The document describing the guidelines that BPER Banca, in its capacity as Parent Company, has defined to ensure the correct application of Italian Legislative Decree 81/08 in all Group Companies operating in Italy, also considers the protection of the health and safety of all persons who may be affected by the Group’s activities, including suppliers/contractors and their workers, to be of primary importance.

The Procurement Function governs the procurement cycle for Group Companies, in accordance with the Regulations for the purchasing process and payables cycle. The Function selects suppliers which guarantee the best balance between price and quality of service and who are able to meet the Company’s expectations in terms of social and environmental responsibility.

New evaluation criteria were introduced in 2023 for selecting the Group’s suppliers and supplies; they also take ESG-related elements into account. In particular, these criteria are applied in the following application forms:
- Tender forms: Minimum Environmental Criteria (MECs) have been introduced for each goods sector that are required for supply tenders for the procurement of goods and services;
- Vendor Management Form: the new BPER vendor register approval process involves the completion of a questionnaire with a section dedicated to ESG elements, where data and certifications are provided that contribute to the overall evaluation of the supplier;
- Contract Management Form: the process of creating, formalising, executing and managing the contracts with a view to maximising the operational and financial performance of a company by means of a correct and transparent formalisation of relations with the supplier.

Payment practices (G1-6)

The average number of days to pay invoices is 46; sampling was used to calculate this figure with reference to: BPER Banca, Banca Cesare Ponti, Banco di Sardegna and Bibanca, and the number of days between the date of the invoice and the date of payment was taken into account, regardless of the contractual terms.
The Group's payment practices envisage payment terms mostly within 60 days. There are no differentiated payment terms depending on the type and size of supplier.

As at 31 December 2024, there were no outstanding legal proceedings due to late payment.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Although no specific targets are set for business conduct, the BPER Group monitors any potential risks associated with specific sectors/areas of operation in order to supplement the relevant policy provisions where necessary.
The Group ensures the monitoring process of policies and actions taken in the manner described above.
A specific level of ambition has not yet been established; consequently, no qualitative-quantitative indicators to assess progress have been established.

CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

Consolidated Balance Sheet

(in thousands)

Assets		31.12.2024	31.12.2023
10.	Cash and cash equivalents	7,887,900	10,085,595
20.	Financial assets measured at fair value through profit or loss	1,602,655	1,544,410
	a) financial assets held for trading	664,625	672,598
	b) financial assets designated at fair value	-	1,991
	c) other financial assets mandatorily measured at fair value	938,030	869,821
30.	Financial assets measured at fair value through other comprehensive income	5,694,010	6,859,241
40.	Financial assets measured at amortised cost	113,550,499	110,189,971
	a) loans to banks	7,681,231	8,382,610
	b) loans to customers	105,869,268	101,807,361
50.	Hedging derivatives	649,437	1,122,566
70.	Equity investments	302,494	422,046
90.	Property, plant and equipment	2,502,191	2,456,850
100.	Intangible assets	710,763	648,981
	- of which: goodwill	170,018	170,018
110.	Tax assets	1,776,893	2,711,737
	a) current	392,729	877,248
	b) deferred	1,384,164	1,834,489
120.	Non-current assets and disposal groups classified as held for sale	41,020	13,969
130.	Other assets	5,873,570	6,072,993
	Total assets	**140,591,432**	**142,128,359**

(in thousands)

Liabilities and shareholders' equity		31.12.2024	31.12.2023
10.	Financial liabilities measured at amortised cost	120,453,180	124,511,471
	a) due to banks	5,047,675	7,754,450
	b) due to customers	104,250,319	104,854,552
	c) debt securities issued	11,155,186	11,902,469
20.	Financial liabilities held for trading	224,294	300,955
30.	Financial liabilities designated at fair value	2,712,050	2,009,641
40.	Hedging derivatives	226,324	266,558
50.	Change in value of macro-hedged financial liabilities (+/-)	(81,843)	(155,184)
60.	Tax liabilities	72,289	67,412
	a) current	15,184	10,641
	b) deferred	57,105	56,771
70.	Liabilities associated with assets classified as held for sale	5,067	-
80.	Other liabilities	3,801,815	3,993,288
90.	Employee termination indemnities	124,929	149,492
100.	Provisions for risks and charges	1,489,047	1,419,249
	a) commitments and guarantees granted	104,906	123,323
	b) pension and similar obligations	115,916	120,401
	c) other provisions for risks and charges	1,268,225	1,175,525
120.	Valuation reserves	216,411	151,396
140.	Equity instruments	1,115,596	150,000
150.	Reserves	5,285,033	4,206,666
160.	Share premium reserve	1,244,576	1,236,525
170.	Share capital	2,121,637	2,104,316
180.	Treasury shares (-)	(32,035)	(2,250)
190.	Minority interests (+/-)	210,413	199,328
200.	Profit (Loss) for the year (+/-)	1,402,649	1,519,496
	Total liabilities and shareholders' equity	**140,591,432**	**142,128,359**

Consolidated Income Statement

(in thousands)

	Voci	31.12.2024	31.12.2023
10.	Interest and similar income	5,013,543	4,762,627
	of which: interest income calculated using the effective interest method	4,732,879	4,561,445
20.	Interest and similar expense	(1,636,667)	(1,510,810)
30.	**Net interest income**	**3,376,876**	**3,251,817**
40.	Commission income	2,297,982	2,157,849
50.	Commission expense	(257,811)	(212,511)
60.	**Net commission income**	**2,040,171**	**1,945,338**
70.	Dividends and similar income	41,821	30,884
80.	Net income from trading activities	95,428	152,200
90.	Net income from hedging activities	1,773	22,386
100.	Gains (Losses) on disposal or repurchase of:	70,672	72,082
	a) financial assets measured at amortised cost	65,218	59,078
	b) financial assets measured at fair value through other comprehensive income	5,437	13,001
	c) financial liabilities	17	3
110.	Net income on other financial assets and liabilities measured at fair value through profit or loss	(136,110)	(122,678)
	a) financial assets and liabilities designated at fair value	(137,023)	(140,363)
	b) other financial assets mandatorily measured at fair value	913	17,685
120.	**Net interest and other banking income**	**5,490,631**	**5,352,029**
130.	Net impairment losses/write-backs for credit risk relating to:	(331,967)	(436,318)
	a) financial assets measured at amortised cost	(331,758)	(436,261)
	b) financial assets measured at fair value through other comprehensive income	(209)	(57)
140.	Gains (losses) from contractual modifications without derecognition	(1,321)	3,006
150.	**Net income from financial activities**	**5,157,343**	**4,918,717**
180.	**Net income from financial and insurance activities**	**5,157,343**	**4,918,717**
190.	Administrative expenses:	(3,131,773)	(3,224,420)
	a) staff costs	(1,897,878)	(1,980,567)
	b) other administrative expenses	(1,233,895)	(1,243,853)
200.	Net provisions for risks and charges	(58,653)	(62,481)
	a) commitments and guarantees granted	18,417	30,624
	b) other net provisions	(77,070)	(93,105)
210.	Net adjustments/write-backs to property, plant and equipment	(173,340)	(166,488)
220.	Net adjustments/write-backs to intangible assets	(161,251)	(97,076)
230.	Other operating expense/income	399,805	391,296
240.	**Operating costs**	**(3,125,212)**	**(3,159,169)**
250.	Gains (Losses) of equity investments	52,360	46,270
260.	Valuation differences on property, plant and equipment and intangible assets measured at fair value	(30,054)	(47,656)
270.	Impairment losses on goodwill	-	(34,374)
280.	Gains (Losses) on disposal of investments	(457)	855
290.	**Profit (Loss) from current operations before tax**	**2,053,980**	**1,724,643**
300.	Income taxes on continuing operations for the year	(615,470)	(172,874)
310.	**Profit (Loss) from current operations after tax**	**1,438,510**	**1,551,769**
330.	**Profit (Loss) for the year**	**1,438,510**	**1,551,769**
340.	Profit (Loss) for the year pertaining to minority interests	(35,861)	(32,273)
350.	**Profit (Loss) for the year pertaining to the Parent Company**	**1,402,649**	**1,519,496**

Income statement items as at 31 December 2023 were re-stated following reclassification of some cost/income components. More specifically, following this reclassification, commission expense included Euro 27.6 million worth of charges for payment services provided (previously classified under Other Administrative Expenses) and Other operating income included Euro 13.6 million worth of recoveries of costs for services ancillary to lending (previously classified as Commission income).

	Earnings per share (Euro) 31.12.2024	Earnings per share (Euro) 31.12.2023
Basic EPS	0.991	1.074
Diluted EPS	0.968	1.048

Consolidated Statement of Other Comprehensive Income

(in thousands)

	Consolidated statement of other comprehensive income	31.12.2024	31.12.2023
10.	**Profit (loss) for the year**	**1,438,510**	**1,551,769**
	Other comprehensive income, after tax, that will not be reclassified to profit or loss		
20.	Equity instruments measured at fair value through other comprehensive income	45,789	(11,737)
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	(38,834)	(8,754)
40.	Hedge of equity instruments measured at fair value through other comprehensive income	(6,483)	(2,758)
50.	Property, plant and equipment	14,307	27,255
70.	Defined benefit plans	(423)	(11,228)
90.	Share of the valuation reserves of equity investments carried at equity	(1,018)	(2,053)
	Other comprehensive income, after tax, that may be reclassified to profit or loss		
130.	Cash flow hedges	1,118	(8,223)
150.	Financial assets (no equity instruments) measured at fair value through other comprehensive income	50,624	108,040
200.	**Total other comprehensive income after tax**	**65,080**	**90,542**
210.	**Other comprehensive income (Items 10+200)**	**1,503,590**	**1,642,311**
220.	Consolidated other comprehensive income pertaining to minority interests	35,984	32,383
230.	**Consolidated other comprehensive income pertaining to the Parent Company**	**1,467,606**	**1,609,928**

Consolidated Statement of Changes in Shareholders' Equity as at 31 December 2024

(in thousands)

	Balance as at 31.12.2023	Changes in opening balances	Balance as at 1.1.2024	Allocation of prior year results		Changes during the period									Shareholders' equity as at 31.12.2024	
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity							Other comprehensive income as at 31.12.2024	Group	Minority interests
							Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Changes in participatory interests			
Share capital:	**2,128,442**	**-**	**2,128,442**	**-**	**-**	**-**	**17,321**	**-**	**-**	**-**	**-**	**-**	**(211)**	**-**	**2,121,637**	**23,915**
a) ordinary shares	2,128,442	-	2,128,442	-	-	-	17,321	-	-	-	-	-	(211)	-	2,121,637	23,915
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	**1,238,607**	**-**	**1,238,607**	**-**	**-**	**-**	**8,051**	**-**	**-**	**-**	**-**	**-**	**(311)**	**-**	**1,244,576**	**1,771**
Reserves:	**4,344,688**	**-**	**4,344,688**	**1,103,914**	**-**	**(17,941)**	**-**	**-**	**-**	**-**	**-**	**-**	**340**	**-**	**5,285,033**	**145,968**
a) from profits	3,673,978	-	3,673,978	1,103,914	-	(17,941)	-		-	-	-	-	340	-	4,614,793	145,498
b) other	670,710	-	670,710	-	-	-	-	-	-	-	-	-	-	-	670,240	470
Valuation reserves	**154,221**	**-**	**154,221**	**-**	**-**	**8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**65,080**	**216,411**	**2,898**
Equity instruments	**150,000**	**-**	**150,000**	**-**	**-**	**-**	**(24,250)**	**-**	**-**	**989,846**	**-**	**-**	**-**	**-**	**1,115,596**	**-**
Treasury shares	**(2,250)**	**-**	**(2,250)**	**-**	**-**	**-**	**3,974**	**(33,759)**	**-**	**-**	**-**	**-**	**-**	**-**	**(32,035)**	**-**
Profit (Loss) for the period	**1,551,769**	**-**	**1,551,769**	**(1,103,914)**	**(447,855)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,438,510**	**1,402,649**	**35,861**
Group shareholders' equity	**9,366,149**	**-**	**9,366,149**	**-**	**(423,829)**	**(17,965)**	**5,096**	**(33,759)**	**-**	**989,846**	**-**	**-**	**723**	**1,467,606**	**11,353,867**	**-**
Minority interests	**199,328**	**-**	**199,328**	**-**	**(24,026)**	**32**	**-**	**-**	**-**	**-**	**-**	**-**	**(905)**	**35,984**	**-**	**210,413**

Consolidated Statement of Changes in Shareholders' Equity as at 31 December 2023

(in thousands)

	Balance as at 31.12.2022	Changes in opening balances	Balance as at 1.1.2023	Allocation of prior year results		Changes during the period									Shareholders' equity as at 31.12.2023	
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity							Other comprehensive income as at 31.12.2023	Group	Minority interests
							Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Changes in participatory interests			
Share capital:	**2,128,991**	**-**	**2,128,991**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(549)**	**-**	**2,104,316**	**24,126**
a) ordinary shares	2,128,991	-	2,128,991	-	-	-	-	-	-	-	-	-	(549)	-	2,104,316	24,126
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	**1,239,650**	**-**	**1,239,650**	**-**	**-**	**-**	**(751)**	**-**	**-**	**-**	**-**	**-**	**(292)**	**-**	**1,236,525**	**2,082**
Reserves:	**3,070,007**	**-**	**3,070,007**	**1,292,830**	**-**	**(18,305)**	**-**	**-**	**-**	**-**	**-**	**-**	**156**	**-**	**4,206,666**	**138,022**
a) from profits	2,461,156	-	2,461,156	1,292,830	-	(80,164)	-		-	-	-	-	156	-	3,536,448	137,530
b) other	608,851	-	608,851	-	-	61,859	-	-	-	-	-	-	-	-	670,218	492
Valuation reserves	**63,679**	**-**	**63,679**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**90,542**	**151,396**	**2,825**
Equity instruments	**150,000**	**-**	**150,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**150,000**	**-**
Treasury shares	**(5,678)**	**-**	**(5,678)**	**-**	**-**	**-**	**3,428**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,250)**	**-**
Profit (Loss) for the period	**1,473,880**	**-**	**1,473,880**	**(1,292,830)**	**(181,050)**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,551,769**	**1,519,496**	**32,273**
Group shareholders' equity	**7,940,173**	**-**	**7,940,173**	**-**	**(169,705)**	**(18,286)**	**2,677**	**-**	**-**	**-**	**-**	**-**	**1,362**	**1,609,928**	**9,366,149**	**-**
Minority interests	**180,356**	**-**	**180,356**	**-**	**(11,345)**	**(19)**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,047)**	**32,383**	**-**	**199,328**

Consolidated Statement of Cash Flows

Indirect method

(in thousands)

A. OPERATING ACTIVITIES	31.12.2024	31.12.2023
1. Operations	**3,018,849**	**3,102,110**
- profit (loss) for the year (+/-)	1,402,649	1,519,496
- gains/losses from financial assets held for trading and other assets/liabilities measured at fair value through profit and loss (-/+)	(91,271)	(139,097)
- gains (losses) from hedging activities (-/+)	(1,773)	(22,386)
- net impairment losses/write-backs for credit risk (+/-)	421,702	530,563
- net impairment losses/write-backs to property, plant and equipment and intangible assets (+/-)	364,645	311,220
- net provisions for risks and charges and other expense/income (+/-)	381,368	452,457
- unsettled taxes (+/-)	425,850	466,577
- other adjustments (+/-)	115,679	(16,720)
2. Cash generated/absorbed by financial assets	**(886,693)**	**6,204,790**
- financial assets held for trading	136,798	245,174
- financial assets designated at fair value	1,999	834
- other financial assets mandatorily measured at fair value	(73,960)	6,155
- financial assets at fair value through other comprehensive income	1,315,253	1,338,911
- financial assets measured at amortised cost	(3,624,220)	5,070,873
- other assets	1,357,437	(457,157)
3. Cash generated/absorbed by financial liabilities	**(4,627,553)**	**(12,726,444)**
- financial liabilities measured at amortised cost	(4,245,171)	(11,624,352)
- financial liabilities held for trading	(76,661)	(170,643)
- financial liabilities designated at fair value	629,381	1,048,053
- other liabilities	(935,102)	(1,979,502)
Net cash generated/absorbed by operating activities	**(2,495,397)**	**(3,419,544)**

B. INVESTMENT ACTIVITIES	31.12.2024	31.12.2023
1. Cash generated by	**142,859**	**71,288**
- disposal of equity investments	106,175	5
- disposal of property, plant and equipment	36,684	71,283
2. Cash absorbed by	**(358,147)**	**(385,366)**
- purchase of equity investments	(50)	(3,850)
- purchase of property, plant and equipment	(135,669)	(155,798)
- purchase of intangible assets	(222,428)	(225,718)
Net cash generated/absorbed by investment activities	**(215,288)**	**(314,078)**

C. FUNDING ACTIVITIES	31.12.2024	31.12.2023
- issue/purchase of treasury shares	(28,663)	2,677
- issue/purchase of equity instruments	989,846	-
- distribution of dividends and other scopes	(447,855)	(181,050)
Net cash generated/absorbed by funding activities	**513,328**	**(178,373)**
NET CASH GENERATED/ABSORBED DURING THE YEAR	**(2,197,357)**	**(3,911,995)**

Reconciliation

(in thousands)

Items	Amount	
	31.12.2024	31.12.2023
Cash and cash equivalents at the beginning of the year	10,085,595	13,997,441
Total net cash generated/absorbed in the year	(2,197,357)	(3,911,995)
Cash and cash equivalents: effect of change in exchange rates	(338)	149
Cash and cash equivalents at the end of the year	**7,887,900**	**10,085,595**

Key: (+) generated (-) absorbed

CONSOLIDATED EXPLANATORY NOTES

CONTENTS

Key to abbreviations in tables:
FV: Fair value
FV* = fair value calculated excluding value adjustments due to changes in the credit rating of the issuer since date of issuance.
NV: Nominal or notional value
BV: Book value
L1: Fair value hierarchy – Level 1
L2: Fair value hierarchy – Level 2
L3: Fair value hierarchy – Level 3
X: not applicable

PART A
Accounting policies

A.1 – GENERAL INFORMATION

Section 1 – Declaration of compliance with international accounting standards

The Consolidated Financial Report for the year ended 31 December 2024 has been prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), endorsed by the European Commission, as provided by EU Regulation no. 1606 dated 19 July 2002, and currently in force, including the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

Reference is also made, where necessary, to the "Conceptual Framework for Financial Reporting" and to the documents prepared by the Italian Accounting Body (OIC) and the Italian Banking Association (ABI).

In the absence of a standard or interpretation specifically applicable to a particular transaction, the Parent Company makes use of the professional opinion of its own staff, in particular the Financial and Supervisory Reporting Department, to develop rules for accounting recognition that make it possible to provide a reliable disclosure and to ensure that the Financial Report gives a true and fair view of the financial position, result of operations and cash flows of the Group, reflecting the economic substance of the transaction and its key aspects.

In formulating these accounting rules, reference is made as far as possible to International Accounting Standards and interpretations dealing with similar or comparable matters.

As part of its guidance and coordination activity, the Parent Company requires the other Group Banks and Companies to apply the Group's own accounting recognition rules, in the right circumstances.

As required by IAS 8, the following table shows the new international accounting standards or amendments to standards already in force, with the related Approval Regulations, whose application is mandatory from 2024 and whose adoption had no substantial effect on the balance sheet and income statement.

EC Approval Regulation	Title	In force from years beginning
2579/2023	Commission Regulation (EU) no. 2023/2579 of 20 November 2023 adopting IFRS 16 Leasing was published in the Official Journal of the European Union L Series on 21 November 2023. The amendments to IFRS 16 specify how the selling lessee subsequently measures sale and leaseback transactions.	1 January 2024
2822/2023	Commission Regulation (EU) 2023/2822 of 19 December 2023 adopting amendments to International Financial Reporting Standard 1 - Presentation of Financial Statements (IAS 1) was published in the Official Journal of the European Union, L series, on 20 December 2023. These amendments follow those adopted by the IASB on 23 January 2020 in relation to IAS 1, which relate to the implementation of how an entity should present debt and other liabilities with an uncertain settlement date in the statement of financial position. Under these amendments, debt or other liabilities must be classified as current (due or potentially due to be settled within one year) or non-current.	1 January 2024
1317/2024	Commission Regulation (EU) 2024/1317 of 15 May 2024 adopting the "Supplier Finance Arrangements" that amends IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial instruments: disclosures" was published in the Official Journal of the European Union, L Series, on 16 May 2024. The document introduces disclosure requirements about a company's supplier finance arrangements.	1 January 2024

The following table shows the new international accounting standards or amendments to standards already in force, whose application is mandatory from 1 January 2025 or later date.

EC Approval Regulation	Title	In force from years beginning
2862/2024	Commission Regulation (EU) no. 2024/2862 of 12 November 2024 adopting IAS 21 The effects of changes in foreign exchange rates was published in the Official Journal of the European Union L Series on 13 November 2024. Amendments to IAS 21 specify when a currency is exchangeable into another currency and, when it is not, how a company determines the exchange rate to apply, and the disclosures a company is to provide when a currency is not exchangeable.	1 January 2025

The Group has not availed itself of the option of early application of the Regulation in force from 1 January 2025, given that these amendments are not expected to have significant impacts on the Group's balance sheet and income statement.

The 2004/109/EC Directive (the "Transparency" Directive) and Delegated Regulation (EU) 2019/815 (Regulation ESEF) introduced the obligation for issuers of securities listed on regulated markets of the European union to prepare their annual financial reports in XHTML language, based on the ESEF (European Single Electronic Format), approved by ESMA.

On 30 December 2022, Commission Delegated Regulation (EU) 2022/2553 of 21 September 2022 was published in the Official Journal of the European Union, amending the regulatory technical standards laid down in Delegated Regulation (EU) 2019/815 as regards the 2022 update of the taxonomy (2022 ESEF Taxonomy) for the single electronic reporting format. The regulation has been in force since 1 January 2023.

On 15 January 2025, Commission Delegated Regulation (EU) 2025/19 of 26 September 2024 was published in the Official Journal of the European Union, amending the regulatory technical standards laid down in Delegated Regulation (EU) 2019/815 as regards the 2024 update of the taxonomy (2024 ESEF Taxonomy) for the single electronic reporting format. The regulation applies from 1 January 2025. Earlier application is permitted.

For the consolidated Financial Statements and Explanatory Notes as at 31 December 2024, the BPER Banca Group is applying the 2022 ESEF Taxonomy, and does not foresee earlier application of the 2024 ESEF Taxonomy.

Due to certain technical limits, some information contained in the Explanatory Notes to the Consolidated Financial Report, when extracted from the XHTML to the XBRL reporting format, may not be reproduced identically to the corresponding information visible in the Consolidated Financial Report in XHTML format.

The documents for which, at the date of this Consolidated Financial Report, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of said amendments, are reported below.

- On 18 December 2024, the IASB published a document called "Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity". The amendment aims to help companies better report the financial effects of structured contracts such as Power Purchase Agreements (PPAs), and in particular, it:
  - clarifies the application of the "own-use requirement";
  - allows for the use of these contracts as hedging instruments under hedge accounting;
  - introduces new disclosure requirements for such instruments.

  The amendment will be effective from 1 January 2026. Earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this amendment on the Group's Consolidated Financial Report.
- On 18 July 2024, the IASB issued a narrow-scope amendment called "Annual Improvements to IFRS Accounting Standards—Volume 11". The document includes clarifications, simplifications and changes for the purpose of improving the consistency of accounting standards IFRS 1, 7, 9, 10 and IAS 7. The amendment will be effective from 1 January 2026. Earlier application is permitted. The directors do not expect the adoption of this amendment to have a significant impact on the Group's Consolidated Financial Report.
- On 30 May 2024, the IASB published a document called "Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments". In particular, the amendments aim at:
  - clarifying the classification of financial assets with variable returns associated with environmental, social and governance (ESG) objectives and the criteria to be used for the assessment of the SPPI test;
  - determining that the date of settlement of a liability using an electronic payment system is the same as the date in which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to make it possible to derecognise, before the settlement date, a financial liability that will be settled with cash when specified criteria are met.

  With these amendments, IASB also introduced further disclosure requirements about investments in capital instruments designated as FVOCI. The amendments will apply as of the financial reports starting from 1 January 2026. The directors are currently assessing the possible effects of the introduction of this amendment on the Group's Consolidated Financial Report.

- On 9 May 2024, the IASB published a document entitled "IFRS 19 - Subsidiaries without public accountability: Disclosures". The new principle introduces reduced disclosure requirements with respect to other IAS/IFRS standards. An entity is only permitted to apply IFRS 19 when:
  - it is a subsidiary;
  - it did not issue any debt or equity instruments for trading in a public market and it is not in the process of issuing such instruments;
  - its parent company produces a Consolidated Financial Report that complies with IFRS Accounting Standards.

  The new standard will be effective from 1 January 2027. Earlier application is permitted.

  The directors do not expect the adoption of this amendment to have a significant impact on the Group's Consolidated Financial Report.
- On 9 April 2024, the IASB published a document entitled "IFRS 18 - Presentation and Disclosure in Financial Statements", which will replace IAS 1 - Presentation of Financial Statements. The new standard aims to improve the presentation of the main financial statements and introduces significant amendments to the income statement. In particular, the new standard requires entities to:
  - classify income and expenses under three new categories (operating, investing and financing), in addition to the income taxes and discontinued operations categories, already included in the income statement;
  - present two new sub-totals, operating profit and profit before financing and income taxes (i.e. EBIT).

  The new standard also:
  - requires more information on management-defined performance measures;
  - adding new principles for grouping (aggregation and disaggregation) of information; and,
  - introduces changes to the statement of cash flows, notably: requiring companies to use the operating profit subtotal as the starting point for reporting cash flows from operating activities using the indirect method; and removing some classification options for currently existing items (for example, dividends and interest paid, dividends and interest received).

  The new standard will be effective from 1 January 2027. Earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this amendment on the Group's Consolidated Financial Report.

Section 2 – Basis of preparation

In terms of the schedules presented and its technical form, this Consolidated Financial Report has been prepared on the basis of the Bank of Italy's Circular no. 262/2005, as amended (most recently by the 8th amendment dated 17 November 2022, effective for annual reporting periods beginning on or after 31 December 2023) – issued in implementation of art. 9 of Legislative Decree 38/2005 – and the additional instructions provided in separate communications[98]. During preparation, account has been taken of the interpretative and support documents for the application of the accounting standards, issued by the Italian and European regulatory and supervisory bodies and by the standard setters, to the extent applicable[99]. In particular, the most recent ones provided guidelines for better management of "Uncertainties in the use of accounting estimates", better highlighted in the next paragraph dedicated to the topic.

Where not already included in the documents mentioned above, Italian laws on the financial statements of companies[100] and the Italian Civil Code have been taken into consideration.

The Consolidated Financial Report consists of the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Shareholders' Equity, the Consolidated Statement of Cash Flows and the Explanatory Notes. The Report is additionally accompanied by the Directors' Report on Group operations.

The currency used in the Financial Report is the Euro. Figures are expressed in thousands of Euro[101],

98 These include the indications contained in Bank of Italy Communication of 14 March 2023 (repealing previous communications of 15 December 2020 and 21 December 2021) with provisions concerning the impacts of Covid-19 and the measures to support the economy and amendments to IAS/IFRS.

99 Reference is made, inter alia, to: ESMA's public statements of 24 October 2024, 25 October 2023, 28 October 2022 and 29 October 2021 concerning the "European Common Enforcement Priorities for Annual Financial Reports" and ESMA's public statement of 13 May 2022 "Implications of Russia's invasion of Ukraine on half-yearly financial reports".

100 In particular, Legislative Decree 136 of 18 August 2015 - Implementation of Directive 2013/34/EU relating to Separate Financial Reports, Consolidated Financial Reports and related documents of certain types of companies, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Directives 78/660/EEC and 83/349/EEC, for the part relating to the annual accounts and consolidated accounts of banks and other financial institutions, as well as the publication of the accounting documents of branches, established in a Member State, of credit institutions and financial institutions with registered offices outside that Member State, which repeals and replaces Legislative Decree 87 of 27 January 1992.

101 As regards roundings, reference has been made to the instructions given in Bank of Italy's Circular 262/2005 and subsequent updates, entering the amount due to rounding in "Other assets/Other liabilities" in the balance sheet and "Other operating expense/income" in the income statement.

The general criteria underlying the preparation of the Consolidated report are presented below:
- *Going Concern* [102]: assets, liabilities and off-balance sheet transactions are measured in the context of continuity over time.
- *Accrual Basis of Accounting:* costs and revenues are recognised on the accrual basis, regardless of when they are settled.
- *Materiality and Aggregation:* each material class of similar items is presented separately in the financial statements. Items that are dissimilar in terms of their nature or use are only aggregated if they are individually immaterial.
- *Offsetting:* assets and liabilities, income and expenses are not offset unless required or permitted by a standard or an interpretation, or by the Bank of Italy's regulations for the preparation of financial statements.
- *Frequency of disclosures:* information must be prepared annually or more frequently; if an entity changes its accounting reference date, the reason must be indicated together with the fact that the information provided is not comparable.
- *Comparative Information:* comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements, unless required otherwise by a standard or an interpretation.
- *Consistency of Presentation:* the presentation and classification of items is maintained over time to ensure that information is comparable, unless specified otherwise in new accounting standards or their interpretations, or unless a change is required to improve the meaningfulness and reliability of the amounts reported. The nature of changes in account presentation or classification is described, together with the related reasons; where possible, the new criterion is applied on a retroactive basis.

Uncertainties in the use of estimates

The preparation of the Consolidated Financial Report requires recourse to estimates and assumptions that may affect the amounts recorded in the balance sheet and the income statement, as well as the information about contingent assets and liabilities. The development of such estimates involves the use of available information and the adoption of subjective assessments, partly based on historical experience, in order to make reasonable assumptions for the recognition of operating events. By their nature, the estimates and assumptions used may change from period to period and, accordingly, it may be that the actual amounts recorded in the Financial Report in subsequent periods are significantly different as a consequence of changes in the subjective assessments made.

The principal situations in which management is required to make subjective assessments include:
- quantification of the losses arising from the impairment of loans and, in general, other financial assets;
- determination of the fair value of financial instruments, in particular, the use of measurement models to determine the fair value of financial instruments that are not listed in active markets and those that are not routinely measured at fair value;
- determination of the fair value of owned properties;
- quantification of the provisions for employee benefits and the provisions for risks and charges;
- estimates and assumptions about the recoverability of deferred tax assets;
- measurement of goodwill and other intangible assets.

Also with reference to the IASB document dated 27 March 2020[103], the usual measurement models adopted by the BPER Banca Group (in particular, the models used to estimate the ECL and determine the Significant Increase in Credit Risk (SICR) within the framework of IFRS 9 impairment) can be supplemented, also on a recurring basis, for example through the application of "post-model adjustments" in relation to the ECL estimate, or through "collective assessments"[104] supplementing the analytical staging rules, if the information needed for their implementation is not characterised by the "reasonableness and sustainability" requirements needed to fully incorporate the effects of some relevant events for quantifying credit risk, but still not managed by the econometric models used to determine the risk parameters.

Given that this situation continued also in 2024, as a result of the events mentioned later in paragraph "*Method for determining the extent of impairment - Risks and uncertainties inherent in the current macroeconomic environment - Management Overlays applied in the assessment of credit risk*" as causes of uncertainty, the valuations as at 31 December 2024 were also carried out by applying Management Overlays, it being understood that these were also consistent with the indications of the IAS/IFRS standards.

102 Please refer to the paragraph below, dedicated to the going concern principle, for more information on the assessment generally conducted.

103 IASB 27 March 2020: "IFRS 9 and Covid-19 – Accounting for expected credit losses applying IFRS 9 Financial Instruments in the light of the current uncertainty resulting from the Covid-19 pandemic".

104 Reference is made to IFRS 9 §§ B.5.5.4-B5.5.9 and the "EBA Guidelines on credit institutions' credit risk management practices and accounting for expected credit losses" (EBA/GL/2017/06) of 20 September 2017.

Going Concern[105]

In preparing the Consolidated Financial Report for the year ended 31 December 2024, the Directors considered the going-concern assumption to be appropriate because they did not find any uncertainties related to events or circumstances that, individually or collectively, could give rise to doubts about the going concern. This assessment took account of the capitalisation of the Group, which has significant buffer capital with respect to the minimum requirement established by the European Central Bank, as well as the liquidity position and related buffer with respect to the regulatory threshold, and the likely outlook for operations despite the uncertainties linked to the current macroeconomic context.

Inspections and audits

Directors believe that the observations arising from the various inspection areas to which the BPER Banca Group was subject will not have a significant impact on the income, balance sheet and cash flows of the BPER Banca Group. Nevertheless, in all cases, suitable action plans are prepared by the Group in order to ensure a timely response to the recommendations made by the Supervisory Authorities[106].

Section 3 – Scope of consolidation and methodology

The international accounting standards referred to when preparing the Consolidated Financial Report, when the circumstances arise, are IFRS 3 “Business Combinations” (issued with EC Regulation 495/2009, effective from 1 July 2009 and last updated in 2020), IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint arrangements”, IFRS 12 “Disclosure of Interests in Other Entities”, IAS 27 “Separate Financial Statements”, IAS 28 “Investments in associates and joint ventures” (all issued with EC Regulation 1254/2012 and in force since 1 January 2014 and subsequent updates).

Consolidation principles

The BPER Banca Group’s Consolidated Financial Report includes the balance sheet and income statement results of the Parent Company and of its direct and indirect subsidiaries; they include subsidiaries operating in sectors dissimilar from that of the Parent Company and vehicle companies (SPEs or SPVs)[107]., when they fulfil the requirements for effective control, whether or not there is an equity interest.

The concept of control (IFRS 10 § 6) is based on the simultaneous presence of three elements:
- the power to direct the relevant activities, i.e. the activities of the investee that significantly affect its returns;
- exposure to variable returns arising from the activity of the investee;
- the exercise of power to influence the returns.

In application of this principle:
- Subsidiaries are companies in which the Parent Company, directly or indirectly, owns more than half of the voting rights. In addition to this presumption, specific situations are analysed, in particular in structured entities that, if the conditions of de facto control are met, are classified as subsidiaries irrespective of the existence of a shareholding;
- Jointly controlled companies are those in which the voting rights and control of economic activities are shared equally by the Parent Company, directly and indirectly, and by another external entity. An equity investment is also considered as subject to joint control when, in the absence of an equal share of voting rights, control over the company’s economic activities and strategies are shared with other parties under contractual agreements.
- associated companies are those in which significant influence is presumed to exist if the parent company holds, directly or indirectly, at least one fifth of the voting rights (including potential voting rights). Associated companies are also those in which – despite a lower share of voting rights – the Parent Company has the power to take part in deciding the financial and operating policies under a particular legal relationship, such as, for example, participation in shareholder agreements.

Consolidation methodology

As a rule, subsidiaries are consolidated on a line-by-line basis, while jointly controlled entities and non-controlling interests in which the Group exercises significant influence are accounted for using the equity method.

105 As required by document No. 2 issued with joint signature by the Bank of Italy, CONSOB and ISVAP (now IVASS) on 6 February 2009.

106 For the update of events occurred in 2024 in relation to the inspection areas in which the BPER Banca Group has been involved, please refer to paragraph “Inspections and audits” of the Directors’ Report on Group Operations.

107 The consolidation of SPVs has the same effects as consolidation on a line-by-line basis.

The methods adopted for consolidation on a line-by-line basis are as follows:
- assets, liabilities and income statement items are recognised on a line-by-line basis;
- debit and credit balances, off-balance sheet transactions and income/expense and gains/losses arising from transactions between consolidated companies are eliminated;
- the shareholders' equity and profit for the year pertaining to minority interests in the consolidated companies are classified separately in the balance sheet (as a liability) and the income statement;
- on first-time consolidation, the book value of the equity investments in fully consolidated companies is eliminated against the shareholders' equity in these companies. The acquisition of interests in companies is recorded using the "purchase method" defined in IFRS 3, with the recognition of the assets, liabilities and contingent liabilities of purchased companies at their fair value at the time of acquisition, i.e. at the time that effective control over them is obtained. Accordingly, the results of a subsidiary purchased during the year are consolidated from the date of acquisition. Similarly, the results of a subsidiary that is sold are consolidated until the date that control is lost;
- any excess of the book value of the equity investments referred to above with respect to the interest held in their shareholders' equity, as adjusted to reflect the fair value of assets and liabilities, is recognised as goodwill in item 100. "Intangible assets", while any shortfall is credited to income statement item 275. "Gain on a bargain purchase";
- any changes in the interest held in equity investments are booked as transactions on capital. Any difference between the value of equity investments to be adjusted and the fair value of the consideration paid (or received) has to be booked directly as a change in shareholders' equity and suitably allocated to minority interests;
- the fairness of the value recorded for goodwill is tested at least once a year (or whenever there is evidence of impairment), as required by IAS 36. To meet regulatory requirements, the cash-generating unit to which goodwill is allocated has to be identified. Adjustments reflect the difference between the book value of goodwill and its recoverable value, if lower, as represented by the fair value of the cash generating unit, less costs to sell, or, if higher, its value in use.

In order to apply the equity method:
- the book value of significant equity investments held by the parent bank or by other group companies is compared with the related interest in the shareholders' equity of these associated companies carried at equity. Any excess book value - identified on initial consolidation - is included in the book value of the investment. Changes in shareholders' equity subsequent to first-time consolidation are classified in item "Gains (Losses) of equity investments" of the consolidated income statement, to the extent that they relate to their gains or losses of equity investments, while other changes are recognised as a direct adjustment of shareholders' equity;
- if there is evidence that a significant investment in an associate may be impaired, its recoverable amount is estimated. If the recoverable amount is lower than the carrying amount, the related difference is charged to the income statement.

Current regulations require the scope of consolidation to be managed on two levels:
- the accounting scope of consolidation governed by IFRS 10[108] "Consolidated Financial statements", IAS 27 "Separate financial statements", IAS 28 "Investments in Associates and Joint Ventures" and, if required by the circumstances, IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities" (all adopted by Regulation (EU) 1254/2012, effective from 1 January 2014, and subsequent amendments) and IFRS 3 "Business Combinations" (adopted by Regulation (EU) 495/2009, effective from 1 July 2009, and subsequent amendments);
- the prudential scope of consolidation governed by Regulation (EU) 575/2013 and subsequent updates, in which art. 19 indicates the entities to be excluded from the prudential consolidation.

The above regulations contribute to determining the scope of consolidation, as well as the methodologies to be used for consolidation.

International accounting standards require subsidiaries to be consolidated on a line-by-line basis, while jointly controlled entities and non-controlling interests in which the Group exercises significant influence are consolidated under the equity method.

Art. 19, para. 1 of the CRR[109] excludes from the scope of line-by-line consolidation all financial entities and operating companies, including members of the Banking Group, whose total assets and off-balance sheet amounts are less than the lower of the following two amounts:
- Euro 10 million;
- 1% of the total assets and off-balance sheet amounts of the parent company or the entity that holds the equity investment.

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').

108 IFRS 10 §B86 in relation to consolidation procedures.

109 Regulation (EU) 575/2013 and subsequent amendments.

This decision was needed to rationalise, simplify and streamline the production of consolidated information for supervisory and financial reporting purposes. Its effects on the latter are negligible. In terms of areas affected, the Income Statement summarises in Profit (loss) from equity investments the not significant dynamics otherwise reported line by line; in the assets and liabilities, the balance sheet figures otherwise reported line by line are summarised under the item 'Equity investments', with no impact on the profit and loss result for the year and on the Group's shareholders' equity.

The following companies are included in the Banking Group but, at 31 December 2024, they do not satisfy the requirements of art. 19, para. 1 of the CRR:
- Estense Covered Bond s.r.l.;
- BPER Trust Company s.p.a.;
- Estense CPT Covered Bond s.r.l.;
- Carige Covered Bond s.r.l.;
- Lanterna Finance s.r.l.;
- Lanterna Mortgage s.r.l.;

The other subsidiaries that are not included in the Banking Group, since their activities do not contribute to its banking operations, are:
- Adras s.p.a.;
- Annia s.r.l.;
- St. Anna Golf s.r.l.;
- Commerciale Piccapietra s.r.l.

As at 31 December 2024, the above companies are consolidated under the equity method.

St. Anna Gestione Golf Società Sportiva Dilettantistica s.r.l., a subsidiary of BPER Real Estate through St. Anna Golf s.r.l., was likewise excluded from the scope of consolidation as it was considered non-significant.

Changes in the scope of consolidation with respect to 31 December 2023 are outlined below:
- on 15 January 2024, the disposal of the majority 70% stake in the share capital of Bridge Servicing s.p.a. to Gardant s.p.a. was completed, with BPER Banca retaining the remaining minority stake of 30%, which is recognised among associates and consolidated accordingly, using the equity method;
- on 6 march 2024, the company Centro Fiduciario C.F. s.p.a. was removed from the Companies' Register - in liquidation (consolidated under the equity method);
- The deed of merger by absorption of BPER Reoco s.p.a into BPER Real Estate s.p.a. was signed on 19 June 2024, effective for legal, accounting and tax purposes from 1 July 2024. As a result of the merger, BPER Banca's holding in BPER Real Estate share capital is 78.99%.

For more details on the transactions, please refer to the chapter of the Directors' Report on Group operations entitled "*Significant events and strategic transactions*".

1. Equity investments in wholly owned subsidiaries

1.1 Equity investments within the Group consolidated line-by-line

Company name	Operational head office	Registered head office	Type of relationship (1)	Share capital in Euro	Nature of holding		% Available votes (2)
					Parent company	% holding	
1. Banco di Sardegna s.p.a.	Sassari	Cagliari	1	155,247,762	BPER Banca	99.483	100.000
2. Bibanca s.p.a.	Sassari	Sassari	1	74,458,607	BPER Banca	99.220	
3. BPER Bank Luxembourg SA	Luxembourg	Luxembourg	1	30,667,500	BPER Banca	100.000	
4. Banca Cesare Ponti s.p.a.	Milan	Milan	1	64,000,000	BPER Banca	100.000	
5. BPER Real Estate s.p.a.	Modena	Modena	1	191,830,824	BPER Banca	78.988	
					B. Sard.	21.012	
6. Sardaleasing s.p.a.	Milan/Bologna	Sassari	1	184,122,460	BPER Banca	52.846	
					B. Sard.	46.933	
7. Modena Terminal s.r.l. (*)	Campogalliano	Campogalliano	1	8,000,000	BPER Banca	100.000	
8. BPER Factor s.p.a.	Bologna	Bologna	1	54,590,910	BPER Banca	100.000	
9. Arca Holding s.p.a. (**)	Milan	Milan	1	50,000,000	BPER Banca	57.061	
10. Arca Fondi SGR s.p.a.	Milan	Milan	1	50,000,000	Arca Holding	100.000	
11. Finitalia s.p.a.	Milan	Milan	1	15,376,285	BPER Banca	100.000	

(*) the shareholding in Modena Terminal as at 31 December 2024 was reclassified under "Non-current assets and disposal groups classified as held for sale".
(**) not included in the banking Group.
The "% Available votes" column is only used if the actual share of votes exercisable at the Ordinary Shareholders' Meeting is different from the interest held in the company's share capital.
The figure for share capital is provided as extra information as required by CONSOB Communication DEM/6064293 dated 28 July 2006.
Key: (1) Type of relationship: 1 Majority of voting rights at the ordinary shareholders' meeting; (2) Availability of voting rights at ordinary shareholders' meeting, distinguishing between actual and potential

1.2 Equity investments within the Group consolidated under the equity method

Company name	Operational head office	Registered head office	Type of relationship (1)	Share capital in Euro	Nature of holding		% Available votes (2)
					Parent company	% holding	
A. Subsidiaries that are not included in the Banking Group							
1. Adras s.p.a.	Milan	Milan	1	1,954,535	BPER Banca	100.000	
2. Annia s.r.l.	Milan	Milan	1	100,000	BPER Real Estate	100.000	
3. Sant'Anna Golf s.r.l.	Genoa	Genoa	1	50,000	BPER Real Estate	100.000	
4. Commerciale Piccapietra s.r.l.	Genoa	Genoa	1	500,000	BPER Banca	100.000	
B. Subsidiaries that are included in the Banking Group but do not satisfy the requirements of art. 19, para. 1 of the CRR							
5. Estense Covered Bond s.r.l.	Conegliano	Conegliano	1	10,000	BPER Banca	60.000	
6. BPER Trust Company s.p.a.	Modena	Modena	1	500,000	BPER Banca	100.000	
7. Estense CPT Covered Bond s.r.l.	Conegliano	Conegliano	1	10,000	BPER Banca	60.000	
8. Carige Covered Bond s.r.l.	Genoa	Genoa	1	10,000	BPER Banca	60.000	
9. Lanterna Finance s.r.l.	Genoa	Genoa	4	10,000	BPER Banca	5.000	
10. Lanterna Mortgage s.r.l.	Genoa	Genoa	4	10,000	BPER Banca	5.000	

The "% Available votes" column is only used if the actual share of votes exercisable at the Ordinary Shareholders' Meeting is different from the interest held in the company's share capital.
The figure for share capital is provided as extra information as required by CONSOB Communication DEM/6064293 dated 28 July 2006.
Key: (1) Type of relationship: 1 Majority of votes at the Ordinary Shareholders' Meeting. 4 Other forms of control; (2) Available votes at Ordinary Shareholders' Meeting, distinguishing between actual and potential

2. Significant assessments and assumptions made when determining the scope of consolidation

As regards the companies included in the scope of consolidation, no facts or circumstances have emerged over the year that, as envisaged in IFRS 10, might materially change the assessments made regarding the possession of control, joint control or significant influence. Please refer to the Explanatory Notes for more details on the changes[110].

110 See: Part B of the Consolidated Explanatory Notes, Section Equity Investments, Table 7.5 "Equity investments: annual changes".

3. Equity investments in wholly-owned subsidiaries with significant minority interests

Minority interests are considered significant based on the materiality of total equity compared with the equivalent consolidated figure.

3.1 Minority interests, availability of votes of minority interests and dividends distributed to minority interests

Company name	% Minority interests	% Availability of voting rights of minority interests (1)	Dividends distributed to minority interests
1. Banco di Sardegna s.p.a.	0.517	-	506
2. Bibanca s.p.a.	0.780	0.780	308
3. Arca Holding s.p.a.	42.939	42.939	23,187
4. Sardaleasing s.p.a.	0.221	0.221	-

BPER Banca holds 100% of the ordinary shares of Banco di Sardegna s.p.a. The consolidation was carried out using the sub-consolidations prepared for Arca Holding and its wholly-owned subsidiary, Arca Fondi SGR s.p.a. The dividends relate to profits for 2023, distributed in 2024.
Key (1) Available votes at Ordinary Shareholders' Meeting.

3.2 Equity investments with significant minority interests: accounting information

Company name	Total assets	Cash and cash equivalents	Financial assets	Property, plant and equipment and intangible assets	Financial Liabilities
1. Banco di Sardegna s.p.a.	15,352,433	4,456,462	10,320,805	268,487	13,570,934
2. Bibanca s.p.a.	4,565,400	536,289	3,969,625	15,139	4,087,033
3. Arca Holding s.p.a.	703,305	164,745	259,779	134,382	848
4. Sardaleasing s.p.a.	3,012,926	4,729	2,947,384	21,043	2,762,689

(cont.)

Company name	Shareholders' equity	Net interest income	Net interest and other banking income	Operating costs	Profit (Loss) from current operations before tax
1. Banco di Sardegna s.p.a.	1,214,358	305,976	507,494	(267,949)	305,892
2. Bibanca s.p.a.	393,880	135,313	198,170	(68,199)	98,373
3. Arca Holding s.p.a.	575,286	5,323	176,535	(60,137)	116,397
4. Sardaleasing s.p.a.	169,644	49,448	42,910	(19,248)	9,434

(cont.)

Company name	Profit (Loss) from current operations after tax	Profit (Loss) from groups of assets held for sale after tax	Profit (Loss) for the year (1)	Other comprehensive income after tax (2)	Other comprehensive income (3)=(1)+(2)
1. Banco di Sardegna s.p.a.	239,317	-	239,317	(3,130)	236,187
2. Bibanca s.p.a.	65,186	-	65,186	4,189	69,375
3. Arca Holding s.p.a.	80,232	-	80,232	242	80,474
4. Sardaleasing s.p.a.	8,850	-	8,850	(45)	8,805

The amounts provided are before intercompany eliminations.
The income statement and balance sheet information refers to the situation at 31 December 2024.
The Financial Report prepared for the Reporting Package was used for Bibanca.

4. Significant restrictions

Among the Banks and Companies included in the BPER Banca Group's scope of consolidation, there are no significant restrictions as foreseen by IFRS 12 § 13.

5. Other information

Line-by-line consolidation of the Group Banks and Companies is based on the Financial Reports prepared and approved by the individual subsidiaries as at 31 December 2024. These financial statements are prepared in accordance with IAS/IFRS by the individual banks and financial companies subject to Bank of Italy supervision. All the other Italian Group companies and BPER Bank Luxembourg s.a. included in the scope of consolidation and subject to the application of national accounting principles, prepare their Financial Reports under the international accounting standards (a.k.a. the "Consolidation Reporting Package") used for consolidation purposes.

The value of Group subsidiaries carried at equity was measured on the basis of their accounting data as prepared in application of IAS/IFRS and approved as at 31 December 2024.

For the other equity investments consolidated under the equity method, reference is made to the latest available accounting information in accordance with IAS 28.

Section 4 – Events after the reporting period

This Consolidated Financial Report was approved on 12 March 2025 by BPER Banca's Board of Directors, which authorised its publication.

Information about the events that took place after the reporting date of this Consolidated Financial Report, if any, is presented and described in the section of the Directors' Report on Group operations entitled "Significant events and strategic transactions", to which reference should be made for details.

Section 5 – Other aspects

Risks and uncertainties inherent in the current macroeconomic environment - Management Overlays applied in the assessment of credit risk

The persistent uncertainty in the general and sectoral macroeconomic scenario, mainly due to the geopolitical tensions caused before by the armed conflicts in Russia-Ukraine and later by the Middle East, accompanied by measures to combat climate risk with unpredictable effects on the economic and production system, have led the BPER Banca Group to maintain constant control and continuous monitoring in particular of credit risk and its assessment for treatment in the financial statements.

In this regard, even in 2024 the Parent Company carried out dedicated analyses, as better explained in the following paragraph "Method for determining the extent of impairment", aimed at identifying the best method of intervention on the credit risk measurement and forecasting systems, later aligning them with the prevailing context and trying to avoid being excessively pro-cyclical in the definition of collective provisions, as indicated by the Regulators (among others especially ESMA and the ECB).

The following is a summary of the changes made to the assessment of the Expected Credit Loss of the Loan portfolio in relation to the Management Overlays applied as at 31 December 2024 and their impact on the year then ended.

(Figures in Euro millions)

Top-down adjustments	Add-on 31.12.2024	Add-on 31.12.2023	P&L impact 2024
Multi-scenario ECL "expert" correction - macroeconomic scenario weights	(88.3)	(57.5)	(30.8)
High-risk economic sectors (particularly energy-intensive and exposed to Russia risk)	(144.5)	(165.8)	21.3
The Emilia-Romagna flooding	-	(53.9)	53.9
Collective Staging "Emilia-Romagna flooding"	(4.3)	-	(4.3)

Some updates to the risk models adopted by the Group were implemented in 2024; further information on this is provided in the following paragraph dedicated to the *Method for determining the extent of impairment*, which had economic impacts as changes to accounting estimates.

In particular, it should be noted that the adjustment of the correction factor to the PD parameter estimated in relation to SME Corporate and Large corporate customers operating in sectors identified as vulnerable, to which the in-model adjustment "vulnerable sectors" was applied, resulted in an increase of Euro 10 million in ECL (this action and the relevant impact are to be read jointly with the reduction in the "High risk" overlay highlighted in the table, given that the in-model adjustment in question represents the fully operational method of coverage against "emerging risk" previously mitigated by the overlay applied to "High-Risk" sectors).

A +20% correction factor was additionally applied to the LGD parameter to also reflect, under IFRS 9, the changes already applied under the AIRB following the latest inspection and the related actions required by the ECB, which led to an increase of Euro 99.4 million in ECL. In the last quarter of 2024, to anticipate methodological changes in forward-looking projection models (satellite models), an additional provisioning add-on was calculated for the "Financial corporations" and "Individuals" segments, resulting in an increase in ECL of Euro 24.8 million.

Implementation of the global minimum tax rules for multinational and domestic groups under Pillar 2 and related amendments to IAS 12 on income taxes

In 2013, as part of the BEPS (Base Erosion and Profit Shifting) Project, a complex process of reform of international tax standards was launched at the initiative of the OECD and the G20 countries to address the main gaps in national and international regulations and eliminate the mismatch created by the interaction of individual tax systems. Two projects fit into this process:
- project Pillar 1 aimed at revising the profit allocation rules of the largest and most profitable multinational companies;
- project Pillar 2 aimed at ensuring a level playing field for companies worldwide, preventing a race to the bottom in tax rates and promoting efficient investment and localisation of decisions. This competitive equality would be achieved by applying a system of suitable common rules to ensure that the transnational group pays an effective tax rate of no less than 15% (OECD agreed rate) in each jurisdiction in which it is established.

The Pillar 2 system of rules developed at international level on the basis of the OECD technical guidance was implemented at EU and single market level with Directive No. 2022/2523/EU, adopted by the Council of the European Union on 14 December 2022 and published in the Official Journal of the European Union L 328/2022 of 22 December 2022, which also extended the scope of application to national Groups of EU countries.

The European provisions were then implemented in Italy by Legislative Decree no. 209 of 27 December 2023, published in the Official Gazette of the Italian Republic No. 301 General Series of 28 December 2023 (the "Decree").

In particular, the Decree establishes a taxation additional to the ordinary income taxes (the Top-Up Tax) which consists of a minimum supplementary tax (IIR) payable by the Italian-based parent company of multinational or national groups in relation to companies belonging to the group subject to an effective tax rate of less than 15% and a domestic minimum tax (so-called QDMTT) applied by companies belonging to a multinational or national group located in Italy subject to low taxation, until the minimum effective rate of 15% is reached. The purpose of this second tax is to allow supplementary tax to be levied in the country where a low level of taxation has occurred, thus avoiding that all tax is levied in the country of location of the direct or indirect parent company.

The subjective scope of application of the new taxes is limited to companies belonging to multinational and domestic groups with annual revenues of Euro 750 million or more, resulting from the Consolidated Financial Report of the parent company in at least two of the four financial years preceding the financial year under consideration.

The provisions of the Decree apply with respect to financial years beginning on or after 31 December 2023 (1 January 2024 for entities whose financial year coincides with the calendar year).

In view of the imminent entry into force of the new Pillar 2 tax provisions in some jurisdictions, the IASB, responding to stakeholders' concerns about the potential implications of applying the new tax provisions in some jurisdictions, approved a number of amendments to IAS 12 on income taxes on 23 May 2023. In particular, the amendments to the standard introduce a temporary mandatory exception to the recognition of deferred tax assets and liabilities related to the minimum additional tax introduced with the implementation of the Pillar 2 regulations and some specific disclosure requirements both for periods when the Pillar 2 legislation is in force or substantially in force but not yet effective, and for periods when the regulations will be effective. These disclosure requirements can be applied as from annual financial statements beginning on or after 1 January 2023.

Specifically, an entity is asked to:
- disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes;
- disclose separately its current tax expense (income) related to Pillar 2 income taxes;
- in periods in which Pillar 2 legislation is enacted or substantively enacted but not yet in effect, an entity shall disclose known or reasonably estimable information that helps users of the Financial Report understand the entity's exposure to Pillar 2 income taxes arising from that legislation.

In order to meet the disclosure objective, the entity shall disclose qualitative and quantitative information about its exposure to Pillar 2 income taxes at the end of the reporting period. This information does not have to reflect all the specific requirements of the Pillar 2 legislation and can be provided in the form of an indicative range. To the extent information is not known or reasonably estimable, an entity shall instead disclose a statement to that effect and disclose information about the progress in assessing its exposure.

In subjective terms, BPER Banca Group meets the quantitative requirement of the new Pillar 2 regulation and is therefore potentially impacted by it; for this reason, it is constantly monitoring the progress of regulations in Italy and Luxembourg, where it currently operates.

The exposure to Pillar 2 income taxes for the BPER Banca Group companies essentially derives from the effective tax rate, which is calculated separately for each financial year and for each country of operation. This rate is equal to the ratio of the country's adjusted relevant taxes to the country's relevant net income.

To limit the administrative and compliance expenses for multinational groups and fiscal administrations, called upon to respectively apply and monitor the correct application of the global minimum tax rule during the initial period (for periods starting before 31 December 2026 and ending not after 30 June 2028), operators that meet specific requirements are given the possibility to use 'transitional safe harbours' based on data mostly deriving from the Country-by-Country Report. With regard to Italy, the implementing provisions of the aforementioned transitional safe harbours are set out in the Ministerial Decree of 20 May 2024, published in the Official Journal of 28 May 2024, issued pursuant to art. 39, paragraph 3, of Italian Legislative Decree n. 209 of 23 December 2023 which, in line with the common approach, completed the regulatory framework on global minimum tax rules.

On the basis of the estimates and data available to date, the BPER Banca Group proves to meet the requirements to access the transitional safe harbours and, thus, is not subject to the obligation to pay the minimum additional tax via the Income Inclusion Rule (IIR) or the Qualified domestic Top-Up Tax (QDMTT). For this reason, no Pillar 2 current taxes were recognised in the report as at 31 December 2024, nor have any deferred tax assets and liabilities been recognised with reference to the regulation in question, in compliance with the temporary exception on this matter provided for by IAS 12.

Domestic tax group election

BPER Banca has exercised the option as the consolidating company together with its subsidiaries listed in the table below for the "domestic tax consolidation" regime, governed by Articles 117-129 of the Consolidated Income Tax Act and introduced by Legislative Decree No. 344/2003 and subsequent amendments.

Domestic tax consolidation consists of a scheme, applicable on an optional binding basis for three years, by individual companies connected by a relationship of control pursuant to article 117 of the Consolidated Income Tax Act, whereby, for the consolidating company or entity, a single IRES tax base (taxable income or tax loss) is determined for the group of companies calculated as the algebraic sum of the tax base of the individual companies adhering to this scheme, as emerges from their respective tax returns.

2023 was the final tax period during which the option exercised by Sardaleasing s.p.a. and Bibanca s.p.a. was effective. However, during 2024, these companies and the consolidating company resolved to renew the option for the scheme in question for the three-year period 2024-2026. This renewal was formally communicated to the tax authorities through the submission of the income tax return of the consolidating company for the 2023 tax period.

As at 31 December 2024, the option expired for Banco di Sardegna s.p.a., BPER Trust Company s.p.a., and BPER Real Estate s.p.a.; however, it is expected that the option will be renewed for the three-year period 2025-2027 when the company's tax return for the 2024 tax year is submitted.

Consolidated companies	2022	2023	2024	2025	2026
Banca Cesare Ponti s.p.a.		x	x	x	
Bibanca s.p.a.			x	x	x
Banco di Sardegna s.p.a.	x	x	x		
BPER Factor s.p.a.		x	x	x	
Sardaleasing s.p.a.			x	x	x
BPER Trust Company s.p.a.	x	x	x		
BPER Real Estate s.p.a.	x	x	x		
Finitalia s.p.a.		x	x	x	
Arca Fondi SGR s.p.a.		x	x	x	
Arca Holding s.p.a.		x	x	x	

Information on public disbursements pursuant to art. 1, paragraph 125 of Law 124 of 4 August 2017 ("Annual market and competition law")

Law 124 of 4 August 2017 "Annual law for the market and competition" (hereafter Law 124/2017) introduced a series of measures designed to ensure transparency in the public disbursements system (art. 1, paragraphs 125[111] to 129). In particular, this law states that companies should provide in the Explanatory Notes to the Financial Report and in any consolidated Explanatory Notes, information relating to "grants, contributions, remunerated offices and economic advantages of any type" (hereinafter referred to as "public disbursements") received from Public Administrations and other subjects indicated by the said law. Non-compliance with the disclosure requirement results in an administrative penalty of 1% of the amount received, with a minimum of Euro 2,000. At a later stage, the law requires return of the public disbursement[112].
In order to avoid publishing insignificant information, there is no disclosure requirement for public disbursements of less than Euro 10,000 received by the same party.

Since August 2017, the National State Aid Register has been active in the Executive Board for incentives to companies of the Ministry of Economic Development, in which State aid and de minimis aid payments to any company by subjects that grant or manage such aid have to be published. For individual aid granted to BPER Banca Group companies, please refer to the "Transparency of the Register" section, whose access is publicly available.

That said, in compliance with the provisions of art. 1, paragraph 125, of law 124 of 4 August 2017, the amounts collected during 2024 by the Parent Company and by the subsidiaries by way of "grants, contributions, remunerated offices and economic advantages of any type" are listed below.

(in thousands of Euro)

BPER Banca Group companies	Type of grants	Amounts received in 2024
BPER Banca s.p.a.	Regulation for inter-professional funds for continuing education for the granting of exempted State aid pursuant to EC regulation 651/2014 and under a de *minimis* aid scheme pursuant to EC regulation 1407/2013	2,380
BPER Banca s.p.a.	Grants for photovoltaic incentives	18
BPER Banca s.p.a.	Company nursery/kindergarten contributions	3
Modena Terminal s.r.l.	Grants for photovoltaic incentives	125
Banco di Sardegna s.p.a.	Regulation for inter-professional funds for continuing education for the granting of exempted State aid pursuant to EC regulation 651/2014 and under a de *minimis* aid scheme pursuant to EC regulation 1407/2013	363

Audit

The Consolidated Financial Report as at 31 December 2024 has been audited by Deloitte & Touche s.p.a., which was appointed for the period 2017-2025 at the Shareholders' Meeting held on 26 November 2016, as required by Legislative Decree 39 of 27 January 2010.

111 Paragraph expanded by art. 35 of Law Decree 34/2019. Paragraphs 126 to 129 were not amended.

112 As stated in Assonime Circular no. 32 dated 23 December 2019.

A.2 – MAIN ITEMS IN THE FINANCIAL STATEMENTS

Classification of Financial assets - Business Model and SPPI test (items 20, 30 and 40)

IFRS 9 requires financial assets represented by loans and receivables and debt securities to be classified into three accounting categories, using the following criteria:
- the business model used to manage them;
- the contractual characteristics of the cash flows of financial assets (or SPPI tests).

The classification of financial assets depends on a combination of these two criteria, as indicated below:
- Financial assets measured at amortised cost (AC): assets that include the "Hold to collect" business model (HTC) and pass the SPPI test;
- Financial assets measured at fair value through other comprehensive income (FVTOCI): assets that include the "Hold to Collect & Sell" business model (HTCS) and pass the SPPI test;
- Financial assets measured at fair value through profit or loss (FVTPL): assets that provide for an "Other" business model or, on a residual basis, assets that cannot be classified in the previous categories due to the negative outcome of the SPPI test.

Business Model

The BPER Banca Group has identified its own Business Models taking into consideration the core business sectors in which it operates, the strategies adopted to date in order to realise the cash flows of the assets in portfolio, as well as the strategic forecasts of business development.

This analysis was carried out primarily at Group level and, consequently, at the level of the individual Group Bank/Company, including the product companies.

The Group's core business is related to the generation and management of credit relationships for the Retail and Corporate sectors (including Large Corporate) and, therefore, follows a logic of holding them presumably until they expire in order to collect the contractual cash flows. According to IFRS 9, this operation is attributable to a "Hold to Collect" type Business Model.

Another sector of activity for the BPER Banca Group, supporting the pursuit of banking objectives, is the Finance sector which includes the balance sheet and income statement items of the Group deriving from treasury activities, management of proprietary portfolios, access to financial markets and specialist operational support to the sales network.

For the purpose of identifying the Business Model in the Finance sector, the analysis linked the relevant activities carried on by the Group finance department to management of the Group's proprietary portfolios. It was therefore possible to identify the following proprietary portfolios:
- Investment Banking Book, consisting of the set of instruments managed collectively in order to reduce volatility on the interest margin. This type of portfolio mainly pursues a strategy of holding financial instruments to maturity, thereby sterilising market risk. The strategy of this portfolio therefore involves management of the principal risks such as credit risk, interest rate risk and sovereign risk. In application of IFRS 9, this portfolio has been included in the "Hold to Collect" Business Model.
- Liquidity Banking Book, consisting of a set of financial instruments whose strategy is aimed at holding them in order to manage liquidity and optimise the risk-return profile at Group level. This type of portfolio pursues investment strategies in order to:
  - optimise net interest income;
  - increase the amount of assets that can be readily liquidated to mitigate the Group's exposure to liquidity risk;
  - diversify credit risk.

The strategy of this portfolio involves management of the principal risks such as liquidity risk, credit risk, interest rate risk, market risk and sovereign risk. In application of IFRS 9, this portfolio has been included in the "Hold to Collect & Sell" Business Model.
- Trading portfolio, consisting of a set of financial instruments for trading purposes (government securities, ETFs, structured securities, UCITS units, ABS, etc.), guaranteeing the management of market risk. The profit purpose of this portfolio is mainly pursued through the change in the fair value of the instruments.
- The strategy of this portfolio involves management of the principal risks such as market risk, credit risk, interest rate risk and sovereign risk. In application of IFRS 9, this portfolio has been included in the "Other" Business Model.
- Customer Trading Portfolio, consisting of financial assets repurchased from customers, or held to offer an investment service to them (residual portfolio). In application of IFRS 9, this portfolio has been included in the "Other" Business Model.

- Capital Market, consisting of financial instruments held for market making on securities (government, supranational, corporate, covered bond and government guaranteed debt securities), guaranteeing the management of market risk. The profit purpose of this portfolio is mainly pursued through the change in the fair value of the instruments. The strategy of this portfolio therefore involves management of the principal risks such as market risk, credit risk, interest rate risk and sovereign risk. In application of IFRS 9, this portfolio has been included in the "Other" Business Model.

IFRS 9 envisages the possibility of modifying the Business Model, highlighting that the situations that lead to this change are "very infrequent", to be attributed to significant events (internal or external) that affect the management strategy (and therefore derive from decisions of Senior Management of the Entity); in addition, they must be adequately supported by resolutions and linked to events or objective facts evidenced also towards third parties.

The change in business model must also take place before the consequent reclassification of the assets affected by that change, which is possible only on the first day of the next reporting period.

Regarding the combination of frequency and significance thresholds, the BPER Banca Group has defined quantitative limits (both in relative terms with respect to the portfolio size, and in absolute terms) to be applied to sales made on the "Hold to Collect" portfolio.

It also defines the concepts of "proximity to maturity", identifying the 12 months prior to the repayment date, and "increasing credit risk" in line with the staging criteria described below (classification in Stage 2 allows the sale of instruments).

SPPI Test

In order to analyse the characteristics of the contractual cash flows deriving from financial assets (loans and receivables, and debt securities), the BPER Banca Group has defined an SPPI test based on 12 decision-making trees, so as to consider all the contractual characteristics relevant to the test.

The BPER Banca Group has also adopted some assumptions regarding both the loan portfolio and the debt securities portfolio. The main choices are shown below.

- in relation to the debt securities portfolio, the units of mutual investment funds, both open and closed-ended, fail the SPPI test; with regard to the securities issued as part of securitisation transactions, for the purposes of credit risk assessment it has been assumed that the mezzanine and junior tranches generally bear a higher credit risk than the average risk of the underlying portfolio of instruments and, consequently, fail the test.
- in relation to the Benchmark Cash Flow Test (BCFT) required in situations of mismatch between "tenor" and periodicity of the "refixing" of interest rates, it was agreed that the change in the "time value of money element" should be considered significant for instruments indexed to parameters with a tenor higher than a year and, consequently, these fail the SPPI test.

Below are the references to the accounting recognition criteria (criteria for Recognition, Classification, Measurement, Derecognition of assets and liabilities, as well as criteria for Recognition of income) adopted for the main balance sheet items/transactions carried out in the preparation of this Consolidated Financial Report.

1. Financial assets measured at fair value through profit or loss

Recognition

Financial assets represented by debt or equity instruments are initially recognised on the settlement date, while derivative contracts are recognised on the date of signature.

In particular, any changes in the fair value of the asset to be received between the settlement date and the earlier arrangement date are recognised at the time of settlement, in the same way in which the asset acquired is recorded.

Financial assets measured at fair value through profit or loss are initially recorded at fair value; unless stated otherwise, this is represented by the consideration paid for the transaction, without considering any related costs or income attributable to them, which are recorded directly in the income statement.

Classification

a) financial assets held for trading

Financial assets held for trading comprise those whose business model is defined as "Other". This business model applies to financial assets whose cash flows will be generated from their sale.

This also includes equity securities held for trading, for which it is not possible to exercise the irrevocable choice to present subsequent changes in fair value in the statement of other comprehensive income.

Additionally, the model includes investments in mutual funds that are held for trading and trading derivatives.

b) financial assets designated at fair value

This category comprises the financial assets for which the fair value option has been exercised.

c) other financial assets mandatorily measured at fair value

This category includes financial assets whose business model is defined as "Hold to Collect" or "Hold to Collect & Sell", but which fail the SPPI test and therefore do not satisfy the requirements for classification therein.

It also includes equity instruments not held for trading for which no irrevocable election was made to recognise subsequent changes in fair value in the statement of other comprehensive income.

Additionally, the category includes investments in mutual funds that are not held for trading.

Measurement

Subsequent to initial recognition, these assets continue to be measured at fair value. If the fair value of derivatives classified as "*Financial assets held for trading*" becomes negative, this item is recognised as a financial liability in the "*Financial liabilities held for trading*".

The methods used to determine the fair value are reported in the chapter "Information on fair value".

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows deriving from them expire, when substantially all the risks/benefits associated with them are assigned, or when substantial changes are made to them.

If the Group sells a financial asset classified among the "*Financial assets measured at fair value through profit or loss*", it is derecognised on the transfer date (settlement date).

Criteria for the recognition of income

The positive components of income, represented by the interest income deriving from financial assets classified as "*Financial assets measured at fair value through profit or loss*", are recognised on an accruals basis in the "interest" items of the income statement.

Gains and losses deriving from changes in the fair value of "*Financial assets measured at fair value through profit or loss – financial assets held for trading*" are recognised in income statement item "*Net income from trading activities*".

Gains and losses deriving from changes in the fair value of financial assets designated at fair value are recognised in income statement item "*Net income on other financial assets and liabilities measured at fair value through profit or loss: a) financial assets and liabilities designated at fair value*", while the other financial assets mandatorily measured at fair value are recognised in item "*Net income on other financial assets and liabilities measured at fair value through profit or loss: b) other financial assets mandatorily measured at fair value*".

2. Financial assets at fair value through other comprehensive income

Recognition

Financial assets represented by debt or equity instruments are initially recognised on the settlement date, while loans are recognised on the pay-out date.

On initial recognition, these financial assets are recorded at their fair value, which usually corresponds to the consideration paid, inclusive of the transaction costs or income directly attributable to the instruments concerned.

Classification

This category comprises:
- financial assets whose defined business model is “Hold to Collect & Sell” (HTC&S) and whose contractual terms pass the SPPI test;
- investments in equity instruments, held for purposes other than trading, for which an irrevocable election was made on initial recognition to record subsequent changes in fair value in the statement of other comprehensive income.

Measurement

Subsequent to initial recognition, these financial assets continue to be measured at fair value. Changes in the fair value of financial assets included in the HTC&S business model (debt securities) are classified in a specific equity reserve, net of Expected Credit Losses and the related tax effect.

Changes in the fair value of investments in equity instruments for which the above irrevocable election was made are also classified in a specific equity reserve, net of the related tax effect.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows deriving from them expire, when substantially all the risks/benefits associated with them are assigned, or when substantial changes are made to them.

If the Group sells a financial asset classified among the “Financial assets measured at fair value through other comprehensive income”, it is derecognised on the transfer date (settlement date).

Recognition of components affecting the income statement

The components of income deriving from “*Financial assets measured at fair value through other comprehensive income*”, excluding investments in equity instruments for which the above irrevocable election has been made, are recognised as described below:
- interest is calculated using the effective interest rate, i.e. the rate that exactly discounts cash flows over the expected life of the instrument (IRR rate). The IRR is determined taking into account any discounts or premiums on the acquisition, costs or commissions that are an integral part of the carrying amount;
- Expected Credit Losses recognised during the period are recorded in the item “Net impairment losses for credit risk relating to: b) financial assets measured at fair value through other comprehensive income”;
- on derecognition, the amount accumulated in the specific equity reserve is released to the income statement item “*Gains/Losses on disposal or repurchase of: b) financial assets measured at fair value through other comprehensive income*”.

With regard to investments in equity instruments for which the above irrevocable election has been made, only the related dividends are recognised in the income statement, in the item “*Dividends and similar income*”. Changes in fair value subsequent to initial recognition are recorded in a specific equity reserve; on derecognition, the amount accumulated in the above reserve is not released to the income statement, but is reclassified among the profit reserves of equity.

3. Financial assets measured at amortised cost

Recognition

Financial assets represented by debt instruments are initially recognised on the settlement date, while loans are recognised on the pay-out date; this item includes:

- loans to banks[113];
- loans to customers.

The initial value reflects the fair value of the financial instrument, generally representing the amount of the loan granted inclusive of the costs/income directly attributable to each instrument, or the subscription price in the case of debt instruments.

Factoring operations give rise to exposures to assignors representing loans disbursed for with-recourse assignments and exposures to assigned debtors representing the fair value of the receivables purchased versus without-recourse assignments. The first registration of a loan takes place on the date of sale following the signing of the contract (in the case of without-recourse assignment) and coincides with the disbursement date for with-recourse assignments. This operation involves assessing, for both the assigning company and the factoring company, whether or not the conditions required by IFRS 9 for derecognition[114] and consequent recognition by the factor are met.

The most frequently used forms of transfer of a financial instrument may have profoundly different accounting effects:

- in the case of a without-recourse assignment (without any guarantee obligation), the assets transferred shall be cancelled from the transferor's financial statements;
- in the case of a with-recourse transfer, it is to be assumed that in most cases the risk associated with the asset sold remains with the seller and therefore the sale does not meet the requirements for derecognition of the instrument in question; only the amounts paid to the assignor as an advance of the consideration will be recorded.

Verification of the derecognition criteria, in the context of the without-recourse assignments underlying the factoring activity, also takes into consideration the risk mitigation clauses adopted by the Group through specific contractual provisions agreed with the assignors. These are clauses aimed at defining the limits on the individual debtors transferred, absolute and relative deductibles, so-called "bonus-malus" clauses and late payment.

Loans to customers also include receivables for finance leases (as lessor), involving assets under construction and those waiting to "earn income" in the case of contracts with transfer of risks (or in the event that the risks are transferred to the lessee prior to the taking over of the asset and the start of the lease contract).

Classification

This category comprises the financial assets whose defined business model is "Hold to Collect" and whose contractual terms pass the SPPI test.

The "*Financial assets measured at amortised cost*" item includes loans to customers and loans to banks.

These items comprise commercial loans, repurchase agreements, loans originated by finance leases (recognised using the "financial method" pursuant to IFRS 16) and debt securities.

The Group has classified financial instruments (loans) purchased without recourse as "*Financial assets measured at amortised cost*", after checking that no contractual clauses prevent the transfer of substantially all risks and benefits. Advances paid to the assignor of portfolios purchased with recourse are also classified in that category.

113 In accordance with the Bank of Italy Circular 262, all on demand loans to banks and central banks in the technical forms of deposits and current accounts, are recognised in item 10 "Cash and cash equivalents", despite continuing to respect the criteria for the recognition, measurement, derecognition and recognition of components affecting the income statement of the category "Assets at amortised cost".

114 A company can derecognise a financial asset from its financial statements only if, as a result of a sale, it has transferred the risks and benefits connected with the instrument sold, or if and only if: a) the financial asset is transferred and with it substantially all the contractual risks and rights to the cash flows deriving from the asset expire; b) the benefits connected to its ownership cease to apply.

Measurement

After initial recognition, loans are valued at their amortised cost, corresponding to the initially recognised amount less principal repayments, net adjustments and amortisation - calculated using the effective interest method – of the difference between the amount paid out and the amount repayable on maturity, which is generally attributable to the costs/income directly allocated to the individual loans.

The effective interest rate is the rate that discounts the flow of estimated payments over the expected duration of the loan back to its initial net book value, inclusive of directly-related costs and revenues. In financial terms, this method of recognition distributes the economic effect of these costs and revenues over the expected residual life of the loan.

The amortised cost method is not used in relation to short-term loans (up to 12 months), since the effect of discounting would be negligible. These loans are stated at historical cost.

Costs and revenues relating to loans without a fixed term or repayable on demand are recorded directly in the income statement.

At each reporting date, financial assets measured at amortised cost are adjusted for impairment by recognising any Expected Credit Losses - ECL. Any adjustments are recorded in the income statement.

The following items fall within this sphere, with specific assessment methods:

- Non-performing loans (in "Stage 3") which have been assigned the status of bad, unlikely to pay or past due loans in compliance with the current rules of the Bank of Italy's supervisory regulations, in line with IAS/IFRS and European supervisory regulations[115]The amount of the adjustment of each balance is equal to the difference between its book value at the time of measurement (amortised cost) and the present value of expected future cash flows. The estimate of expected cash flows, as part of the internal recovery scenario (known as: "workout scenario"), comes from assessing analytically the position of bad loans and unlikely-to-pay loans with exposures above the thresholds set by internal procedures. The expected losses on bad loans and UTP loans below the thresholds established by internal regulations and on past due loans are determined using statistical impairment methodologies[116]. The alternative scenario to internal recovery, i.e. related to the sale of non-performing loans on the secondary market (known as the "disposal scenario"), generally involves flows estimated on a statistical basis. For further details on the models adopted by the BPER Banca Group to estimate the Expected Credit Losses (ECL) on non-performing loans, please refer to paragraph below, entitled "*Methods for determining impairment losses - Impairment*". Any adjustments are recorded in the income statement.
- The original value of loans is reinstated in subsequent periods, to the extent that the reasons for the provisions made cease to apply, on condition that this assessment is objectively linked with events that took place subsequent to such impairment loss. Possible write-backs, also recognised in the income statement, may not exceed the amortised cost that the loan would have had if no impairment losses had been previously recognised.
- Ordinary loans, classified as performing loans, feed "Stage 1" and "Stage 2"; the measurement is carried out periodically in a differentiated manner, according to ECL model adopted by the BPER Banca Group, at 12 months or lifetime, respectively, the characteristics of which are summarised in the following paragraph *"Method for determining the extent of impairment"*.

Forborne exposures, which by their nature can be classified as either non-performing or performing, are subject to the same valuation methods described above. If these are performing loans, the classification is in Stage 2. Any contractual modifications made subsequent to initial recognition generally result, for Forborne exposures, in a change in the amount of the loan, with an impact on the income statement item "*Gains (Losses) from contractual modifications without derecognition*".

With regard to the way in which Forborne receivables are identified, please refer to the Explanatory Notes, Part E of the Group's consolidated report.

115 The scope of non-performing loans (or those in default) defined in art. 178 of EU Reg. 575/2013 (CRR) complies with EBA Guidelines for applying the definition of default and the subsequent EU Reg. 1845/2018. The application of these regulations by the BPER Banca Group involves the following:
- alignment of internal classifications within the Group;
- application of the materiality thresholds to credit obligations past due, without any offset between lines of credit;
- application of the concept of "unlikely to pay", in relation to which a change in NPV of more than 1% following contractual modifications is considered substantial;
- application of the "classification contagion" rules to counterparties that are associated with or belong to groups of connected customers;
- application of rules for managing the cure period that, in addition to an observation period of 12 months for forborne positions, envisages a minimum period of 3 months for other UTP positions.

116 Counterparties classified as "Individuals" are always assessed on a statistical basis, regardless of the defined threshold.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows deriving from them expire, when they are assigned with transfer of substantially all the risks/benefits associated with them, or when substantial changes are made to them (including, for example, change of the debtor, modification of the reference currency, modification of the technical form of disbursement, or introduction of clauses that could modify the positive outcome of the SPPI test).

The partial write-off of non-performing exposures made in accordance with the BPER Banca Group's policies set out in the paragraph "Write-offs" of Part E, Section 2.1 - Credit Risk of these Explanatory Notes also constitutes grounds for partial derecognition.

If the Group sells a financial asset classified among the "Financial assets measured at amortised cost", it is derecognised on the transfer date (settlement date).

Recognition of components affecting the income statement

The interest on instruments measured at amortised cost (loans to banks and loans to customers) is calculated using the effective interest method, i.e. using the rate (IRR) that discounts the related cash flows exactly over the expected life of the instrument concerned. The IRR and, therefore, the amortised cost are determined having regard for any acquisition discounts or premiums, costs or commissions that are an integral part of the discounted cost.

Interest on non-performing loans is calculated on the net exposure of the Expected Credit Losses.

Write-downs or write-backs deriving from the model of adopted Expected Credit Losses are recognised in the income statement in the item "*Net impairment losses for credit risks*".

Amounts deriving from alignment of the carrying amounts of financial assets to reflect changes in their contractual cash flows that do not result in accounting derecognition are recognised in the income statement item "*Gains (losses) from contractual modifications without derecognition*".

4.Hedging

The BPER Banca Group has adopted Chapter 6 Hedge Accounting of IFRS 9. Only macro-hedging is still accounted for under IAS 39.

Recognition

Hedges are arranged to neutralise losses that may be incurred in relation to a given element or group of elements, as a consequence of a given risk, via profits that would be earned on another element or group of elements should that particular risk crystallise. There are two types of hedge:
- fair value hedges: arranged to hedge the exposure to changes in the fair value of a balance sheet item;
- cash flow hedges: arranged to hedge the exposure to changes in future cash flows attributable to specific balance sheet items.

Classification

Financial instruments are designated as hedges when the relationship between the hedged and the hedging instrument is adequately documented and formalised, if the hedge is effective both at the start and prospectively throughout its life.

Measurement

Hedging derivatives are measured at their fair value.

The method of accounting for the gains and losses deriving from changes in fair value depends on the type of hedge:
- fair value hedge: the change in the fair value of the hedged element representing the hedged risk is recognised in the income statement, together with the change in the fair value of the derivative instrument; any difference, which represents the ineffective portion of the hedge, determines the consequent net economic effect.
- cash-flow hedge: to the extent that the hedge is effective, changes in the fair value of the derivative are recognised in shareholders' equity; they are only recognised in the income statement when changes in the cash flows from the hedged item need to be offset, or when the hedge becomes ineffective.

Micro-hedging

In application of the IFRS 9, hedging relationships must satisfy the following requirements:

- there has to be an economic relationship between the hedged item and the hedging instrument;
- there must not be a predominance of credit risk within the fair value changes relating to this economic relationship;
- the definition of a hedge ratio that identifies the quantities of hedged items and hedging instruments considered in the hedging relationship, so as not to create a mismatch that generates an element of ineffectiveness that does not correctly reflect the objectives of the hedge.

The BPER Banca Group monitors compliance with these requirements when defining the hedging strategy and throughout its duration; in particular, the presence of an economic relationship between the hedged item and the hedging instrument is identified in the first instance through a qualitative analysis of the characteristics of the two instruments and, in the event that they are imperfectly matched, a further quantitative analysis is carried out to verify the presence of a high degree of prospective correlation between the two (so-called "prospective hedge effectiveness testing" as explained below)

Even if not required by IFRS 9, for the sole purpose of further confirming the qualitative verification that there is an economic relationship between the hedged item and the hedging instrument, the BPER Banca Group has chosen to maintain the pre-existing system of quantitative tests to verify the effectiveness of hedging relationships (adapted to the new characteristics of the relationships) according to the so-called "Dollar Offset Method". This method involves comparing the change in fair value of the hedging instrument with that of the hedged instrument within a given time frame. The two changes must be attributable only to the type of risk being hedged.

The BPER Banca Group confirms the existence of the economic relationship when changes in the fair value of (or cash flows from) the hedging instrument, caused by the hedged risk factor, almost entirely offset those of the hedged instrument (the percentage limits fall into the range between 80% to 125%). This monitoring is carried out on a quarterly basis, using:

- prospective tests that justify the application of hedge accounting, by demonstrating the expected effectiveness of the hedge, especially in situations of imperfect matching between the characteristics of the hedging instrument and the hedged item;
- retrospective tests that show the effectiveness of the hedge during the period under review. In other words, they measure by how much the actual results differ from the perfect hedge, even if they no longer provide binding elements with respect to maintaining the relationship.

Macro-hedging

With regard to Macro-fair value hedging, pursuant to para. 78 c) of IAS 39, the hedged item in a portfolio hedge of interest rate risk can be a portion of the portfolio of financial assets or financial liabilities that share the risk being hedged. Designation of a net amount including assets and liabilities as a hedged item is not permitted.

All of the assets or liabilities from which the hedged amount is drawn must be:

- items whose fair value changes in response to changes in the interest rate being hedged; and
- items that may be individually fair value hedged.

In the case of a portfolio hedge, the changes in the fair value of the hedged instrument are recognised as a gain or loss in profit or loss, but with no need for them be allocated to individual assets or liabilities. These changes are in fact classified in a separate Balance Sheet item that includes the adjustments to the value of the assets or liabilities that make up the hedged item (if the hedged items are financial assets: the item "*Change in value of macro-hedged financial assets"; if they are financial liabilities: the item "Change in value of macro-hedged financial liabilities*").

As part of the identified hedging relationship, the methodology used to identify the hedged amount and to measure the effectiveness of the hedge must be specified.

In particular, the BPER Banca Group provides for the following to be indicated:

- the methodology used to determine repricing dates;
- the number and duration of the repricing period;
- the expected frequency of effectiveness tests;
- the methodology used to determine the amount of assets/liabilities that is designated as the hedged amount;
- the methodology used to test the effectiveness of hedges.

The hedge effectiveness test is carried out periodically, specifically on a quarterly basis.

Derecognition

If transactions do not meet the effectiveness test, hedge accounting - as described above - is terminated and the derivative contract is reclassified as an instrument held for trading, with recognition of the related impacts in the income statement. Hedge accounting is also terminated in the following situations:

- the hedged item is sold and redeemed;
- the hedging instrument expires, is sold, terminated or exercised.

Recognition of components affecting the income statement

Income elements are allocated to the relevant income statement items on the following basis:

- spreads earned on derivatives that hedge interest-rate risk (and the interest on the hedged positions) are allocated to the items "*Interest and similar income*" or "*Interest and similar expense*";
- capital gains and losses deriving from the measurement of hedging instruments and the positions covered by fair value hedges are allocated to the "*Net income from hedging activities*" item;
- capital gains and losses deriving from measurement of the effective part of cash flow hedges are allocated to a specific valuation reserve in equity called "*Reserve for cash flow hedges*", net of the related deferred tax effect. Gains and losses relating to the ineffective part of such hedges are recorded in the "*Net income from hedging activities*" item of the income statement.

In the case of hedging equity instruments for which the option for recognition in the statement of other comprehensive income of subsequent fair value changes has been irrevocably exercised, the capital gains and losses deriving from the measurement of hedging derivatives, relating to the hedged component, are allocated to the same shareholders' equity item.

5. Equity investments

Recognition

Equity investments are recognised on the settlement date. Equity investments are recorded at cost on initial recognition, including any costs and revenues directly attributable to the transaction.

Classification

This item includes:

- subsidiaries not consolidated on a line-by-line basis and associates carried under the equity method, adjusting the initial cost of recognition for changes in net equity, including gains and losses realised by the company; companies in which at least 20% of the voting rights are held and those where the size of the investment guarantees influence over governance are considered associates;
- jointly controlled companies, which are also accounted for under the equity method;
- other investments with a low value, which are carried at cost.

Measurement

In the BPER Banca Group's Consolidated Financial Report, companies not consolidated line-by-line, those subject to joint control and associated companies are valued according to the equity method.

If there is evidence that investment in an associate may be impaired, its recoverable amount is estimated. If the recoverable amount is lower than the carrying amount, the difference is charged to the income statement.

If the recoverable amount is lower than the carrying amount, the difference is charged to the income statement under item "*Gains (Losses) on equity investments*", as described in paragraph "*Method for determining the extent of impairment*" below.

If the reasons for making the impairment loss cease to apply as a result of an event subsequent to recognition of the impairment loss, the related write-back is credited to the income statement without exceeding the amount of the impairment loss previously recorded.

The Parent Company's share of any losses of the investee, exceeding the book value of the investment, is recorded in a specific reserve to the extent that the company is required to fulfil legal or implicit obligations of the investee, or, in any case, to cover its losses.

Derecognition
Equity investments are derecognised when the contractual rights to the cash flows deriving from them expire, or when they are assigned with transfer of substantially all the risks/benefits associated with them.

Recognition of components affecting the income statement
Dividends are recorded in the "*Dividends and similar income*" item when the right to collection is established.

Any impairment losses/write-backs relating to the impairment of equity investments and gains or losses on the disposal of equity investments are recorded in the item "*Gains (Losses) of equity investments*".

6. Property, plant and equipment

Recognition
Property, plant and equipment are initially recorded at purchase price, including all directly attributable costs of purchasing and bringing the asset to working condition.

Expenditure on improvements that will generate future economic benefits is added to the value of the assets concerned, while routine maintenance costs are charged to the income statement.

Leases (in which the Bank is the lessee) are recognised (pursuant to IFRS 16) using the "right of use" model. At the initial recognition date, the value of the right of use is equal to the initial recognition value of the lease liability, adjusted for the following components:
- payments due for leases made on or before the effective date, net of lease incentives received;
- direct initial costs incurred by the lessee;
- an estimate of the costs that the lessee will incur for the dismantling and removal of the underlying asset and for the restoration of the site on which it is located or for the restoration of the underlying asset under the conditions set by the terms and conditions of the lease.

When the asset is made available to the BPER Banca Group for its use (initial recognition date), the related right of use is recognised.

In identifying the rights of use, the BPER Banca Group applies the "simplifications" permitted by IFRS 16; contracts with the following characteristics are therefore not considered:
- "Short-term", i.e. with a residual life of less than 12 months;
- "Low-value", i.e. with an estimated value of the asset of less than Euro 5,000.

As regards the other application choices adopted by the BPER Banca Group, it should be noted that:
- with reference to the duration of the "property" leases, the Group considers as "reasonably certain" only the first renewal period, subject to contractual clauses and specific circumstances that involve considering different contractual durations;
- as regards "Cars" and "Other contracts", the Group makes use of the practical expedient by which the lessee is allowed to not separate the lease components from the other components, treating them as a single lease component. As regards property leases, the Group considers the non-lease component as not material.

Classification
Property, plant and equipment comprise land, property used for operating purposes, installations, furniture, furnishings and all types of equipment.

These are property, plant and equipment that will be used for more than one accounting period and which are held for use in the production of business or the supply of goods and services, for rental to third parties or for administrative purposes.

Rights of use acquired under leases (in the capacity of lessee) are included, if these rights relate to assets classified as property, plant and equipment.

This item also includes assets awaiting finance lease and assets under construction intended for finance leasing (in the capacity of lessor), in the case of contracts "with retention of risks", as well as assets granted under operating leases (again as lessor).

This item also includes certain real estate assets classified in accordance with IAS 2 "Inventories" within the portfolios of the Group's real estate companies, including construction land, buildings under construction, completed buildings and property development initiatives held for sale, to be achieved within a reasonable time horizon.

This item also includes leasehold improvements, relating to identifiable and separable property, plant and equipment.

Measurement

After their initial recognition, property, plant and equipment, including rights of use, are measured under the cost model, net of accumulated depreciation and impairment, with the exception of the following categories:

- own properties used in operations (IAS 16), which are measured under the revaluation model, according to which property, plant and equipment, whose fair value can be reliably determined, are recognised at a restated value, equal to the fair value at the date of the restatement, net of accumulated depreciation and any accumulated impairment losses;
- properties held for investment purposes (IAS 40), including rights of use, which are measured according to the fair value method, by which all property investments are measured at fair value and no longer subject to depreciation or impairment test;
- Inventories of property (IAS 2), which are measured at the lower of cost and net realisable value, represented by the estimated selling price less the estimated costs of completion and other costs necessary to make the sale.

After initial recognition, at the end of each financial period, the following accounting entries may take place for properties used in operations (IAS 16):

- if the carrying amount has increased following a restatement, the increase must be recognised in a specific revaluation reserve in shareholders' equity. However, the increase has to be recognised in the income statement to the extent that it reinstates a write-down of the same asset previously recognised in the income statement;
- if the carrying amount has decreased following a restatement, the decrease must be recognised in the income statement. However, the decrease has to be recognised in the statement of other comprehensive income as a revaluation surplus, to the extent that there are any credit balances in the revaluation reserve that refer to this asset. The decrease recognised in the statement of other comprehensive income reduces the amount accumulated in equity under the revaluation reserve.

When a property used in operations (IAS 16) is revalued, the carrying amount of the asset is brought into line with the revalued amount by eliminating accumulated depreciation against the gross carrying amount of the asset (a.k.a."elimination approach").

For properties held for investment purposes (IAS 40), on the other hand, following initial recognition and at each balance sheet date, the following is recognised in the income statement:

- a positive income component in the event of a positive difference between the fair value and the carrying amount;
- a negative income component in the event of a negative difference between the fair value and the carrying amount.

For more information on how to determine the fair value of properties, please refer below to paragraphs - "Information on fair value", "*Methods and frequency of identifying the fair value of own properties*".

Property, plant and equipment are systematically depreciated over their useful life, identified by single homogeneous category or, for real estate assets, charged to the individual property at the time of initial registration, adopting the straight-line method of depreciation, with the exception of:

- land acquired separately or included in the value of property (excluding value in use on buildings), since it has an indefinite useful life. The value of land included in property is deemed to be separable from the value of buildings; the division between the value of the land and the value of the building takes place on the basis of independent expert appraisals;
- properties held for investment purposes as, being valued at fair value, they are not subject to depreciation;
- works of art, since the useful life of a work of art cannot be estimated and its value normally appreciates over time;
- inventories classified in accordance with IAS 2.

The useful life of business assets is reviewed at least once a year, at the end of each accounting period, and any change with respect to the previous year is treated as a change in accounting estimate, governed by IAS 8. It is therefore accounted for prospectively, determining an impact on the depreciation charge of the year in which the change takes place and on the depreciation charges of subsequent years.

If there is any evidence at a reporting date that the value of an asset may be impaired, its carrying amount is compared with its recoverable value, being the higher of its fair value net of any selling costs or its value in use, as represented by the present value of the cash flows generated by the asset, as explained in the paragraph "*Method for determining the extent of impairment*". Any adjustments are recorded in the income statement.

Property held for investment purposes is excluded from impairment testing.

If the reasons for recognising an impairment loss cease to apply, the loss is written back but without exceeding the carrying amount that the asset would have had (net of depreciation) if no impairment losses had been recognised in prior years.

Properties used in operations, measured under the revaluation model, any loss due to impairment of a revalued asset must be treated as a decrease in the revaluation up to its amount, after which any difference is recognised in the income statement.

Assets recognised pursuant to IAS 2 are measured at the lower of cost or net realisable value. Any adjustments are recognised in the income statement.

Change of use of properties

The BPER Banca Group only transfers properties between the various categories (regulated respectively by IAS 16, IAS 40 and IAS 2) if there is an effective change in the use of the property. In the event of a change in use from being an property held for investment recognised at fair value to being a property used in operation by the owner or held for sale in inventory, the fair value at the date of the change in use must be considered as a replacement for the cost of the property for subsequent accounting, according to the provisions of IAS 16, IFRS 16 or IAS 2.

If a property used in operation becomes a property held for investment that has to be recognised at fair value, the BPER Banca Group applies IAS 16 for its own properties and IFRS 16 for properties held by the lessee as an asset consisting of the right of use until the date on which the change of use occurs. The BPER Banca Group treats any difference existing at that date between the carrying amount of the property in accordance with IAS 16 or IFRS 16 and the fair value in the same way as a revaluation, in accordance with IAS 16.

Up to the date on which a property used by the owner becomes a property held for investment recorded at fair value, the BPER Banca Group depreciates the property (or the right of use asset) and recognises any impairment that may occur. The Group treats any difference existing at that date between the carrying amount of the property in accordance with IAS 16 or IFRS 16 and the fair value in the same way as a revaluation, in accordance with IAS 16. In particular, any resulting decrease in the carrying amount of the property is charged to profit or loss for the year. However, to the extent that the amount is included in the revaluation reserve of that particular property, the decrease is recognised in the statement of other comprehensive income and reduces the revaluation reserve included in shareholders' equity.

Any resulting increase in the carrying amount is treated as follows:

- to the extent that if the increase adjusts a previous loss due to a reduction in the value of that property, it is charged to the income statement. The amount recognised in the income statement must not exceed the amount needed to restore the carrying amount that would have been (net of depreciation) if no impairment loss had been recognised;
- any remainder of the increase is recognised in the statement of other comprehensive income and increases the revaluation reserve included in equity. At the time of subsequent disposal of the property held for investment, the revaluation reserve included in shareholders' equity is transferred to retained earnings. The transfer from the revaluation reserve to retained earnings does not go through the income statement.

Derecognition

Property, plant and equipment are derecognised on disposal, or when the assets concerned are permanently taken out of use and no further economic benefits are expected from their disposal. In the case of property, plant and equipment held for use (IAS 16) to which the revaluation criterion is applied, any gain arising from disposal/derecognition, including that accumulated in the item "Valuation reserves", is transferred directly to the item "*Reserves - Retained earnings (losses) carried forward*", without passing through profit or loss.

Recognition of components affecting the income statement

Depreciation, calculated *pro-rata temporis*, of assets measured at cost or fair value in accordance with the requirements of IAS 16 are recognised in the income statement under "*Net adjustments to property, plant and equipment* ".

Positive restatements of properties used in operations are recognised in equity under "*Valuation reserves*", unless they are restoring a decrease in the value of the asset previously recognised in the income statement (in this case, the positive changes in value are recognised in the income statement under "*Gains (Losses) on property, plant and equipment and intangible assets measured at fair value*").

Negative restatements of properties used in operations are recognised in the income statement under "*Gains (Losses) on property, plant and equipment and intangible assets measured at fair value*" unless the "*Valuation reserve*" for the specific property is not sufficiently large (in which case, the negative changes are recognised in equity as a decrease in the "*Valuation reserve*").

Any adjustments or write-backs due to the impairment of property, plant and equipment valued under the cost or revaluation models are recognised in the income statement under "Net adjustments to property, plant and equipment", unless, for the assets measured under the revaluation model, the valuation reserve relating to the specific property is not sufficiently large.

The changes in fair value, both positive and negative, relating to properties held for investment purposes are recognised in the income statement under "*Gains (Losses) on property, plant and equipment and intangible assets measured at fair value*".

Any write-downs on inventories of property, plant and equipment (IAS 2) resulting from the application of measurement at the lower of cost and net realisable value, are recognised under "Net adjustments to property, plant and equipment" in the income statement.

Disposal gains and losses are however recorded in the income statement item "*Gains (Losses) on disposal of investments*".

7. Intangible assets

Recognition

Intangible assets other than goodwill are initially recognised at cost, as represented by the purchase price paid plus any directly-related costs incurred to obtain use of the assets concerned.

Goodwill may be recognised as an intangible asset when the positive difference between the acquisition cost of an equity interest (including related charges) and the fair value of the net assets acquired, including those identified as part of the Purchase Price Allocation (PPA), is representative of the investee's ability to generate income in the future (goodwill).

If the difference is negative (badwill) or the goodwill is not justified by the investee's ability to generate income in the future, the difference is recognised in the income statement.

Classification

Intangible assets are identifiable, non-monetary assets without physical form that are expected to generate economic benefits.

The qualifying characteristics of intangible assets are:
- identifiability;
- control over the resources concerned;
- expectation of economic benefits.

In the absence of any one of the above characteristics, the acquisition or internal production costs are expensed in the year incurred.

Goodwill is represented by the difference between the acquisition cost of an equity investment and the fair value, at the acquisition date, of the assets and liabilities acquired.

Other intangible assets are recognised if they are identifiable and reflect legal or contractual rights. Among these, rights of use acquired under operating leases (in the capacity of lessee) and relating to the use of an intangible asset are not included since the BPER Banca Group, with respect to the faculty given by IFRS 16.4, has decided not to apply IFRS 16 to any operating leases on intangible assets other than those that can be acquired under licence.

Intangible assets include licensed software that satisfies the conditions specified in IAS 38. More specifically, with reference to the indications provided in the IFRIC Staff Paper dated November 2018 (Agenda ref 5 – Customer's right to access the supplier's software hosted on the cloud (IAS 38)), the BPER Banca Group has identified the following conditions as significant for the recognition of purchased software as an intangible asset:
- existence of an exclusive right of use (linked to the user licence acquired);
- right and ability to obtain copies of the software ("download right");
- possession and real ability to use the copy of the software acquired, recognised if installed on its servers.

If these three conditions are satisfied in relation to purchased software, the BPER Banca Group recognises it an intangible asset to be amortised over its estimated useful life. The initial expenses incurred (even in the form of external services) to set-up, customise and implement the software can also be considered part of the initial carrying amount of the intangible asset, if linked to the functional analyses and subsequent implementation phases.

By contrast, if the above conditions for the recognition of an intangible asset are not satisfied, the purchase will relate to services giving access to software that, in substance, remains in the possession of the provider (these situations generally arise in relation to Cloud software). These purchased services are recognised as "*Administrative expenses: b) other administrative expenses*" on an accruals basis; when the initial cost incurred refers to a long-term time horizon it can be deferred (prepaid expenses – Other assets) and released to the income statement over the duration of the entire contract. If the total fee paid to the supplier for access to the software covers a variety of services, the cost will be allocated and recognised on an accruals basis with reference to each specific service.

Measurement

An intangible asset with an indefinite useful life, such as goodwill, is not amortised, but is tested periodically for impairment. An impairment test is performed annually, or whenever there is an indication of impairment, as explained in the following paragraph "*Method for determining the extent of impairment*". Any impairment loss is recognised in the income statement and the reversal thereof is prohibited.

In contrast to the treatment of goodwill, the cost of intangible assets with a finite useful life is amortised on a straight-line basis or, possibly, by use of the reducing balance method based on the flow of economic benefits expected from the asset. If there is any evidence of impairment, it is envisaged that an asset would be assessed for impairment by comparing its recoverable value to its carrying amount.

An estimate of recoverable value is made if there is any evidence of asset impairment at the reporting date. The impairment loss, expensed to income statement, is the difference between the carrying value of an asset and its recoverable amount, if the latter is lower, as explained in the following paragraph "*Method for determining the extent of impairment*".

Derecognition

Intangible assets are derecognised on disposal and when no further economic benefits are expected.

Recognition of components affecting the income statement

Both the amortisation charge and any net adjustments to intangible assets other than goodwill are recorded in the item "*Net adjustments to intangible assets*" of the income statement.

Disposal gains and losses are however recorded in the "*Gains (Losses) on disposal of investments*" item.

Any impairment losses to the value of goodwill are recorded in the item "*Impairment losses on goodwill*".

8. Non-current assets and disposal groups classified as held for sale

Recognition and classification

Non-current assets and groups of assets/liabilities subject to a disposal process (tangible, intangible and financial assets) are classified in the asset item "*Non-current assets and disposal groups classified as held for sale*" and the liability item "*Liabilities associated with assets classified as held for sale*" and the liability item "*Liabilities associated with assets classified as held for sale*", when such sale is deemed to be highly probable.

Measurement

These assets and liabilities are valued at the lower of their carrying amount, determined according to the relevant IFRS, and their fair value, net of selling costs, unless they are properties held for investment purposes, which, on the basis of paragraph 5 of IFRS 5, even if they are classified in "Non-current assets and disposal groups held for sale", are valued in accordance with IAS 40 and therefore at fair value through profit or loss.

Derecognition

Non-current assets or groups of assets/liabilities held for sale and discontinued operations are derecognised from the balance sheet upon disposal.

Recognition of components affecting the income statement

Income and charges (net of tax effect) relating to disposal groups held for sale are classified in the "*Gains (Losses) from non-current assets and disposal groups classified as held for sale after tax*" item of the income statement.

9. Current and deferred taxation

Taxes for the period were calculated by applying the regulations in force at financial reporting date, also taking into account the changes introduced by the latest Finance Act.

Deferred tax assets and liabilities are recorded following the positive outcome of the probability test required by IAS 12 relating to temporary changes, tax losses and tax credits. The BPER Banca Group has adopted a time horizon of 5 years when forecasting recoveries, consistent with other types of estimate made by projecting future results.

Recognition and classification

Current taxation comprises the net balance of income tax payable for the year and the current tax receivable due from the tax authorities consisting of advances and other withholding tax credits or other tax credits recoverable by future offset.

Current tax assets also represent tax credit that the Group companies have requested the relevant authorities to reimburse.

Deferred taxes represent the income taxes recoverable in future periods as a result of deductible temporary differences and past tax losses (deferred tax assets), and the income taxes payable in future periods as a result of taxable temporary differences (deferred tax liabilities).

Measurement

Deferred tax assets, representing the future tax benefit deriving from deductible temporary differences and tax losses carried forward, are recognised to the extent that their recovery is highly likely. The estimate is made by performing the "probability test", as required by IAS 12. This test is based on an economic forecast developed over a prospective 5-year horizon, adjusting the pre-tax profit to consider future temporary and permanent changes in accordance with the tax legislation in force at the measurement date, so as to arrive at an estimate of the future tax profits able to reabsorb the deferred tax assets.

Derecognition

Net current taxes are generally derecognised from the balance sheet at the time of payment of the tax charge in the reference year.

Deferred tax assets and deferred tax liabilities are instead cancelled following the realignment of the tax and financial statement accrual for each income statement or balance sheet component that originated the deferred tax asset or liability. Deferred tax assets are also derecognised from the balance sheet for any portion no longer deemed recoverable following the "probability test" carried out periodically.

Recognition of components affecting the income statement

Changes in tax assets and liabilities are normally recorded in the "*Income taxes on current operations*" item.

As an exception, those deriving from transactions recognised directly in equity are treated in the same way, and those deriving from business combinations are included in the calculation of goodwill (or badwill).

10. Provisions for risks and charges

Recognition

The provisions for risks and charges cover liabilities whose timing and extent are uncertain, when all the following conditions are met:

- a current obligation exists at the financial reporting date, deriving from a past event. The origin of the obligation must either be legal (deriving from a contract, regulation or the provisions of law) or implicit (arising when the business causes third parties to expect that commitments will be met, even if these do not fall into the category of legal obligations);
- a financial outflow is likely;
- the extent of the obligation can be estimated reliably.

No provision is recognised for liabilities that are only possible and not probable, but information on the related contingencies is provided in the Explanatory notes.

Classification

This item includes the provisions relating to long-term benefits and post-employment benefits governed by IAS 19, discussed in the following paragraph "*Other Information*" - "*Employee benefits*" below, and the "*Provisions for risks and charges*" governed by IAS 37.

Sub-item "commitments and guarantees granted" comprises the credit risk provisions for funding commitments and financial guarantees given that are subject to the impairment rules of IFRS 9 (see para. 2.1, letter e); para. 5.5; appendix A), as well as the provisions for other commitments and other guarantees not subject to IFRS 9 impairment rules.

Measurement

Where the time element is significant, the provisions are discounted using current market rates. Provisions are charged to the income statement.

The measurement of "commitments and guarantees granted" is described in the paragraph "*Method for determining the extent of impairment*".

Derecognition

The allocated provisions are re-examined as at each financial reporting date and adjusted to reflect the best current estimate. When the use of resources aimed at producing economic benefits to fulfil the obligation becomes unlikely, the provision is cancelled.

In addition, each provision is used solely to cover outgoings for which it was originally established.

Recognition of components affecting the income statement

Impairment losses and write-backs of commitments and other guarantees granted are recorded in item "*Net provisions for risks and charges – commitments and guarantees granted*" of the income statement.

Provisions for risks and charges and the related write-backs, including the effects of the passage of time, are classified in item "*Net provisions for risks and charges – Other net provisions*" of the income statement. The provisions for employee remuneration recognised pursuant to IAS 19 are classified in income statement item "*Administrative expenses - Staff costs of the income statement*".

Provisions are made on the basis of the best estimate of the amount that the company would reasonably pay to settle the obligation or to transfer it to third parties on the reporting date. When the financial effect of time is significant and the payment dates of obligations can be reliably estimated, the provision is calculated by discounting the expected future cash flows taking into account the risks associated with the obligation; the increase in the provision due to the passage of time is recognised in the income statement.

11. Financial liabilities measured at amortised cost

Recognition

These liabilities are initially recognised at their fair value, usually corresponding to the amount collected or the issue price, plus any additional costs/proceeds directly attributable to the individual funding transaction or issue.

This item includes:
- due to banks;
- due to customers;
- debt securities issued;
- lease liabilities.

On the start date, the lessee measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are discounted using the interest rate implicit in the lease contract, if that rate can be readily determined, or at the incremental borrowing rate that, for the BPER Banca Group, is the Internal Transfer Rate (ITR) of funding.

The future lease payments to be included in the measurement of the lease liability comprise the following:
- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Classification

"*Due to banks*", "*Due to customers*" and "*Debt securities issued*" comprise the various forms of interbank and customer funding. These items also include liabilities recognised by the lessee under leases, as well as funding through certificates of deposit and debt securities in issue, net of any repurchases.

Measurement

Following initial recognition, financial liabilities are measured at amortised cost using the effective interest method, except for current liabilities given the negligible effect of the time factor.

Modifications to the contractual conditions of the medium-long term items (also including lease liabilities) will entail the adjustment of the carrying amount by discounting the flows envisaged by the revised contract to the original effective interest rate, without prejudice to the changes made to lease liabilities which, as clarified in IFRS 16, shall use a revised discount rate (for example if there is a change either in the lease term or in the lease payments).

Debt securities issued are recognised net of the repurchased amount.

Derecognition

Financial liabilities are derecognised when they expire or are settled. The repurchase of debt securities in issue in prior periods results in their derecognition.

In the event of a change in the contractual conditions, if the discounting of the new flows would lead to a change in the carrying amount of the liability greater than 10%, the change is deemed by the BPER Banca Group to be "substantial" and relevant for the purpose of derecognition of the original liability.

The difference between the carrying amount of the liability and the amount paid to repurchase it is recorded in the income statement.

Recognition of components affecting the income statement

The negative elements of income represented by interest and similar expense are recorded in the interest items of the income statement on an accruals basis, using the effective interest method.

Costs/revenues relating to short-term payables are recorded directly in the income statement.

The difference between the carrying amount of a liability and the amount paid to acquire it is recorded in income statement item "*Gains (Losses) on disposal or repurchase of financial liabilities*".

12. Financial liabilities held for trading

Recognition

These financial instruments are recognised at their fair value on the subscription or issue date, without considering any transaction costs or income directly attributable to them.

Classification

This category of liabilities includes trading derivatives with a negative fair value, as well as derivatives with negative fair value that are embedded in complex contracts - in which the primary contract is a financial liability - but not closely correlated with them and therefore they are represented separately in the financial statements.

Measurement

All financial liabilities held for trading are measured at fair value. The methods used to determine fair value are described in the following section "Information on fair value".

Derecognition

Financial liabilities held for trading are derecognised on expiry of the contractual rights over the related cash flows, or when the financial liability is assigned with the transfer of substantially all the risks and benefits deriving from its ownership.

Recognition of components affecting the income statement

The criteria applied for the recognition of income components of financial assets held for trading are adopted with suitable modifications.

13. Financial liabilities designated at fair value

Recognition

These liabilities are initially recognised at fair value, net of transaction costs or revenues.

Classification

A financial liability is designated at fair value if one of the following conditions applies:

- classification in this category eliminates “accounting mismatch”, i.e. it makes it possible to significantly reduce a lack of consistency in the valuation or recognition of assets and liabilities that would otherwise lead to the recognition of gains/ losses on a different measurement basis;
- it is part of groups of liabilities, or of assets and liabilities, managed together whose performance is measured at fair value, according to a documented risk-management strategy;
- there is a hybrid contract containing one or more embedded derivatives and the embedded derivative is such that it would significantly alter the cash flows that would otherwise be under the contract.

The option to designate a liability at fair value is irrevocable, is made on the individual financial instrument and does not require the same application to all instruments with similar characteristics. However, the designation at fair value of only a portion of a financial instrument attributable to a single component of risk to which the instrument is subject is not allowed.

Certificates issued

The BPER Banca Group classifies its issuances of certificates as “*Financial liabilities designated at fair value*”.

Certificates are securitised derivative instruments issued by the Group and traded on multilateral trading facilities that replicate, with or without leverage, the performance of the underlying assets. Such products may provide for protection of the amount subscribed by the client or a portion thereof unconditionally with respect to the performance of the financial parameters to which they are indexed. From a substantive point of view, certificates can be defined as combinations of derivative strategies or of basic financial assets and derivatives, thanks to which it is possible to generate financial instruments with their own characteristics, substantially different from those of the assets from which they originate.

In general, market practice has traced certificates back to the following two main types of instruments:

- *Certificates with unconditional capital protection:* these are products that provide an unconditional guarantee of more than 50% of the capital initially invested. For accounting purposes, these instruments are considered “structured securities”, given the preponderance of the guaranteed component over the variable component based on the performance of the certificate’s underlying;
- *Other certificates:* these are products without any protection, with conditional protection, or with unconditional protection of the initial capital of 50% or less. For such products, the value depends exclusively or predominantly on the performance of the parameter to which it is indexed. For this reason, they are classified as “derivative financial instruments”, and in particular among the options issued. For such instruments, the only permissible accounting portfolio is “*Financial liabilities held for trading*”.

That said, the BPER Banca Group issues unconditionally protected capital certificates, mainly for funding purposes and classified in the accounting portfolio of “*Financial liabilities designated at fair value*”. The aforementioned classification derives primarily from the reconciliation of these liabilities to the portfolios managed by the Capital Market, which, according to Group policy considering the objectives pursued and related reporting on performance, are measured at fair value. In addition, this classification makes it possible to pursue a kind of “natural hedge” with respect to derivatives stipulated in order to “balance” the risks assumed with derivatives embedded in issued liabilities.

With reference to the criteria for recognising the balance sheet and income statement components of certificates recognised under “Financial liabilities designated at fair value” and the related management hedging instruments, it is noted that

- the profit and loss components related to the issues under review are included in the item “Net income on other financial assets and liabilities measured at fair value through profit or loss - financial assets and liabilities designated at fair value”. This item also includes the valuation effects related to the measurement of fair value, resulting from changes in the market parameters to which the certificate is indexed, as well as spreads paid to customers, either periodically or at maturity. The effects attributable to changes in own creditworthiness, recognised in a specific equity reserve (“Valuation reserves”) are the only exception;
- derivatives that are, in management terms, linked to financial liabilities measured at fair value are classified in the assets under “Financial assets measured at fair value through income statement : a) Financial assets held for trading” or in the liabilities under “Financial liabilities held for trading”. Capital losses and valuation gains, as well as any spreads received and paid, are recognised in the Income statement under the item “Net income from trading activities”.

Assessment
Subsequent to initial recognition, these assets continue to be measured at fair value: the methodologies used in this regard are described in the section "Information on fair value".

The accounting treatment required by IFRS 9 for such liabilities requires that changes in fair value associated with the creditworthiness of the issuer must be recognised as a contra-entry to a specific equity reserve. The standard also establishes that the amount recognised in the specific equity reserve must not be "released" to the income statement, even if the liability is settled or expires.

Derecognition
Financial liabilities measured at fair value are derecognised when they expire or are settled.

The repurchase of debt securities in issue in prior periods results in their derecognition.

The renewed placement of treasury securities subsequent to their repurchase is deemed to represent a new issue, with recognition at the new placement price, with no effect on the income statement.

Recognition of components affecting the income statement
The entire margin related to the issues under review is included in the item "*Net income on other financial assets and liabilities measured at fair value through profit or loss: a) financial assets and liabilities designated at fair value*". Only the valuation effects attributable to changes in own creditworthiness are recognised as opposite entries to a specific equity reserve (item "Valuation reserves").

14. Foreign currency transactions

Recognition
On initial recognition, foreign currency transactions are recorded in the reporting currency, by translating the foreign currency amounts using the exchange rates prevailing on the transaction dates.

Measurement
At each reporting date, the amounts originally denominated in a foreign currency are measured as follows:
- monetary items are translated using the closing rate for the period;
- non-monetary items carried at historical cost are translated using the exchange rate on the date of the transaction;
- non-monetary items carried at fair value are translated at the rates at the end of the reporting period.

Classification
These comprise all assets and liabilities not denominated in euro.

Derecognition
The criteria applying to the balance sheet items concerned are used. The exchange rate applying on the settlement date is used.

Recognition of components affecting the income statement
Exchange differences deriving from the settlement of monetary items or from the translation of monetary items using rates other than the initial translation rate, or the closing rate at the end of prior periods, are recorded in the income statement for the period in which they arise.

When gains or losses relating to a non-monetary item are recorded in shareholders' equity, the related exchange differences are also recorded in shareholders' equity. Conversely, when gains or losses are recorded in the income statement, the related exchange differences are also recorded in the income statement.

15. Other information

Treasury shares
Treasury shares held following repurchase are stated at purchase cost and shown with a negative sign in item "*Treasury shares*" under liabilities in the balance sheet. Profits or losses deriving from their subsequent sale are recorded as changes in shareholders' equity in the item "*Share premium reserve*" under liabilities in the balance sheet.

Leasehold improvement expenditures

These costs have been classified as "Other assets", since they cannot be recognised in item "*Property, plant and equipment*", as required by Bank of Italy instructions.

The related amortisation is recorded in the "*Other operating expenses (income)*" item.

16. Income statement: Revenues

In addition to the information about the principal balance sheet items provided above in the sections on the "Recognition of components affecting the income statement", it is noted that revenue from contracts with customers is recognised, as required by IFRS 15, at an amount equal to the consideration that the BPER Banca Group is entitled to collect in exchange for the transfer of goods or services to the customer. Revenues may be recognised:
- at a specific point-in-time, when the entity fulfils the obligation to transfer the promised goods or services to the customer, or
- over time, as the entity fulfils the obligation to transfer the promised goods or services to the customer.

In this context, goods are transferred when, or over the period in which, the customer obtains control over them.

The price of the transaction is the amount of consideration that the entity is entitled to receive in exchange for the transfer to the customer of the promised goods or services, excluding any amounts collected on behalf of third parties (e.g. sales taxes). In order to determine the price of the transaction, the BPER Banca Group considers the contract terms and conditions and its normal business practices, including all the following elements to the extent applicable:
- variable consideration, if it is highly likely that the amount will not be adjusted in the future;
- restrictions on the estimates of variable consideration;
- existence in the contract of a significant financial component;
- non-monetary consideration;
- consideration payable to the customer.

The BPER Banca Group has identified types of revenue linked to services provided to customers only as regards item "*Commission income*". The BPER Banca Group has not identified any significant situations in relation to:
- fees relating to various performance obligations given to customers;
- costs incurred and suspended to obtain and fulfil contracts with customers.

Other types of revenue, such as interest and dividends, are recognised applying the following criteria:
- interest on instruments measured at amortised cost is calculated using the effective interest method;
- dividends are recognised when the shareholders' right to receive payment is determined.

17. Income statement: Costs

In addition to the information about the principal balance sheet items provided above in the sections on the "*Recognition of components affecting the income statement*", costs are recognised in the income statement on an accruals basis; the costs for obtaining and fulfilling contracts with customers must be recognised in the income statement in a manner correlated with the related revenues.

Recruitment incentives for financial advisors, paid in connection with the acquisition of new contracts with customers (investment services), are instead qualified as "costs incurred to obtain a contract" pursuant to IFRS 15 and are amortised over a seven-year period, corresponding to the average expected duration of the contractual relationships acquired.

Marginal costs and revenues directly attributable to the acquisition of an asset or issue of a financial liability measured at amortised cost are recognised in the income statement together with the interest on the financial asset or liability using the effective interest method.

18. Employee benefits

Classification

Employee benefits, excluding short-term amounts such as wages and salaries, comprise:
- post-employment benefits;
- other long-term benefits.

Post-employment benefits are, in turn, divided into defined-contribution plans and defined benefit plans, depending on the nature of the benefits envisaged:
- under defined contribution plans, the employer makes fixed contributions and has no legal or constructive obligation to make further contributions if the fund does not hold sufficient assets to pay all employee benefits;
- defined benefit plans are all post-employment benefit plans other than defined contribution plans.

Pursuant to Law 296 dated 27 December 2006 (2007 Finance Law):
- the employee termination indemnities earned from 1 January 2007 are deemed to be a defined contributions plan for which no actuarial calculations are required;
- the employee termination indemnities already earned up to the date indicated above, on the other hand, continue to be treated as a defined benefits plan, even though such benefits have already been fully earned. As a consequence, the actuarial value of the liability must be restated at every accounting date subsequent to 31 December 2006.

Other long-term benefits comprise employee benefits that are not due entirely within twelve months of the end of the year in which employees accumulated their right to them.

Recognition and measurement

The value of a defined-benefit obligation is represented by the present value of the future payments necessary to settle the obligations deriving from work performed by employees in the current and prior years.

This present value is determined using the "Projected Unit Credit Method".

The employee benefits included as other long-term benefits, such as long-service bonuses that are paid on reaching a pre-determined level of vintage, are recorded for an amount determined at the reporting date using the "Projected Unit Credit Method".

Employee termination indemnities are recorded as a separate liability, while the other post-employment benefits and long-term benefits are recorded among the "Provisions for risks and charges".

Recognition of components affecting the income statement

Service costs are recorded as staff costs, together with the related accrued interest.

Actuarial gains and losses (remeasurements) relating to post-employment, defined benefit plans are recorded in shareholders' equity in the year they are identified. These actuarial gains and losses are reported in the "Consolidated statement of other comprehensive income", as required by IAS 1.

The actuarial gains and losses (remeasurements) relating to other long-term benefits are recognised in full as part of staff costs in the year in which they arise.

19. Share-based payment plans

In general, share-based payments to employees (or other equivalent parties) represent consideration for services received.

In 2019, the BPER Banca Group approved its first share-based payment plan. This plan envisages granting without charge a certain number of ordinary shares in the Parent Company to beneficiaries who are considered Material Risk Takers at Group level, without any increase in capital and therefore by using outstanding shares temporarily purchased by the Parent Company for this purpose (by contrast, no stock option plans have been activated at Group level).

In accordance with IFRS 2 - Share-based payments, the cost of employee compensation plans based on own equity instruments is recognised in the income statement with reference to their fair value on the grant date spreading the related charge over the vesting period.

Since it is difficult to measure reliably the fair value of the services received in exchange for the equity instruments, reference is made to the fair value of the latter, determined on the grant date. Based on the instructions contained in IFRS 2, this date corresponds to the moment in which the parties to the agreement become aware of its existence.

The charges relating to share-based compensation plans are recognised on an accruals basis as a cost in income statement item "*Administrative expenses: a) staff costs*", with a matching entry to equity item "*Reserves*".

Long-Term Incentive Plan – LTI of BPER Banca Group

The LTI Plan (in its two releases: "2019-2021" and "2022-2024", respectively approved at the Ordinary Shareholders' Meetings held on 17 April 2019 and 20 April 2022[117]) is a share-based incentive plan for the key personnel of the Parent Company and other Group companies. Preparation is underway for the Long-Term Incentive Plan (LTI Plan 2025-2027), the new version of which will be submitted for approval at the Ordinary Shareholders' Meeting on 18 April 2025.

The LTI Plan is designed to award beneficiaries an incentive that will be paid exclusively in BPER Banca ordinary shares, in compliance with the relevant regulations and consistent with the Group Business Plan.

As part of the remuneration policies adopted by the Group, the LTI Plan pursues the following objectives:
- align management's interests with the creation of long-term shareholder value;
- motivate management to achieve the objectives of the Business Plan, within a framework of healthy, prudent risk management and ESG sustainability;
- strengthen key persons' sense of belonging in order to implement the Group's medium-long term strategy.

Implementation of the Plan is subject to achieving predetermined access conditions that guarantee not only profitability, but also the Group's capital stability and liquidity.

The bonus recognised at the end of the performance period - the size of which also depends on the achievement of specific objectives in terms of results, stock performance and sustainability - is paid by means of a free allocation of BPER Banca ordinary shares, subject to deferral and retention clauses.

The bonus is deferred between 55% and 60%, depending on the amount recognised at the end of the three-year reference period. Deferral lasts for five years, during which the deferred portion is allocated in five annual instalments of the same amount, subject to verification of the malus conditions. Each portion that is allocated, whether up-front or deferred, is then subjected to a retention period of one year.

The LTI Plan of the BPER Banca Group is an operation with payment settled using equity instruments and, therefore, is governed by IFRS 2.

The overall cost of the plan is equal to the sum of the cost of each tranche, calculated with reference to the fair value of BPER Banca shares at the grant date "grant date" considering in each case the period until the expected vesting date), multiplied by the number of shares that may vest in relation to the performance condition.

This cost is allocated over the vesting period of 8 years, starting from the date on which the parties become aware of its existence or, in the specific case of the BPER Banca plan, the date on which the individual plan beneficiaries were informed about their participation. The cost of the services (work) provided by the employees/recipients only includes the costs associated with the LTI Plan from that date. The costs recognised are matched by a specific equity reserve.

20. Targeted Longer-Term Refinancing Operation – TLTRO-III

Generally speaking, Targeted Longer-Term Refinancing Operations (TLTRO) have since their introduction offered banks in the Eurozone loans with multi-year maturities designed to improve the functioning of the monetary policy transmission mechanism, supporting the provision of bank credit to the real economy.

In March 2019 the Governing Council of the ECB announced a third series of Targeted Longer-Term Refinancing Operations TLTRO-III) to be carried out quarterly from September 2019 to December 2021.

In connection with the Covid-19 emergency, the Governing Council had introduced more favourable conditions for these transactions until June 2022.

117 The terms of the second release were subsequently amended by the Shareholders' Meetings of 5 November 2022 and 3 July 2024. This last meeting has been deemed necessary to ensure full consistency between the vesting period of the LTI Plan and the Group's multi-year strategic planning. The ahead-of-time closure of the BPER e-volution 2022-2025 Business Plan on 31 December 2024 has made it necessary to align the LTI Plan length accordingly, bringing forward to 31 December 2024 the verification of the achievement of the LTI Plan results set for 31 December 2025, thus reducing the vesting period associated with the overall Plan duration, with a consequent pro-rata reduction in the target bonuses for its recipients.

Lastly, on 27 October 2022, the Governing Council of the ECB decided to adopt monetary policy measures aimed at quickly returning inflation to the ECB's 2% medium-term target. As part of said set of measures, the Governing Council established that, effective from 23 November 2022 and until the maturity date or the date of early reimbursement of each transaction in place, the interest rate applied to each transaction in place is indexed to the average reference interest rates of the ECB applicable to said period.

Based on the guidance provided by the ECB Governing Council over time, the characteristics of the TLTRO-III operations are considered to be such that it is impossible to equate them easily to cases specifically dealt with in IAS/IFRS; to identify the accounting treatment of the following situations in particular:
- change in the estimates of achievement of the objectives,
- recording of economic effects, "special interests" in particular,
- management of early repayments,

it is thought that reference can be made by analogy to "IAS 20 - Accounting for government grants and disclosure of public assistance" or to "IFRS 9 - Financial instruments".

The choice made by the BPER Banca Group in accounting for such transactions is to refer to IFRS 9, given that the funding to which banks have access through the ECB's TLTRO is at market conditions. The BPER Banca Group is in fact of the opinion that the ECB rates can be considered as "market rates" since it is the ECB itself that establishes the level, keeping this level in line with the lending objectives to be achieved (monetary policy operations). The ECB also has the power to change the TLTRO III interest rate at any time. This right of modification by the ECB has to be traced back to what is indicated in para. B.5 4.5 of IFRS 9 (floating rate loans), resulting in a change in the Internal Rate of Return (IRR) of the loan to reflect changes in the benchmark rate. On the other hand, the situation is different where the lending rate gets changed because of a modification of the forecasts of whether the benchmark will be reached in terms of net lending; in this situation, with the same IRR, a modification in the future flows can only lead to a change of the loan at amortised cost[118].

21. Purchase of tax credits originated from benefits mentioned in the "Cura Italia" and "Rilancio" Decree Laws (the so-called "Ecobonus" and "Sismabonus")

In order to counter the negative economic effects of the spread of the Covid-19 pandemic, by Law no. 77 of 17 July 2020 converting, with amendments, Decree-Law no. 34 of 19 May 2020 (the so-called "Relaunch" Decree) containing urgent measures in the field of health, support for work and the economy, Parliament issued a series of measures which, among other things, make it possible under certain conditions to benefit from a 110% deduction of the expenses incurred for specific interventions (e.g. interventions to increase the level of energy efficiency of existing buildings or reduce their seismic risk). The law also introduced the possibility for taxpayers to opt, instead of using the deduction directly, for an advance contribution in the form of a discount from the suppliers of goods or services ("invoice discount") or, alternatively, for the assignment of the credit corresponding to the deduction due to other entities, including therein credit institutions and other financial intermediaries. The Italian Government further ruled on the subject by issuing Decree Law no. 50/2022 "Decreto Aiuti" - Aid Decree) primarily by restructuring the target of potential of re-assignees.

As part of its commercial policies, the BPER Banca Group has decided to operate as an assignee of tax credits to its customers.

The transferee bank may in turn use these credits to offset tax payments through the F24 form or, alternatively, transfer these credits to other parties.

Italian Decree Law no. 39/2024 has provided that the initial allocation of the tax deduction over 4/5 years be extended to 10 years for all expenses incurred starting from 2024. By way of derogation, the decree includes a safeguard clause for these deductions in the event that they are subject to invoice discounting or transfer. Therefore, if the bank acts as the assignee, the previous timing regime is maintained.

The portion of the tax credit not used during the year cannot be used in subsequent years and cannot be requested as a refund.

The same Decree has imposed that the instalments of traceable credits purchased by banks with annual amounts equal to or greater than 2025 must be mandatorily divided into 6 equal instalments, replacing the original instalment plan, unless the same instalments were purchased at a price greater than 75% of the deduction due.

118 This accounting choice is consistent with the Public Statement issued by ESMA on 6 January 2021 dedicated to "[...] the third series of the ECB's Targeted Longer-Term Refinancing Operations (TLTRO III)"

Decree Law 39/2024 has introduced a ban on offsetting, applicable only to financial intermediaries, of superbonus and related credits with tax liabilities, with significant effects on tax capacity estimates starting from 1 January 2025.

As regards the responsibilities as to the existence of the credit, the law provides that:
- suppliers and buyers of credits are liable only for any use of the tax credit that is irregular or for a larger amount than the tax credit received;
- if the Revenue Agency finds out that one does not have all or some of the requisites that give the right to a tax deduction, it will recover the amount of the deduction not due from those to whom the bonus was granted (i.e. the seller). In addition, Decree Law no. 11 of 17 February 2023, amending article 121 of Decree Law 34/2020, established that the liability of the assignee is limited solely to cases of wilful misconduct if it demonstrates that it has acquired the credit and is in possession of the series of documents listed in the decree. The exemption of liability also applies to entities that acquire the credits from banks, following the certification of possession of the documentation.

With reference to the accounting treatment to be adopted in the financial statements of the buying bank, since the case in question is not subject to clear instructions in the IAS/IFRS, in application of the provisions of IAS 8, paras. 10 and 11, various possible scenarios were assessed concerning the applicability of the following international accounting standards by analogy:
- IAS 20 “Accounting for government grants and disclosure of government assistance”;
- IAS 12 “Income Taxes”;
- IAS 38 “Intangible Assets”;
- IFRS 9 “Financial Instruments”.

The choice made by the BPER Banca Group is to refer by analogy to the indications of IFRS 9, considering that these tax credits are in essence financial assets, as they can be:
- used to pay off a debt (e.g. a tax debt);
- incorporated in a HTC business model, or with a hold-to-maturity strategy for offsetting, if acquired within the limits of its tax capacity;
- incorporated in a HTC&S business model, or according to a mixed strategy of holding and/or sale by the date of offsetting, if the technical/business conditions are satisfied;
- incorporated in a trading business model when already in excess of its tax capacity at the purchase date;
- classified in item “Other assets”.

Furthermore, the tax credits are bought by the bank at a price that discounts both the time value of money and the ability to use/sell them within a certain time limit. So at the time of initial recognition the tax credit is recognised at the price of the individual transaction - equating it to the fair value of a Level 3 instrument, as there are no official markets or comparable transactions - and thereby allowing to satisfy the condition set by IFRS 9 according to which financial assets and liabilities are to be initially recognised at fair value.

The subsequent valuation (measurement) of said assets, always in accordance with the guidelines of IFRS 9, is carried out:
- at amortised cost, if classified as HTC;
- at fair value through other comprehensive income, if classified as HTC&S;
- at fair value through profit or loss, if classified in the trading portfolio.

The amortised cost is defined considering: i) the time value of money; ii) the use of a correct effective interest rate; and iii) the uses made of the tax credit through offsets. The effective interest rate is originally set so that the discounted cash flows of the estimated future offsets over the expected duration of the tax credit equal the purchase price of the tax credits.

In relation to the determination of fair value, owing to the unique nature of these instruments, fair value fluctuations are linked to changes in market interest rates with respect to the internal rate characterising the individual transaction.

In addition, if the Bank were to revise its estimates of the use of the tax credit through offsets, it would have to adjust the gross carrying amount of the tax credit to reflect the estimated, actual and restated uses of the tax credit through offsets. In such situations, as part of the HTC Business Model, the Bank would recalculate the gross carrying amount of the tax credit as the present value of the new estimated uses of the tax credit through offsets discounted back to the original effective interest rate. In this restatement, taking into account that there is no chance of reimbursement by the counterparty (i.e. the Treasury), an impairment loss due to any failure to use the tax credits bought would be included. Within the trading Business Model, the revision of its recoverability estimates would be reversed directly in the fair value measurement of the instruments.

Considering the operations arranged by the BPER Banca Group, it is believed that the risk of losses/a negative change in the fair value resulting from the non-use as offsetting is unlikely given that, with reference to the HTC business model, the balances acquired are consistent with the Group's overall tax capacity (constantly monitored); in relation to the trading portfolio (and, if applicable, in the case in which the technical/business conditions apply, in relation to the HTC&S portfolio), in respect of the credits acquired, assignment agreements are gradually stipulated with counterparties identified from the Group's corporate customers, with the objective of ensuring the recoverability of the credit booked under assets.

Moreover, as part of the remeasurement at amortised cost, not finding a counterparty credit risk as realising the instrument takes place exclusively through offsetting against tax liabilities and not by receiving money from the counterparty, the IFRS 9 rules on Expected Credit Losses are not applicable.

22. Macro Fair Value Hedge on Demand (PAV) items

Within the BPER Banca Group, the macro fair value hedge regime is currently applied to hedge the interest rate risk inherent in formally sight funding items.

Macro Fair Value Hedge on Demand (PAV) items

The macro fair value hedge regime is applied to an extent limited to the portion of such items with "inelastic core" funding characteristics, i.e. those that are substantially characterised by a tendentially fixed cost and a stable duration over time, according to the results of the behavioural model adopted by the Group.

"Inelastic core" funding is therefore assimilated to a portfolio of fixed-rate deposit liabilities, each with a rate of return equal to the fixed market rate relative to its maturity. More specifically, the elaborated model is constructed as a series of monthly fixed-rate deposits with different maturities and periodic interest payments. Liabilities identified as fixed-rate by the behavioural model are therefore considered hedged items and are subject to macro fair value hedges for accounting purposes.

Any change in the amounts identified by the behavioural model with these characteristics, resulting from the periodic updating of the estimates themselves (either in relation to the parameters used by the behavioural model, or in relation to the decrease in the amount of funding), does not give rise to ineffectiveness in the relationship until the amount of funding included in the bucket reaches the minimum level hedged (a decrease exceeding the amount of unhedged funding). In such a case, the withdrawal of part of the hedge constitutes voluntary discontinuing.

23. Method for determining the extent of impairment[119]

A. Financial assets

Impairment models

The calculation of adjustments of financial assets according to the Expected Credit Losses (ECL model envisaged by IFRS 9 is the result of a complex process of estimates that includes numerous subjective variables regarding the criteria used to identify a significant increase in credit risk, for the purpose of allocating financial assets to the stages provided for in the Standard; it also involves defining models for measuring expected losses, with the use of assumptions and parameters, which take into account current and future (or "forward-looking") macroeconomic and environmental information (physical and transition risks) including, for non-performing exposures, possible sale scenarios where the Bank's strategy envisages recovery of the loans by selling them.

In accordance with the instructions contained in the standard, the impairment model adopted by the BPER Banca Group is based on the concept of "forward-looking" evaluation, i.e. on the concept of expected loss, whether calculated for the next 12 months (Stage 1) or for the residual life of the instrument (Stage 2 and Stage 3), based on the concept of a Significant Increase in Credit Risk (SICR) with respect to the date of origin of the instrument. According to the Expected Credit Loss model, the losses must be recorded not only on the basis of objective evidence of impairment losses already manifest as of the reporting date, but also on the basis of the expectation of future losses in value not yet manifest as of the reporting date, and must reflect:
- the probability of occurrence of the various system scenarios;
- the discounting effect using the effective interest rate;
- historical experiences and current and future assessments.

119 As required by document No. 2 issued with joint signature by the Bank of Italy, CONSOB and ISVAP (now IVASS) on 6 February 2009.

To this end, the BPER Banca Group has adopted a model for calculating the expected lifetime loss of the financial instrument, applied to instruments classified in Stage 2, which takes into consideration the following multi-period parameters:

$$LtEL_t = \sum_{t=1}^{T} PDF_t \times LGD_t \times EaD_t \times D_t$$

where:
- PDF_t is the Probability of Default Forward between 1 and t,
- LGD_t is the Loss Given Default at a forward default event between 1 and t,
- EaD_t is the Exposure at Default at time t,
- D_t is the discounting factor for the expected loss at time t, up to the current reporting date, determined using the effective interest rate,
- T is the contract maturity date.

The calculation parameters contained in the Lifetime Expected Loss formula, as they are multi-period, they evolve over time, or in the time frame coinciding with the expected life of the exposure that must be evaluated. In particular, the criteria adopted by the BPER Group envisage that:
- the EaD evolves in accordance with the amortisation plans, if they exist, and with the contractual repayment plans in general, possibly amended by "behavioural" hypotheses (e.g. loans with pre-payment options);
- the PD and LGD parameters evolve as a result of the changes in the credit quality observed over time and represented, as for PD, by the transition or migration matrices (e.g. migrations between rating classes).

The calculation of the expected 12-month loss (applied to instruments classified in Stage 1) can therefore be considered as the sum of expected multi-period losses for the first prospective year, or less if the deadline is within 12 months, of the Lifetime Expected Loss:

$$EL = EaD \times LGD \times PD \times D$$

where:
- EaD is Exposure at Default,
- LGD is the Loss Given Default,
- PD is the 12-month Probability of Default,
- D is the discounting factor for the expected loss, discounted for 12 months from the first period subsequent to the reporting date.

Lastly, for loans already classified in Stage 3 whose amount is lower than the threshold set in the Group's internal regulations for analytical assessment, a statistical write-down is applied using the following formula:

$$LtEL_t = EaD \times LGD$$

where:
- EaD is Exposure at Default,
- LGD is the loss resulting from a default event, which can differ according to the administrative status at the calculation date.

For the purposes of a homogeneous application of the impairment model described to the financial asset portfolios of the BPER Group, the same methods of calculating the value adjustments described above are applied, in addition to the on- and off-balance sheet scope of the loans, also to the portfolio of debt securities. With regard to the latter portfolio, it should be noted that, where the risk information deriving from internal models (PD and LGD) is missing, external information from qualified info providers was used.

The Expected Credit Loss (ECL) model adopted by the BPER Banca Group is based on the use of risk parameters estimated for regulatory purposes (disclosure of which is given in the relevant internal regulations and in Part E of the Explanatory Notes, to which reference should be made), appropriately amended to guarantee full consistency with the requirements of IFRS 9. The main changes concerned the following aspects:
- introduction of "point-in-time" elements in the regulatory parameters estimated according to "through-the-cycle" logic;
- implementation of components based on forecast information (scenario analysis);
- extension of the time horizon (multi-year) of the credit risk parameters.

Estimate of the PD parameter

The Probability of Default (PD) represents the probability that the individual debtor (or pool of debtors) will go into default.

The introduction of a Lifetime Expected Loss model implies the need to estimate the probability of default not only in the twelve months following the reporting date, but also in subsequent years.

For this purpose, multi-year PD dynamics accumulated by rating class were defined for each model of the internal rating system based on the product among the matrices of Point-In-Time (PIT) migrations conditioned to the expected economic cycle in the first three years and among the matrices of Through-The-Cycle (TTC) migrations conditioned to the "Current Policy" climate scenario from the fourth year onwards.

More specifically, the cumulative PD curves are determined, for the first three years from the reporting date, by multiplying future PIT matrices derived from the conditioning of PIT matrices, according to the application of satellite models, to different weighted macroeconomic scenarios with the relative probabilities of occurrence. From the fourth year onwards, climate elements are also introduced through the introduction of the "Current Policy" climate scenario, which envisaged an inertial behaviour of the economic system with respect to the energy transition and a temperature rise well above the limits agreed in Paris. Due to its characteristics, the scenario adopted is the most conservative of those available from the infoprovider. Consequently, the TTC ESG matrices obtained by conditioning the long-term TTC matrices (obtained as an average of the historical PIT migration matrices) to the "Current Policy" scenario according to the application of the same satellite models applied in the first three years are used.

The ordinary "satellite models", used to link risk parameters to the evolution of macroeconomic variables, have been supplemented by some elements aimed at intercepting emerging risks which, if activated, generate more conservative default rate forecasts. The currently active models include:

- "trend" adjustment, which is an econometric mechanism to reduce the sharp decline in default rates in recent years so that the long-term component of the time series is given more weight in forecasts;
- sectoral adjustments resulting from the application of the framework for the identification of vulnerable sectors (only on the SME Corporate and Large Corporate segments), aimed at identifying the geo-sectoral clusters most sensitive to the contingent macroeconomic context, so as to be able to activate the appropriate risk control mechanisms. To take account of the vulnerabilities, adjustments are expected to be made to the IFRS9 PD marginal curves for geo-sectoral clusters identified as vulnerable[120].

Estimate of the LGD parameter

Loss Given Default (LGD) is the percentage of loss incurred by the Bank in the event of a debtor default.

The need to implement a long-term approach, also through the inclusion of "forward looking" factors has involved the removal of the corrective components required for regulatory purposes ("downturn", indirect costs and margins of conservatism) and conditioning to the expected economic cycle to obtain point-in-time and forward-looking parameters by using satellite models. In particular, the conditioned components requiring specific satellite models include the probability of migration to bad loan status and the loss given default of bad loans.

Moreover, with the aim of bringing forward also to the accounting area the effects of the remediation plan of the recent inspection on internal models, the BPER Banca Group provided for the extension of the 'ECB limitation' (increase of the LGD AIRB parameter used for performing exposures equal to 20%) also to the LGD IFRS9 parameter[121].

Estimate of the EAD parameter

Exposure At Default (EAD) is the expected exposure value in the event of a counterparty default. EAD is one of the factors required for the entire credit risk measurement process and its quantification is required not only for Basel II purposes and the calculation of the RWA IRB, but also for accounting purposes in order to determine collective provisions in accordance with the International Financial Reporting Standard IFRS 9.

The concept of exposure (EAD) considered in the various future payment moments foreseen in the amortisation plan is based on the residual debt, increased by any unpaid or overdue instalments.

With reference to off-balance sheet exposures (guarantees and margins), EAD is determined by applying a credit conversion factor (CCF) to the nominal value of the exposure.

120 The framework for the identification of vulnerable sectors and the relative correction measure have been implemented, to an extent limited to the SME Corporate and Large Corporate segments, but with the prospect of an extension to other segments in the fully operational solutions.

121 The extension of the "ECB limitation" to the LGD parameter used to estimate ECL IFRS 9 has taken place starting from 31 March 2024. At steady state, this correction is expected to be absorbed into the additional update of the AIRB model, as required by the ECB to the Bank.

Multi-scenario approaches used for estimating ECL:

a) Macroeconomic scenarios and forward-looking factors

As required by IFRS 9, the BPER Banca Group's impairment model is reflected in the risk parameters used to calculate the ECL (and the stage assignment explained below):

- current conditions in the economic cycle (Point-in-Time risk measures);
- forward-looking information about risks, considering the dynamics of the (external) macroeconomic factors that affect the lifetime expected loss;
- the probability that three possible scenarios might occur (Probability weighted).

Therefore, all the risk parameters (with the exception of Exposure At Default, for which the econometric conditioning model was not applied due to the volatility of the parameter, in favour of stability) are conditioned by macroeconomic scenarios.

With reference to the multiple prospective scenarios similar to those used to estimate the ECL, the BPER Banca Group has decided to use the same scenarios used by the Bank's main processes such as Planning and Budget, Risk Appetite Framework (RAF) and Lending Policies, limiting the forward-looking time horizon to a maximum of 3 years following the date of each assessment[122],

b) Application of the disposal scenario for non-performing loans

Paragraph B5.5.41 of IFRS 9 states that the purpose of estimating expected credit losses is neither to estimate the worst-case scenario nor to estimate the best-case scenario. Instead, an estimate of expected credit losses must always reflect the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the most likely outcome is no credit loss. As described in the ITG "Inclusion of cash flows expected from the sale on default of loans" from the staff of the IFRS Foundation and in the "Guidelines for banks on non-performing loans (NPL)" published by the ECB in March 2017 to encourage their pro-active management, the BPER Banca Group has included forward-looking factors in the assessment of non-performing loans (classified in particular as bad and UTP loans) by forecasting recoveries on a multi-scenario basis. More specifically, in line with the current processes of recovery of non-performing assets, which envisage their realisation also through sale on the market, the impairment model has integrated a sale scenario (so-called "Disposal Scenario), in line with what is defined in the Group's NPE Strategy plans for the management and reduction of the non-performing portfolio, as a possible method of recovering exposures, as an alternative to internal recovery ("Workout Scenario").

When envisaged and possible, loans classified in Stage 3 are therefore measured by weighting their estimated realisable value determined under the two possible scenarios ("workout" and "disposal") by applying a probability of occurrence to each. To this end, the BPER Banca Group has adopted a model for calculating the multi-scenario net value of impaired financial assets, which considers the following parameters:

$$NBV_{Multiscenario} = \mathit{FMV} \times \mathit{Disposal\ Scenario}\ \% + NBV_{Workout} \times (1 - \mathit{Disposal\ Scenario}\ \%)$$

where:

- FMV is the best estimate of the "disposal" price;
- $NBV_{Workout}$ is the net book value of the loan according to internal management logic ("workout");
- Disposal Scenario % is the probability of occurrence of the disposal scenario;
- (1 – Disposal Scenario %) is the probability of occurrence of the workout scenario.

This methodology for measuring Stage 3 exposures provides the best representation of possible recoveries to be achieved, on the one hand,via routine internal management procedures and, on the other, market disposals in implementation of the specific strategies (NPE Strategy) that the Group has committed to achieving towards the Financial Community.

The measurement process therefore retains unchanged the methodology for identifying recoverable value under the workout scenario, but is supplemented by an assessment based on market parameters under the disposal scenario. The two measurement processes are carried out in parallel and their results are summarised by determining a weighted average based on the relative probabilities of occurrence.

122 As at 31 March 2024, an updated criterion to assign the probability of occurrence of macroeconomic scenarios was implemented as part of the Expected Credit Loss estimate, which involved the assignment of a more robust weight to alternative scenarios (adverse and favourable) compared to the weight given to base scenarios. Also to prepare this Consolidated Financial Report, the Management overlay was applied, which consists in the 'expert' attribution of the probability of occurrence of the macroeconomic scenarios considered, de facto overwriting the effects of this model update.

The resulting impairment model requires the parameters used for both the workout scenario and the disposal scenario to be updated constantly. Specifically with regard to the first scenario, the internal assessment of the recoverability of the exposure is revised constantly, based on the rescheduling/recovery strategies/actions implemented by the workout managers both in relation to the results of the statistical model applied to exposures of a unit amount below the identified materiality threshold; with reference to the second scenario, the FMV is updated regularly (every quarter) with reference to the information available about disposal conditions until the selling prices are matched by a "welcome" binding offer from a potential purchaser (probability of disposal close to 100%). The best estimate of the disposal price of the individual positions is determined by considering, where available, the potential market value of the portfolio concerned and, where unavailable, the likely disposal value of each position under a mark-to-model approach.

The probability of disposal is determined by taking into account the expected timing of the disposal, the type of transaction contemplated and the characteristics (also in terms of expected classification at the time of disposal) of the exposures identified for disposal.

The probabilities associated with the workout and disposal scenarios for each position are not fixed over time, but in turn are subject to amendments and changes due, principally, to conditions in the NPE market and cumulative achievement of the objectives established in the current Group NPE Strategy. Dynamic management of the Group's non-performing portfolio in fact requires the addition of new positions and the exclusion of others initially identified for disposal, depending on the interest of operators in the NPE market and the internal assessments carried out by Group management; these circumstances must be recognised as entirely physiological and unavoidable in such a dynamic context, with accounting consequences in terms of loan impairment losses and write-backs.

Notably, during the time dedicated to the selection of disposal opportunities and completion of the operation, the positions concerned are still managed in accordance with the normal workout procedures that, understandably, often result in resolution of the problem before the positions are actually sold. It follows that the ideal disposal perimeter identified originally must be updated constantly, in terms of quality, quantity and provisions, to keep it aligned with the objectives established in the NPE Strategy.

Criteria for the classification of financial instruments in Stages

The Stage Assignment Framework adopted by the BPER Banca Group establishes the requirements for classifying financial instruments with reference to the actual "deterioration" of credit risk, consistent with the requirements of IFRS 9, applying an approach that is consistent among the various portfolios and within the Banking Group. This classification in stages of increasing risk is determined using all the significant information contained in Group processes, as supported where applicable by updates and the credit monitoring processes.

Specifically, financial assets are classified into three stages of risk, each of which applies a different method to calculate the related impairment adjustments, while consistently applying the "Expected Loss" or "Expected Credit Losses" (ECL) concept:
- Stage 1: includes all performing loans (originated or acquired) for which there is no "significant increase in credit risk" (SICR) since initial recognition; impairments are equal to the expected losses that could occur if a default occurs in the next 12 months (12-month ECL);
- Stage 2: comprises all performing loans with a "SICR" since initial recognition; the impairment adjustments reflect the expected losses that might arise on default at any time in the life of the financial instrument (lifetime ECL);
- Stage 3: comprises all accounts in default at the reporting date, the impairment adjustments for which consider the lifetime ECL.

In particular, regarding the classification of loans in Stage 2, it is essential to identify correctly the SICR criteria used in the stage assignment process. For this purpose, the BPER Banca Group has structured a framework designed to identify the increase in credit risk before the credit lines granted show clear signs of impending default.

While the distinction between performing and non-performing is made at counterparty level, classification into stages of risk is carried out at account level. In order to distinguish loans within the performing portfolio that do not show SICR (Stage 1) from those that do (Stage 2), the BPER Banca Group has decided to use all the following available significant factors as criteria for the analysis of credit quality:
- relative quantitative criteria, reflected in the internal thresholds of change between the PD identified on originating the contractual relationship and the PD at the measurement date, that identify a significant increase in credit risk if exceeded. In this context, a framework is in use to identify the changes in PD, which makes reference to the Lifetime PD curves, containing forward-looking information derived from the application of the reference macroeconomic scenario in the first three years and information derived from the application of the "Current Policy" climate scenario from the fourth year onwards. The SICR thresholds, with the quantitative criterion being triggered if breached, are differentiated by counterparty risk segment, residual maturity cluster of the financial instrument and rating class at origination. From 30 September 2024, a "multi-scenario" lifetime PD delta[123] was used, which is then compared with the estimated SICR thresholds.

123 The "multi-scenario" lifetime PD delta is calculated as the weighted average of the stand-alone lifetime PD deltas calculated under different types of scenario

The table below offers a summary view of the granularity of definition of the relevant "lifetime PD delta" thresholds for SICR, i.e. the internal thresholds of change between the PD identified on originating the contractual relationship and the PD at the measurement date and used by the Group:

Rating class at origination	PD Model segment IFRS9	Residual maturity cluster
From 1 to 9 years	Large Corporate	<= 2 years
		<= 5 years
		> 5 years
	Holding	<= 3 years
		<= 8 years
		> 8 years
From 1 to 13 years	SMEs Corporate	<= 16 years
		> 16 years
	Real Estate - Multi-annual SMEs Centre South Islands	<= 2 years
		<= 5 years
		<= 10 years
		> 10 years
	Real Estate - Multi-annual SMEs North	<= 5 years
		<= 9 years
		<= 10 years
		> 10 years
	Retail SMEs - Centre South Islands	<= 3 years
		<= 4 years
		<= 5 years
		<= 9 years
		> 9 years
	Retail SMEs - North	<= 4 years
		<= 8 years
		<= 13 years
		> 13 years
	Private individuals - Centre South Islands	<= 3 years
		<= 4 years
		<= 5 years
		<= 7 years
		<= 16 years
		> 16 years
	Private individuals - North	<= 3 years
		<= 4 years
		<= 5 years
		<= 6 years
		<= 7 years
		<= 13 years
		<= 16 years
		> 16 years
	Small Business Operators	<= 5 years
		> 5 years
	Financial corporations	<= 5 years
		> 5 years

and using as weights the probabilities of occurrence assigned to each scenario (favourable, baseline and adverse).

- absolute qualitative criteria that, via the identification of a risk threshold, identify the transactions to be classified in Stage 2 based on the specific risk information available. This category includes the adverse events impacting credit risk that are identified by the Early Warning credit performance monitoring system ("watchlist"). In order to avoid overlapping, some qualitative counterparty information has not been included among the staging criteria, as it is already considered in the rating models;
- backstop indicators, including:
  - the presence of exposures with a significant past due balance for more than 30 days;
  - the presence of a regulatory probation period of 24 months for forbearance measures;
  - the absence of a rating or the presence of a default status at the credit origination date.
  - the presence of exposures with a rating class at the reporting date that is considered "high risk";
  - the presence of a threefold increase in PD lifetime at the reporting date compared to PD lifetime at origin ("Threefold increase").

For a homogeneous application of the impairment model between portfolios of the BPER Banca Group, the classification criteria in stages for the portfolio of debt securities were taken, where possible, from the staging logic applied to the loan portfolio. Specifically, the BPER Banca Group has defined a staging model for debt securities based on the following criteria:
- management of an "inventory" of debit securities for staging purposes, applying the FIFO method to relieve sold tranches from the portfolio;
- model for identifying significant increases in credit risk, in order to classify debt securities in Stage 1 or Stage 2, based on the following criteria:
  - primary use of the internal rating model and, if unavailable, reference to an external rating agency;
  - determination of the rating downgrade threshold based on a comparison of rating classes at origination with rating classes at the measurement date (notching between rating classes);
- classification in Stage 3 of all debt securities in default at the reporting date, applying the definition of default contained in the ISDA document entitled "Credit Derivatives Definition" of 2003.

The standard also envisages the possible use of a practical expedient, intended to reduce the implementation burden for transactions that, at the measurement date, have a low credit risk and can be classified in Stage 1 without first carrying out the SICR test. The standard considers an asset to have a low credit risk if the debtor is well able to meet the short-term cash flow requirements deriving from its contractual obligations and adverse changes in the long-term economic situation might reduce that ability, but not necessarily.

The BPER Banca Group has however decided not to adopt this practical expedient.

Should the conditions giving rise to the SICR cease to apply at a subsequent measurement date, the financial instrument is once again measured with reference to the 12-month ECL, which might result in a write-back to the income statement.

It should be noted, however, that in the event of reclassification of a loan from non-performing (Stage 3) to performing, the BPER Banca Group does not deem necessary a forced classification in Stage 2 with the application of a Lifetime ECL, since no probation period has been set for the return from Stage 3 to Stage 1. In this case, the stage assignment approach mentioned previously will be valid. In line with this approach and with the regulatory requirements, also in the event of a return from Stage 2 to Stage 1, probation periods are not envisaged as the combination of the various SICR rules implemented already permits an adequate level of prudence in the case of a return to Stage 1.

The only exception to this concerns the application of the regulations on "forborne exposures", for which the Group expects that the official rating valid on the day the forborne attribute is activated may not be changed before twelve months have elapsed.

Lastly, to replace the overlay dedicated to the extreme flood event that hit the Emilia-Romagna Region, as part of the correct quantification of emerging risk factors, and therefore of the impact on the Expected Credit Loss, a Collective Staging Assessment of specific clusters of the portfolio is envisaged to maximise available and relevant information, with appropriate modification of the Stage 2 classification of the positions falling into these clusters through the implementation of a 'Collective Staging Assessment', in the event that emerging risk factors cannot be adequately intercepted on individual counterparties by the risk models for the evaluation of the Significant Increase of Credit Risk (SICR).

Risks and uncertainties inherent in the current macroeconomic environment - Management Overlays applied in the assessment of credit risk

The general and sectoral macroeconomic scenario is still subject to considerable uncertainty caused by the geopolitical tensions that have spread to the Middle East following the outbreak of the Russia-Ukraine conflict and the international sanctions that followed; there is also a growing international awareness of climate risk and the measures being taken to address it.

Said elevated uncertainty prompts the BPER Group to continuously control and monitor, in particular, credit risk and the related balance sheet assessments.

In this regard, there continue to be methods of intervention on the credit risk measurement and forecasting systems, which are updated on the basis of the the prevailing context to avoid being excessively pro-cyclical in the definition of collective provisions, as indicated by the Regulators (among others, especially ESMA and the ECB).

An explanation is provided below of the method of application of the Management Overlays as 'correction factors' applied to the ECL, already introduced in the previous paragraph "Uncertainties in the use of estimates", including:

- the "expert" attribution of the probability of occurrence of the macroeconomic scenarios considered by the model (so-called "multi-scenario") of ECL, in particular by intervening on the choice of the adverse scenario considered (so-called "extreme adverse" scenario as the most pessimistic macroeconomic scenario, formulated by the provider used by BPER Banca and customised by the Parent Company according to the guidelines of its Market Study and Research and Innovation office), and increasing the relative probability of occurrence to 50%. The probability of occurrence of the "baseline" scenario was also set at 50%, leading to the absence of impact of the remaining "best" scenario - probability of occurrence equal to 0%;
- the application of a prudential correction factor to the ECL, downstream of the model's results, which pays special attention to the "high-risk" economic sectors, in order to take account of the probability of the customer encountering financial difficulties, also considering fears of negative effects on the economy stemming from the potential exacerbation of energy costs and raw materials due to the outbreak of crisis in the Middle East, as well as the ongoing conflict between Russia and Ukraine. Similarly, the adjusting provisions of direct exposures to banks resident in Russia were booked to the same overlay. Following the introduction of the new framework for the identification and the management of vulnerable sectors which acts on the performing loan portfolio, this correction factor was removed from the performing component (Stage 1 and 2) of the SME Corporate and Large Corporate segments, but was maintained for the non-performing component (Stage 3).

Lastly, with respect to the Stage 2 classification as proposed by the Group's analytical staging model, the BPER Banca Group applies a corrective 'Collective staging assessment' to resident customers or to businesses operating in the provinces most affected by the weather event of May 2023 in Emilia-Romagna in order to take into account the possibility that such entities may experience financial difficulties.

B. Purchased or Originated Credit Impaired (POCI) financial assets

If a credit exposure (including those acquired through business combinations) classified at the time of initial recognition in the balance sheet item "Financial assets measured at fair value through other comprehensive income" or in item "Financial assets measured at amortised cost" becomes impaired, it is identified as "Purchased or Originated Credit Impaired - POCI".

By convention, POCI financial assets are classified in Stage 3 on initial recognition.

Should these assets become performing, following an improvement in the creditworthiness of the counterparty, they are reclassified to Stage 2.

They can never be classified in Stage 1, as the expected credit loss must always be calculated over the residual duration.

In addition to what was said above, the BPER Banca Group identifies as POCI financial assets any credit exposures originating from the restructuring of impaired exposures that resulted in the granting of significant new funds.

C. Intangible assets with an indefinite useful life

As regards testing goodwill for impairment, when preparing the Financial Report, the BPER Banca Group carries out specific impairment tests on an annual basis as required by the accounting standards, normally at 31 December of each year, unless there have been changes or there are completely new situations that are likely to have had a material impact on the carrying amounts of assets and on the assumptions used the previous time the assets were measured (particularly the assumptions used to calculate the discount rate (Ke) and profit forecast (budget and business plans) of the Companies or CGUs whose goodwill is to be tested, i.e. subsidiaries and associates).

Para. 9 of IAS 36 requires an assessment to be made on each accounting reference date about whether or not an asset may be impaired; in addition, paras. 12 to 14 of IAS 36 describe certain situations that might be evidence of impairment.

In the case of goodwill, the cash generating unit (CGU) to which it has been allocated is tested for impairment. Any reduction in the value of goodwill is based on the difference between the recoverable amount of the CGU and its carrying amount if the latter is higher, up to the amount of goodwill on the books. The recoverable amount is the higher of the cash-generating unit's fair value, net of any selling costs, or its related value in use. The difference between the book value and the value in use is recognised in the income statement as "Net adjustments to intangible assets".

D. Equity investments

The Bank's equity investments are also subjected to impairment testing. In particular, the impairment test is carried out on an annual basis as required by the accounting standards, normally as at 31 December each year, unless there are changes or situations of discontinuity of particular importance with respect to the values and assumptions taken as a point of reference in the previous test; if specific impairment triggers are identified, the recoverable amount shall be determined, represented by the higher of the asset's fair value less costs of disposal and its value in use. These valuations are conducted in accordance with best market valuation practices (such as mainly income/financial valuation methods and, only residually, equity methods).

E. Property, plant, equipment and intangible assets with a finite useful life

Property, plant, equipment and intangible assets with a finite useful life, with the exception of properties held for investment purposes, are subjected to impairment testing if there is evidence that their carrying amounts may no longer be recoverable. The recoverable amount is determined with reference to the fair value of the property, plant and equipment or intangible asset, less costs of disposal, or to its value in use if this can be determined and exceeds fair value.

With regard to property, plant and equipment consisting in Property used in operations (IAS 16), paragraph 5 of IAS 36[124] applied by the BPER Banca Group leads to the conclusion that the only difference between an asset's fair value and its fair value less costs of disposal is the direct incremental costs attributable to the disposal of the asset. Two options are therefore possible:

- If the disposal costs are negligible, the recoverable amount of the revalued asset is necessarily close to its revalued amount. In this case, after the revaluation requirements have been applied, it is unlikely that the revalued asset is impaired;
- If the disposal costs are not negligible, the fair value less costs of disposal of the revalued asset is necessarily less than its fair value. Therefore, the revalued asset will be impaired.

If there is an indication that the remaining useful life of property may need to be significantly reviewed, this may be also be relevant for the recognition of an impairment.

In relation to the methods for determining the fair value, please refer to the following paragraph "Information on fair value".

As with property owned by the Bank, the right-of-use assets recognised in relation to leased buildings used in operations (IFRS 16) are also subjected to periodic impairment tests that consider their expected use (decisions to close branches and related contract amendments already carried out) and suitable market indications regarding the costs to be incurred in order to rent them out.

24. Business combinations: purchase price allocation

Introduction

The following description covers the general process required by IFRS 3 for the recognition of business combinations, being transactions or other events in which a company acquires control over one or more business activities and expects to consolidate the assets, liabilities and contingent liabilities acquired at their respective fair values, including any identifiable intangible assets not already recorded in the financial statements of the acquired business.

According to IFRS 3[125], a specific analysis to identify the characteristics of "Company's Business", has to be carried out with respect to the acquired entity, in order to identify a business combination to be accounted for according to the Acquisition Method.

The BPER Banca Group then proceeds with a qualitative analysis of the characteristics of the assets acquired in order to verify the simultaneous presence of i. Factors of production, ii. Processes, iii. Production as defined in IFRS 3, in particular with respect to the concept of Substantive Process.

124 Pursuant to para. 5 of IAS 36, impairment tests apply to assets that are recognised in accordance with other IFRSs, such as the revaluation model in IAS 16 (i.e. fair value at the date of the revaluation less any subsequent accumulated depreciation).

125 The amendments made to IFRS 3 with Commission Regulation (EU) 2020/551 have modified para. 3 and introduced paras. B7 - B12D, substantially revising the definition of "business" for the purpose of identifying transactions that can be classified as "business combinations".

Subsequently, on the basis of the Acquisition Method and on the date of acquisition of control, the Group allocates the price of the combination (Purchase Price Allocation - PPA) by recognising the assets acquired, liabilities assumed (including contingent liabilities) and minority interests to the related fair value, in addition to identifying the implicit intangible assets previously not accounted for in the accounts of the acquiree. Any differences that emerge between the price paid for the acquisition (also measured at fair value and considering any "potential consideration") and the fair value (net of tax effect) of the assets and liabilities acquired are, if positive, recognised as goodwill in the balance sheet and, if negative, credited to the income statement as badwill (or "gain on a bargain purchase").

IFRS 3 allows for the final allocation of the cost of the business combination to be made within twelve months of the acquisition date.

Fair value of purchased assets and liabilities

When accounting for a business combination, the Bank determines the fair value of the assets, liabilities and contingent liabilities purchased. Such amount is only identified separately if, at the acquisition date, the following criteria are met:
- in the case of assets other than intangible assets, it is likely that the purchaser will obtain any future economic benefits;
- in the case of liabilities other than contingent liabilities, it is likely that their settlement will require the use of resources capable of producing economic benefits;
- in the case of an intangible asset (IAS 38) or a contingent liability (IAS 37), the related fair value can be measured in a reliable manner.

Financial assets and liabilities must be measured at their fair value on the date of the business combination, even if they are measured using other criteria in the financial statements of the acquired company. The fair value of financial instruments not listed in active markets is determined in the manner described in chapter "Information on fair value", applying the internal measurement model that is most appropriate for the instrument concerned.

Identification of intangible assets

Depending on the characteristics of the business acquired, an analysis is performed to identify any unrecorded assets that should be recognised separately, for example customer-related intangibles or client relationship, and marketing-related intangibles (brand name).

Customer-related intangible assets: these are recognised as intangible assets when they are separable and can be measured reliably, even though they may not always derive from contractual rights such as marketing-related intangibles.

This category includes:
- client lists: these comprise all the information held about clients (database containing: names, addresses, transaction history, demographic information etc.) that has a recognised market value, on condition that it can be rented or exchanged; such information cannot be treated as an intangible asset if it is considered so confidential that the combination agreement forbids its sale, rental or exchange in other forms;
- contracts with clients and the client relationships established as a consequence: contracts with clients satisfy the contractual/ legal requirement for the recognition of an intangible asset, even if the combination contract forbids their sale or transfer separately from the business acquired; this category also includes long-established contacts with clients, even if there is no formal contract, and all other non-contractual relationships that can be separated and measured on their own;
- non-contractual relations with clients: this category includes all intangible assets that, being separable and transferable independently of the business acquired, may be valued individually and recognised as intangibles.

Marketing-related intangible assets: trademarks, commercial names, service brands, collective names and quality marks that derive from contractual rights or which are usually separable. Such assets reflect the collection of productive conditions that are economically correlated with the commercial name, the relationship with the market, and the reach of distribution.

An intangible asset must be measured initially at cost. If acquired as part of a business combination, its cost is its fair value at the time control is obtained.

Fair value, in this context, reflects market expectations about the likelihood that the owner will obtain the future economic benefits deriving from the asset. The entity must assess the probability of obtaining future economic benefits using reasonable and justifiable assumptions that reflect Management's best estimate of the economic conditions that will apply over the useful life of the asset.

The accounting standards do not specify the methodology to be used to measure the fair value of such assets but, among the possible alternatives, preference is given to those making reference to observable market prices. Failing this, the accounting standards allow the use of valuation models that include assumptions which are generally used and recognised by the market.

The fair value of customer-related intangible assets is determined by discounting the profit flows generated by deposits over the expected residual period of the relationships outstanding at the time of acquisition.

In general, brands are valued using market methods as well as methods based on the flows deriving from their management or a royalty recognised by the market.

Determination of Goodwill (Gain on a bargain purchase or "Badwill")

Goodwill represents the unallocated amount of purchase cost, being the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired (including those intangibles and contingent liabilities that satisfy the requirements for recognition in the financial statements).

This represents the consideration recognised by the purchaser in exchange for the future economic benefits deriving from assets that cannot be identified individually and recognised separately. In substance, this includes the value of the expected synergies, the corporate image of the company acquired, its know how, its professionalism, its procedures and other non-specific factors.

The goodwill acquired as a result of a business combination is not amortised. The BPER Banca Group verifies each year, or at the end of the period in which a business combination was carried out and whenever there is evidence of possible impairment, that the recorded value of goodwill has not been impaired (impairment test).

If the residual amount allocated to the purchase value is negative, it is recognised as a benefit in the income statement under item "*Gain on a bargain purchase*".

Business combinations among entities under common control

A business combination involving entities or businesses under common control ("Business combination under common control") is a business combination in which all of the entities or businesses are ultimately controlled by the same party or parties both before and after the combination and such control is not transitory[126],

This type of transaction[127] is excluded from the scope of IFRS 3[128].

In the event that such transactions occur, the BPER Banca Group defines their accounting treatment in accordance with Assirevi preliminary guidelines on IFRS (OPI) No. 1 "Accounting treatment of "business combinations under common control" in the Separate and Consolidated Financial Report and No. 2 "Accounting treatment of mergers in the Separate Financial Report".

With particular reference to transactions that do not have economic substance (or that do not have a significant influence on the future cash flows of the net assets transferred), the BPER Banca Group applies the "Principle of continuity of values", which results in the recognition in the statement of financial position of values equal to those that would have resulted if the combined companies had always been combined[129].

126 IFRS 3 § B1:

127 Except for own mergers.

128 IFRS 3 § 2(c).

129 The net assets of the entity acquired and of the acquiring entity are recorded at the book values that they had in their respective accounts before the transaction. Subsequent accounting entries continue by carrying forward the values used for the previous entry. The income statement is the sum of the income statements of the two integrated entities as of the date of the transaction. Adjustments are made to standardise the application of accounting policies and to eliminate intercompany items.

A.3 – INFORMATION ON TRANSFERS OF FINANCIAL ASSETS BETWEEN PORTFOLIOS

No financial assets were reclassified during the year.

A.4 – INFORMATION ON FAIR VALUE

Qualitative Information

Techniques for the determination of fair value

Paragraph 9 of IFRS 13 defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

When determining whether the fair value at initial recognition equals the transaction price, it is necessary to take into account factors specific to the transaction and to the asset and liability. It follows that, if the transaction price (consideration) differs from fair value, the difference should be recognised in the income statement.

It is also established that fair value excludes transaction costs.

In addition to the measurement of stand-alone financial instruments at fair value, the Group may also measure groups of similar assets and liabilities at fair value, where it is permitted to do so.

Measurement at fair value assumes that the transaction to sell an asset or transfer a liability takes place in a principal market, defined as the market with the greatest volume and level of trading for the asset or liability to be measured. In the absence of a principal market, reference should be made to the most advantageous market, which is the market that maximises the amount that would be received to sell an asset or minimises the amount that would be paid to transfer a liability, after taking into account transaction costs.

Identification of active markets

The process for measurement of fair value starts with determining whether there is an active market with regularly available quoted prices.

In order to consider a market as active, the Group takes account of the following factors:
- number of participants;
- frequency of price quotation or price update;
- the presence and size of a bid-ask spread;
- trading volume.

Whether a financial instrument qualifies as traded on an active market can only be determined through extensive research of all the existing markets in order to identify the principal or most advantageous market, taking into account "all information that is reasonably available" (IFRS 13 § 17). This needs to be done for each financial instrument for which the fair value has to be determined.

To determine whether, based on the information that is available, a market can be considered to be active, the Group (negatively) assesses the importance and relevance of factors that include the following:
- low level of recent trading activity;
- available prices are not current;
- available prices vary significantly over time or between market-makers;
- it can be demonstrated that indices that previously had a close correlation with the fair value of an asset or a liability no longer have this correlation based on recent indications of fair value of that asset or liability;
- the presence of a significant increase in the embedded risk premiums (or default rates) of the transactions being considered or in quoted prices;
- the presence of a wide bid-ask spread or of a significant increase in it;
- a significant decline in the level of trading activity;
- a lack of publicly available information.

If compliance with the necessary requirements is verified periodically, a financial instrument can be considered to be traded on one or more active markets. Within the possible markets, a search is undertaken to identify the principal market or, in the absence of a principal market, the most advantageous market.

Fair value is determined with reference to:
- the closing bid price for assets held or liabilities to be issued;
- the closing ask price for liabilities already issued or assets to be purchased.

Closing bid and ask prices are the bid and ask prices referred to by the entity that regulates the market on which an instrument is traded.

In the absence of reference bid and ask prices, the last price set by the entity which regulates the market could be taken, provided that this price has the following features: advertising, liquidity, prompt adaptation to changing conditions and availability as envisaged by the standards.

For assets and liabilities with offsetting positions in market risks, the average of the bid and ask price can be used, provided that this is commonly used by market participants and is consistent with the objective of measuring fair value in accordance with IFRS 13.

In the case of open-ended mutual funds, the BPER Banca Group considers the Net Asset Value (NAV) as the best expression of the fair value of the instrument. No adjustments are made to the NAV to take into account the interval between the date redemption is requested and the actual redemption date (considered insignificant).

In the case of listed closed-end funds, the fair value is derived from the market quotation.

With regard to foreign shares, if these are listed on regulated stock exchanges, then they are considered to be traded in an active market. The price provided for this type of share, if the bid-ask spread is not available, is the last price. On the contrary, equity trading in OTC markets is not considered to take place in an active market.

Listed derivatives are measured using the last prices supplied by the clearing house.

Financial instruments listed on non-active markets are considered as “unlisted” instruments.

With regard to bonds not listed on regulated markets, in view of the role played by the Bank in the institutional market for financial instruments, the Bloomberg Professional system has been identified as an active market for front office operations, if the prices recorded therein have the appropriate features mentioned above.

Identification of the fair value of financial instruments not listed on active markets

If the market for a financial instrument does not meet the conditions required to qualify as an active market, the fair value of the instrument is determined through the use of valuation techniques.

Valuation techniques indicated by international accounting standards are:
- market approach: this uses prices and other relevant information generated by market transactions involving comparable assets;
- cost approach: this reflects the amount that would be required currently to replace the service capacity of an asset (“current replacement cost”);
- income approach: this converts future cash flows or income and expenses to a single current amount.

For BPER Banca Group purposes, the following valuation techniques are valid:
- market approach for identical or comparable assets and liabilities;
- use of matrix pricing;
- present value techniques;
- option pricing models;
- the multi-period excess earnings method.

These techniques may be used if:
- they maximise the use of market data, while minimising the use of Group estimates and assumptions;
- they reasonably reflect how the market expects the price to be determined;
- the fair value measurement is determined on the basis of the value indicated by current market expectations and the risk and yield of the instrument being valued;
- they reflect the assumptions that market participants would use when pricing an asset or liability;

- they are consistent with commonly accepted methodologies;
- they are periodically subjected to verification and calibration to verify their capability to determine a fair value in line with actual trading prices for the instrument being valued.

In summary, the BPER Banca Group's preference is to adopt a market approach for the determination of fair value, even if an active market does not exist. Only in the event that it is not possible to apply the above valuation techniques, quantitative valuation methods may be used.

It is apparent that regulations governing valuation techniques do not authorise a neutral and objective use of quantitative methods. However, their use should be understood to be the development by the Group of an internal process that matches the fair value measurement with a price at which an instrument could be exchanged in a market transaction at current conditions.

As part of this process, it would thus appear necessary to give priority to the use of recent transaction prices (prices on non-active markets, prices provided by third-party participants), or the prices of similar instruments. In this context, quantitative methods can provide a benchmark to supplement, or correct, any differences between the instrument being valued and that observed in the market, or to reflect the impact of changes in the economic environment on market transactions.

Valuation techniques used to measure fair value are applied consistently. A change in a valuation technique or its application is appropriate if the change results in a measurement that is equally or more representative of fair value in the circumstances. That might be the case if any of the following events take place:
- new markets develop;
- new information becomes available;
- information previously used is no longer available;
- valuation techniques improve;
- market conditions change.

A.4.1 Fair value Levels 2 and 3: valuation techniques and inputs used

Valuation techniques
Specific techniques are applied in relation to particular types of financial instrument, in order to correctly identify their characteristics.

Equity instruments
For all unlisted shares, the valuation methodologies set out above apply. Failing this, they are measured at cost.

For unlisted shares, other than equity investments, the methods used the most for fair value measurement fall into the following categories:
- discounted cash flow;
- the use of multiples.

These methods require the availability of a significant amount of data to estimate future cash flows generated by a company or to identify the correct market multiples. They use uncertain estimates of various parameters (cash flows, dividends, beta, risk premium, cost of capital, asset values, etc.), the measurement of which is subjective and which do not always reflect market conditions. This leads to a valuation of a distribution of theoretical fair values. Where it is not possible to reliably determine the fair value with the above methods, securities and instruments are measured at cost.

As an alternative to the valuation techniques above, the value of the share may be based on book value, computed as the ratio between equity and the number of issued ordinary shares.

Plain vanilla debt securities
With regard to plain vanilla debt securities, the valuation technique applied is discounted cash flow analysis. There are three steps:
- mapping of cash flows: recognition of the cash flows expected from the instrument and their distribution of the duration of the contract;
- selection of the discounting curve, having regard for the risk factors affecting the cash flows;
- calculation of the present value of the instrument at the measurement date.

Having identified the cash flows, the appropriate discounting curve is calculated using the discount rate adjustment approach, which takes account of both rate risk and credit/liquidity risk. This information is used to calculate the instrument's fair value, as the sum of the present values of its cash flows.

Structured debt securities

With regard to certificates issued by the Company, in the absence of observable prices in active markets, measurement is performed using valuation techniques based on a discounted cash flow model, capable of considering all factors deemed relevant by market participants in determining the price of a hypothetical transaction.

In particular, to determine its creditworthiness, the BPER Banca Group uses market prices, if available, or the spreads implicit in comparable issuances in active markets (Euro TLX).

The derivative components embedded in the instruments are valued using the most widely accepted derivative valuation techniques on the market, as described below.

Closed-end funds

In order to take into account certain specific problems of unlisted closed-end real estate funds, such as the underlying's lack of liquidity, the absence of a liquid market and the specificity of the underlying, the most up-to-date NAV available may be corrected by a difference that takes account of the various components deemed relevant to determine the cash flows that are expected from the disposal of the underlying assets (a.k.a. Liquidity Adjustment).

Private equity funds

Closed-end private equity funds are first measured at the NAV determined from time to time by the SGR concerned. In addition, the NAV determined using the principles envisaged by the Bank of Italy for the preparation of management reports is compared periodically with the NAV determined by calculating the fair market value of the initiatives underlying[130] the fund, in order to identify any differences that might be reflected immediately in market value, but not in the NAV calculated in the normal way. Should the market value of a fund turn out to be lower than the official NAV or should additional evidence become available compared to market valuation of the instruments in question, further analyses are required in order to correct the NAV and determine the fair value to be recognised in the financial statements.

Funds that specialise in managing NPLs

In order to take into consideration some specific problems of unlisted closed-end funds that invest in non-performing loans (NPLs), such as the fair value measurement of the underlying and the absence of a liquid market, the most up-to-date NAV available is used as input, together with the other market parameters generally used in measuring this type of asset at fair value (mainly the expected rate of return), in a model that is able to simulate the perspective of an operator in the NPL market, considering its limited liquidity.

Asset-Backed Securities (ABS)

With regard to the Asset-Backed Securities (ABS) held in the portfolio, the Group has defined specific measurement criteria that maximise the use of market information, applying the following hierarchy:
- "qualified" contributions (contribution approach);
- method based on market information (comparable approach);
- internal measurement model (waterfall).

Derivative instruments

The fair value of derivatives is determined using quantitative models that differ depending on the type of instrument concerned. In particular, a distinction is made between:
- Over-The-Counter (OTC) options represented by either stand-alone options or options embedded in complex financial instruments. Pricing techniques include:
  - options with pay-off that can be calculated precisely, priced using models generally accepted by the market (e.g. Black & Scholes and variants);
  - options with pay-off that cannot be calculated precisely, usually priced using simulation techniques (typically "Montecarlo" simulations);
- Interest Rate Swaps (IRS): the fair value of IRS is determined using net discounted cash flow analysis. In the case of a structured IRS, the instrument is decomposed into a plain component and an optional component ("building blocks"), so that their separate values can be determined and summed;

130 Fair market value included, for example, in the EVCA reports.

- Forward Outright contracts: the fair value measurement of FX Forward Outrights is given by the amount to be traded forward times the strike price, adjusted for the current difference between the spot exchange rate and the forward exchange rate.
- Credit default swaps (CDS): for the fair value measurement of CDS, the Standard ISDA model (v1) developed by Markit Group Ltd. is used
- Commodity Swap: the “net discounted cash flow analysis” technique is used for fair value measurement, applied to both fixed price flows (strike) and variable price flows;
- FX Swap: the “net discounted cash flow analysis” technique is used for FX Swap measurement, applied to the spot leg and the forward leg.
- Equity Swap: the “net discounted cash flow analysis” technique is used for fair value measurement, applied to the leg referring to the underlying stock and the fixed rate leg.

Tax credits classified in the trading portfolio

Depending on the characteristics of the assets in question, the fair value at initial recognition - which represents the total price paid to acquire the tax credit (including any additional charges) - incorporates the time value of money and the ability to use it within the relevant maturity period, thus incorporating elements of uncertainty related to the absence of an active market. At subsequent measurement dates, fair value is determined by discounting the future cash flows, as specified in the forward sale agreements entered into by the Group (dates and forward sale prices set), at current market risk-free rates, increased by the same risk/commercial spread determined at initial recognition (which is not expected to change significantly over time), so that only the change in the risk-free component that has occurred since the purchase date is recognised.

Forward currency transactions

These transactions are measured with reference to the forward rates at period end for maturities corresponding to those of the contracts to be priced.

Balance sheet items measured at amortised cost

For financial instruments measured at amortised cost, the fair value is determined for the sole purpose of providing appropriate information in the financial report.

The fair value of loans with a contractual duration of less than twelve months is estimated to be their book value; the fair value of other loans is obtained by discounting the contract cash flows, net of the expected losses determined with reference to the credit rating of the borrower, using the corresponding rate curve for their maturities.

Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA)

Current regulations state that the pricing of a derivative, in addition to being based on market factors, should also reflect the Credit risk of the counterparty determined by a Credit Valuation Adjustment (CVA) and a Debit Valuation Adjustment (DVA).

To assess the credit risk of the counterparty, the BPER Banca Group adopts the following methodology.

The term Credit Valuation Adjustment (CVA) refers to an adjustment in order to properly reflect the credit risk of the derivative counterparty made on the valuation of an OTC derivative (on positions with a positive fair value) transaction entered into by the Group with an external counterparty and may be considered to be the market value of a potential loss amount derived from changes in market prices, due to a worsening of the credit or default risk of the counterparty.

Conversely, the term Debit Valuation Adjustment (DVA) refers to an adjustment in order to properly reflect the Bank’s own default risk made on the valuation of an OTC derivative (on positions with a negative fair value) entered into by the Group with an external counterparty, i.e. the market value of a potential gain derived from changes in market prices, due to a worsening of the BPER Banca Group’s credit or default risk.

For the quantification of a CVA and a DVA, under certain conditions, IFRS 13 refers to a calculation that must be made by netting set or by counterparty and, thus, based on net exposure and not at individual contract level. In addition, it is necessary to consider whether any collateral has been provided or if there are any netting agreements.

BPER Banca Group currently makes use of bilateral agreements for the netting of derivative contracts, in accordance with which the reciprocal mark to market receivable and payable positions are offset automatically on a daily basis, leading to a single net balance, without any novation: this results in margin settlement being made solely by the net creditor. The foregoing has led to a considerable reduction in exposure to credit risk and, consequently, the impact of CVAs and DVAs on fair value.

In particular, for the BPER Banca Group, there are two factors that mitigate the impact of creditworthiness on fair value:
- the signing of ISDA (International Swap and Derivatives Association, the international standard of reference on OTC derivatives) agreements with major corporate counterparties and all institutional counterparties in OTC derivatives. Credit Support Annexes(CSA) were also concluded with institutional counterparties to regulate the pledging of collateral and further reduce the current exposure and resulting risk;
- the entry into force of the new platform on EMIR (European Market Infrastructure Regulation), with reference to the exclusion of derivatives stipulated on this platform/market from the scope of the CVA/DVA. On the basis of the assessments made, it is presumable that a large part of derivative transactions will be included in the new system as they are mainly composed of derivatives eligible for the purposes of the regulation.

IFRS 13 does not indicate a specific methodology for the calculation of CVAs and DVAs, but it requires the use of valuation techniques that, on the one hand, must be appropriate for the data available and, on the other hand, maximise the use of observable market data.

With reference to the above, in order to align with the best market practice, the Group decided to make use of use the bilateral CVA approach that considers the presence of two components to the calculation, with the aim of including the potential loss/gain arising from changes in the credit risk of the counterparty/Bank, but taking into account the joint probability of default by counterparties.

Market parameters

The following types of yield curve are used:
- “par swap” curves;
- bond curves derived from baskets of bonds;
- corporate curves by issuer, rating, and sector.

The following are derived from the “par swap” curves:
- zero coupon curves;
- forward rate curves;
- discount factor curves.

The zero coupon rate curves are obtained using the bootstrapping technique. These are used to extrapolate the discount factors used to determine the present value of the cash flows generated by the financial instruments to be priced. The forward rates are implicit in the zero coupon curve are determined with reference to the non-arbitrage theory.

The issuer curves are obtained by adding to the par swap rates the spreads that reflect the credit rating of the instrument’s issuer. These are used to price unlisted bonds.

The credit rating curve of the BPER Banca Group is obtained by creating a basket of its own issues and issues by banking issuers that have similar characteristics and ratings. This is used to price all issued bonds.

The prices thus obtained are applied daily to organised systems of trading for the bonds issued by the Group Banks (HI-MTF) that are reflected in the fair value valuation in the financial statements.

Volatility and other parameters

Volatilities and correlations are used principally to price unlisted derivatives. The volatilities are classified as follows:
- historical volatilities, estimated as the standard deviation of a time series of daily observations of the logarithm of the yields of the underlying concerned;
- contributed volatilities, obtained from information providers;
- implicit volatilities, obtained from the market prices of listed options.

With regard to the correlations, multi-variant derivatives are priced using historical correlations.

Methods and frequency of identifying the fair value of own properties

For the purpose of determining the fair value of its properties, the BPER Banca Group uses an independent external firm of expert appraisers.

The mandate given to this firm envisages the possible methods of estimating fair values, depending on the characteristics, intended use and potential of each property, with the most relevant ones including[131]:

- comparative method: the value of the property derives from a comparison with current market prices for comparable properties through an adjustment process that appreciates the peculiarities of the property being valued with respect to the characteristics of the comparable properties. Specifically, unit market values and lease payments are determined on the basis of surveys of the reference real estate market for each individual asset, using the “Asking Prices” and “Asking Rents” found for similar assets at the date of the estimate, appropriately adjusted to reflect the characteristics of the assets being measured. Data from past transactions was not used as the information available is limited and does not reflect the most recent macroeconomic/financial conditions.
- Discounted Cash Flow (DCF) method: the value of the property derives from discounting the cash flows expected from the lease agreements and/or from the proceeds of sales, net of costs pertaining to the property; the procedure applied to determine the discount rates and capitalisation (or return) rates used in the DCF model was the “BuildUp Approach” was applied, according to which spreads commensurate with the investment risk related to each individual asset are added to the “risk-free” financial yields (10-year BTPs and 10-year EURIRS) found at the date of the estimate. Additional risk-outs were also prudently considered for the rates of return. The rates of return thus obtained were also compared, where available, with data obtained from the real estate market of reference;
- transformation method: transformation value means the market value of the asset in the hypothesis of its transformation according to the use envisaged by the urban planning instruments. The transformation value is obtained by determining the final market value of the property after the transformation, after deducting the costs to be incurred to carry out the transformation, taking into account the element of risk related to the uncertainty of the timing of the intervention and the future trend of the property market.

Real estate valuations also take due account of “climate risk”, understood as the physical risk and transition risk to which the properties themselves are exposed, considering that: i. the parameters used for the valuations vary according to the geographical area in which the properties are located and the degree of exposure to extreme climatic events; ii. the valuations specifically implement certain certifications (e.g. “well”, “lead” or “breem”) on the individual property, while the Energy Performance Certificates - APE (Attestazioni di Prestazione Energetica) are already summarised in the valuation parameters used.

With regard to the frequency of evaluation updates, for properties held for investment purposes, for properties used in operations and for property inventories[132] the Group requests a “desktop” valuation every year from a firm of expert appraisers, according to which the fair value is determined on the basis of the average value of comparable properties, without requiring an on-site inspection. Only for properties (individual buildings) with a value greater than the materiality threshold internally defined or in the event of a significant difference in value compared with the previous year, the Bank periodically requests a “full” valuation from the appraisal firm, according to which the fair value is determined on the basis of all information relating to the property, also acquired through an on-site inspection.

A “full” valuation is also provided for in the event of unexpected and non-recurring events affecting specific properties, which could impact their value.

For the purposes of determining the fair value and useful life, the external appraiser takes into account any extraordinary maintenance costs (e.g. costs incurred for the expansion, modernisation or improvement of the structural elements of the property).

A.4.2 Measurement process and sensitivity

Financial assets and liabilities measured at fair value and classified in Level 3 of the fair value hierarchy mainly consist of:

- minority equity investments (unlisted equity instruments), often held in order to preserve local roots, or for the development of commercial relationships (measured at fair value mainly on the basis of equity methods);
- investments in Asset-Backed Securities (ABS) classified as “Financial assets measured at fair value through profit or loss - other financial assets mandatorily measured at fair value”[133];
- investments in closed-end real estate investment funds, classified as “Financial assets measured at fair value through profit or loss - other financial assets mandatorily measured at fair value” and acquired in exchange for real estate sales;
- investments in closed-end alternative investment funds, classified as “Financial assets measured at fair value through profit or loss - other financial assets mandatorily measured at fair value” and acquired in exchange for sales of UTP loan portfolios.

131 The specific characteristics of some assets could require different valuation methodologies from those indicated, whose application is shared by the specialised company with the competent functions of BPER Banca, once the consistency with the need to determine a fair value has been evaluated.

132 Construction sites in which an amount exceeding the internally defined materiality threshold is capitalised are subject to a “full” valuation.

133 For the sake of completeness, it should be noted that the portfolio contains ABS securities measured at amortised cost as they are part of the Hold To Collect (HTC) business model and with technical-financial characteristics such as to have passed the SPPI test required by IFRS 9. The fair value is also calculated for these instruments and provided for disclosure purposes only.

IFRS 13 requires that an analysis of the sensitivity of the fair value measurement to changes in unobservable inputs be provided for assets measured at fair value on a recurring basis and classified in Level 3 of the fair value hierarchy. The following analysis is provided for ABS instruments, Real Estate Funds and Non-Performing Loans Funds measured at fair value:

Financial asset/liability	Non-observable parameter	Change in parameter	Sensitivity (in thousands)	Change in parameter	Sensitivity (in thousands)
Investments in Asset Backed Securities	Credit Spread*	+50 bps	(2,451)	-50 b,p,	1,314
Investments in Real Estate Funds	Financial charges**	+50 bps	(403)	-50 b,p,	403
Investments in Non-Performing Loan Funds	Financial charges**	+50 bps	(1,631)	-50 b,p,	1,631

* Investments in Asset-Backed Securities: the unobservable parameter used to construct the sensitivity is the credit spread used in the construction of the rate used to discount future cash flows;

(**) Investments in Real Estate Funds: the unobservable parameters used in the construction of the sensitivity are those underlying the specific risk premium of the fund considered in the construction of the NAV adjustment component.

(***)Investments in Non-Performing Loan Funds : the unobservable parameter used to construct the sensitivity is the opportunity cost considered in the construction of the NAV adjustment component dedicated to the appreciation of the liquidity risk of the instruments.

For the other instruments held in the portfolio (derivatives and equity instruments, in particular), no quantitative sensitivity analysis of the fair value was carried out with respect to the change in unobservable inputs, as either the fair value was drawn from third-party sources without making any adjustment, or it is the result of a model whose inputs are specific to the entity being valued (for example, the company's equity figures) and for which it is not reasonably conceivable to provide alternative amounts.

A.4.3 Fair value hierarchy

The BPER Banca Group classifies its financial assets and liabilities by decreasing levels of fair value quality on the basis of the following principles:

- Fair value Level 1. Measurement is based on the price of the financial instrument concerned, being a quoted price in an active market.
- Fair value level 2. Measurement is not based on quoted prices in active markets for the financial instrument concerned, but on meaningful prices obtained from non-active markets or reliable info-providers, or on prices determined using an appropriate valuation technique largely based on observable market parameters, including credit spreads, derived from quotations of instruments that are substantially similar in terms of risk factors considered. The objective of the use of valuation techniques is to reaffirm the aim of obtaining a closing price at the valuation date from the point of view of a market participant that holds the financial instrument.
- Fair value level 3. Measurement is based on various inputs that include subjective parameters, that is, parameters whose value cannot be derived from quoted prices observable in active markets. Since the parameters are not observable directly in the market, it follows that the value is required to make estimates and assumptions.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorised within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The BPER Banca Group has set out:

- the analyses to be performed in the event of changes in valuation techniques used to measure fair value;
- the policy for determining when transfers between fair value hierarchy levels are deemed to have occurred and which is constantly adhered to.

As a general principle, to be allocated to Level 1 of the fair value hierarchy, if there is a quoted price in an active market for an asset or a liability, that price should be used without adjustment when measuring fair value. In fact, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

An allocation to Levels 2 and 3 depends on how the inputs used for the fair value measurement of an asset or liability are categorised within different levels of the fair value hierarchy: in those cases, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Assessing the significance of a particular input to the entire measurement requires judgement, taking into account factors specific to the asset or liability.

The availability of relevant inputs and their relative subjectivity might affect the selection of appropriate valuation techniques.

A.4.4 Other information

IFRS 13 requires an entity to "disclose information that helps users of an entity's financial statements to assess the following:
- • for assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements;
- for recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the period."

The BPER Banca Group has a procedure in place to:
- identify transfers between levels;
- analyse and document the reasons for such transfers;
- monitor and control the reliability of the fair value of financial instruments.

In particular, for assets and liabilities measured at fair value on a recurring and non-recurring basis, adequate disclosure is made of the following aspects:
- the fair value measurement at the end of the reporting period, and for non-recurring fair value measurements, the reasons for the measurement;
- the level of the fair value hierarchy within which the fair value measurements are categorised in their entirety (Level 1, 2 or 3);
- for assets and liabilities categorised within Level 2 or 3, a description of the valuation techniques and inputs used and the reasons for any changes in valuation techniques used.

The BPER Banca Group provides, for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis, the amounts of any transfers between Level 1 and Level 2 of the fair value hierarchy, the reasons for those transfers and the policy for determining when transfers between levels are deemed to have occurred, while, for those categorised on a recurring basis within Level 3 of the fair value hierarchy, a reconciliation is provided from the opening balances to the closing balances.

Information is also provided on the policy for determining when transfers between fair value hierarchy levels are deemed to have occurred.

For assets or liabilities categorised within Level 3 of the fair value hierarchy, the following disclosures are provided:
- quantitative information about the significant unobservable inputs used in the fair value measurement;
- for recurring fair value measurements, the amount of the total gains or losses for the period included in profit or loss that is attributable to the change in unrealised gains or losses relating to those assets and liabilities held at the end of the reporting period, and the item(s) in profit or loss in which those unrealised gains or losses are recognised;
- a description of the valuation processes used for recurring and non-recurring fair value measurements;
- a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement.

For financial assets and liabilities measured at amortised cost (not thus measured at fair value, but with fair value disclosure obligations) the following information is provided:
- the fair value hierarchy level;
- a description of the valuation techniques adopted for Levels 2 and 3, as well as the inputs used;
- if there has been any change in the valuation technique, a description of the change and the reason for it.

For own financial liabilities measured at fair value with credit enhancement (e.g. inseparable guarantees), information is provided on the existence of credit enhancement and the impact thereof on the determination of the fair value of the liability.

The application of the fair value option to loans and receivables and financial liabilities requires disclosure of the change in fair value attributable solely to changes in the credit risk associated with the instrument.

As mentioned, the risk factors are included in the discount curve using the discount rate adjustment approach.

This approach involves making separate and independent estimates of the various risk components (rate risk and credit risk), so that the partial fair value can be determined considering the changes in just one risk factor.

The following factors are considered in relation to credit risk:
- the risk-free market rate observed at the valuation date;
- the credit spread observed at the initial recording date or the previous valuation date;
- the credit spread observed at the valuation date.

The market fair value at the measurement date is compared with the fair value calculated using the credit risk observed at the initial recording date (or, alternatively, at the previous valuation date). This makes it possible to determine the changes in fair value due solely to changes in credit risk on a cumulative or periodic basis.

Quantitative information

A.4.5 Fair value hierarchy

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value levels

Assets/Liabilities measured at fair value	31.12.2024			31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	352,545	674,947	575,163	332,513	684,158	527,739
a) Financial assets held for trading	79,139	579,429	6,057	63,649	603,347	5,602
b) Financial assets designated at fair value	-	-	-	-	1,991	-
c) Other financial assets mandatorily measured at fair value	273,406	95,518	569,106	268,864	78,820	522,137
2. Financial assets measured at fair value through other comprehensive income	4,826,534	234,132	633,344	5,843,527	480,536	535,178
3. Hedging derivatives	-	649,437	-	-	1,122,566	-
4. Property, plant and equipment	-	-	1,719,720	-	-	1,783,383
5. Intangible assets	-	-	-	-	-	-
Total	**5,179,079**	**1,558,516**	**2,928,227**	**6,176,040**	**2,287,260**	**2,846,300**
1. Financial liabilities held for trading	94	219,866	4,334	1	295,876	5,078
2. Financial liabilities designated at fair value	-	2,712,050	-	-	2,009,641	-
3. Hedging derivatives	-	226,324	-	-	266,558	-
Total	**94**	**3,158,240**	**4,334**	**1**	**2,572,075**	**5,078**

Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

Transfers of assets from Level 2 to Level 1 of the fair value hierarchy during the period amounted to Euro 45,860 thousand and those from Level 1 to Level 2 amounted to Euro 94,261 thousand.

The former were marked by an improvement in the market tradability of the instruments (in terms of volume, breadth and depth of prices quoted and number of contributors). The latter are mainly due to the loss of the meaningfulness of the price quoted in the principal market (resulting from an increase in the width of the bid/ask spread) and a reduction in the number of contributors below the minimum threshold.

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (level 3)

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
1. Opening balance	**527,739**	**5,602**	**-**	**522,137**	**535,178**	**-**	**1,783,383**	**-**
2. Increases	**135,225**	**455**	**-**	**134,770**	**115,354**	**-**	**143,498**	**-**
2.1. Purchases	110,523	-	-	110,523	190	-	15,360	-
2.2. Gains recognised to:	24,405	455	-	23,950	55,990	-	45,945	-
2.2.1. Income Statement	24,405	455	-	23,950	-	-	22,822	-
- of which capital gains	18,904	454	-	18,450	-	-	5,845	-
2.2.2. Shareholders' equity	-	X	X	X	55,990	-	23,123	-
2.3. Transfers from other levels	297	-	-	297	863	-	48,519	-
2.4. Other increases	-	-	-	-	58,311	-	33,674	-
3. Decreases	**87,801**	**-**	**-**	**87,801**	**17,188**	**-**	**207,161**	**-**
3.1. Sales	2,279	-	-	2,279	6,177	-	31,587	-
3.2. Refunds	45,084	-	-	45,084	999	-	-	-
3.3. Losses recognised to:	38,979	-	-	38,979	9,910	-	63,315	-
3.3.1. Income Statement	38,979	-	-	38,979	-	-	46,188	-
- of which capital losses	29,308	-	-	29,308	-	-	5,488	-
3.3.2. Shareholders' equity	-	X	X	X	9,910	-	17,127	-
3.4. Transfers from other levels	-	-	-	-	-	-	2,974	-
3.5. Other decreases	1,459	-	-	1,459	102	-	109,285	-
4. Closing balance	**575,163**	**6,057**	**-**	**569,106**	**633,344**	**-**	**1,719,720**	**-**

A.4.5.3 Annual changes in liabilities measured at fair value on a recurring basis (level 3)

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1. Opening balance	**5,078**	**-**	**-**
2. Increases	**-**	**-**	**-**
2.1 Issues	-	-	-
2.2. Losses recognised to:	-	-	-
2.2.1. Income Statement	-	-	-
- of which capital losses	-	-	-
2.2.2. Shareholders’ equity	X	-	-
2.3. Transfers from other levels	-	-	-
2.4. Other increases	-	-	-
3. Decreases	**744**	**-**	**-**
3.1. Refunds	-	-	-
3.2. Repurchases	-	-	-
3.3. Profits recognised to:	744	-	-
3.3.1. Income Statement	744	-	-
- of which capital gains	744	-	-
3.3.2. Shareholders’ equity	X	-	-
3.4. Transfers from other levels	-	-	-
3.5. Other decreases	-	-	-
4. Closing balance	**4,334**	**-**	**-**

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value levels

Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	31.12.2024				31.12.2023			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	113,550,499	19,939,315	442,280	96,272,480	110,189,971	18,109,988	354,367	93,011,580
2. Property, plant and equipment held for investment	-	-	-	-	-	-	-	-
3. Non-current assets and disposal groups held for sale	41,020	-	-	35,245	13,969	-	-	13,969
Total	**113,591,519**	**19,939,315**	**442,280**	**96,307,725**	**110,203,940**	**18,109,988**	**354,367**	**93,025,549**
1. Financial liabilities measured at amortised cost	120,453,180	6,831,554	3,152,197	110,563,075	124,511,471	5,052,052	5,999,555	113,347,894
2. Liabilities associated with assets classified as held for sale	5,067	-	-	-	-	-	-	-
Total	**120,458,247**	**6,831,554**	**3,152,197**	**110,563,075**	**124,511,471**	**5,052,052**	**5,999,555**	**113,347,894**

Key: BV = Book value, L1 = Level 1, L2 = Level 2, L3 = Level 3

A.5 – INFORMATION ON “DAY ONE PROFIT/LOSS”

In the case of Level 3 transactions, the fair value according to the model may differ from the transaction price: in the case of a positive difference (day one profit), this is amortised over the residual life of the instrument; in case of a negative difference (day-one loss), it is charged to the income statement for prudential purposes.

There were no differences at 31 December 2024 between the value of transactions and their corresponding fair values.

PART B

Information on the Consolidated Balance Sheet

ASSETS

Section 1 – Cash and cash equivalents
Item 10

1.1 Cash and cash equivalents: breakdown

	Total 31.12.2024	Total 31.12.2023
a) Cash	824,913	808,410
b) Current accounts and on demand deposits with Central Banks	6,654,183	8,155,778
c) Current accounts and on demand deposits with banks	408,804	1,121,407
Total	**7,887,900**	**10,085,595**

The balance of the item as at 31 December 2024 includes, as envisaged in the 8th update of Bank of Italy Circular no. 262/2005, all on demand loans to banks and central banks in the technical forms of deposits and current accounts, having the nature of cash and cash equivalents pursuant to IAS 7, despite continuing to respect the criteria for the recognition, measurement and derecognition of income statement items of the category "Assets at amortised cost". On demand deposits with banks are notably down following financial transactions carried out in 2024.

Section 2 – Financial assets measured at fair value through profit or loss
Item 20

2.1 Financial assets held for trading: breakdown by product

Description/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
A. On-balance-sheet assets						
1. Debt securities	76,946	8,961	11	1,220	5,648	8
1.1 Structured securities	-	1,622	-	-	1,550	-
1.2 Other debt securities	76,946	7,339	11	1,220	4,098	8
2. Equity instruments	2,191	769	52	62,421	1,561	48
3. UCITS units	-	-	-	7	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	**79,137**	**9,730**	**63**	**63,648**	**7,209**	**56**
B. Derivative instruments						
1. Financial derivatives	2	569,699	5,994	1	596,138	5,546
1.1 trading	2	569,699	5,994	1	596,138	5,546
1.2 connected with the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 connected with the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	**2**	**569,699**	**5,994**	**1**	**596,138**	**5,546**
Total (A+B)	**79,139**	**579,429**	**6,057**	**63,649**	**603,347**	**5,602**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.
Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

2.2 Financial assets held for trading: breakdown by borrowers/issuers/counterparties

Description/Amounts	Total 31.12.2024	Total 31.12.2023
A. On-balance-sheet assets		
1. Debt securities	85,918	6,876
a) Central Banks	-	-
b) Public Administrations	51,224	189
c) Banks	24,072	3,384
d) Other financial companies	6,609	945
of which: Insurance companies	-	-
e) Non-financial companies	4,013	2,358
2. Equity instruments	3,012	64,030
a) Banks	1	10,773
b) Other financial companies	1,148	6,539
of which: Insurance companies	-	2,415
c) Non financial companies	1,863	46,718
d) Other issuers	-	-
3. UCITS units	**-**	**7**
4. Loans	-	-
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: Insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total (A)	**88,930**	**70,913**
B. Derivative instruments		
a) Central counterparties	-	-
b) Other	575,695	601,685
Total (B)	**575,695**	**601,685**
Total (A+B)	**664,625**	**672,598**

2.2 ter UCITS units breakdown

Description	31.12.2024	31.12.2023
1. Equities	-	6
2. Property - closed end	-	-
3. Equities - open end	-	-
4. Balanced - open end	-	-
5. Bonds - open end	-	-
6. Equities - closed end	-	-
7. Speculative securities	-	-
8. Bonds - short term	-	1
9. Bonds - long term	-	-
10. Other	-	-
Total	**-**	**7**

2.3 Financial assets designated at fair value: breakdown by product

Description/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
1.Debt securities	**-**	**-**	**-**	**-**	**1,991**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	1,991	-
2. Loans	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured	-	-	-	-	-	-
2.2 Other	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**1,991**	**-**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.
Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

2.4 Financial assets designated at fair value: breakdown by borrowers/issuers

Description/Amounts	Total 31.12.2024	Total 31.12.2023
1. Debt securities	**-**	**1,991**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	1,991
d) Other financial companies	-	-
of which: Insurance companies	-	-
e) Non-financial companies	-	-
2. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: Insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**-**	**1,991**

2.4-bis Financial liabilities designated at fair value: method of use of the fair value option

Description	31.12.2024	31.12.2023
a) Natural hedges through derivatives	-	-
b) Natural hedges with other financial instruments	-	-
c) Other types of accounting mismatch	-	-
d) Financial instruments managed and measured at fair value	-	1,991
e) Embedded structured derivative products	-	-
Total	**-**	**1,991**

2.5 Other financial assets mandatorily measured at fair value: breakdown by product

Description/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**-**	**-**	**29,159**	**-**	**1,148**	**50,290**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	29,159	-	1,148	50,290
2. Equity instruments	**2,401**	**-**	**11,703**	**3,401**	**297**	**13,752**
3. UCITS units	**271,005**	**-**	**497,971**	**265,463**	**-**	**427,708**
4. Loans	**-**	**95,518**	**30,273**	**-**	**77,375**	**30,387**
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	95,518	30,273	-	77,375	30,387
Total	**273,406**	**95,518**	**569,106**	**268,864**	**78,820**	**522,137**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.
Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

2.6 Other financial assets mandatorily measured at fair value: breakdown by borrowers/issuer

	Total 31.12.2024	Totale 31.12.2023
1. Equity instruments	**14,104**	**17,450**
of which: banks	333	297
of which: other financial companies	10,782	9,488
of which: non-financial companies	2,989	7,665
2. Debt securities	**29,159**	**51,438**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	29,159	51,109
of which: Insurance companies	-	-
e) Non-financial companies	-	329
3. UCITS units	**768,976**	**693,171**
4. Loans	**125,791**	**107,762**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	27,795	27,100
of which: Insurance companies	27,795	27,100
e) Non-financial companies	97,755	80,242
f) Households	241	420
Total	**938,030**	**869,821**

2.6 bis UCITS units breakdown

Description	31.12.2024	31.12.2023
1. Equities	10,795	13,548
2. Property - closed end	111,962	102,259
3. Equities - open end	8,721	18,975
4. Balanced - open end	5,144	7,047
5. Bonds - open end	7,799	4,550
6. Equities - closed end	109,353	75,038
7. Speculative securities	16,482	8,413
8. Bonds - short term	-	-
9. Bonds - long term	-	-
10. Other	498,720	463,341
Total	**768,976**	**693,171**

Section 3 – Financial assets measured at fair value through other comprehensive income

Item 30

3.1 Financial assets measured at fair value through other comprehensive income: breakdown by product

Description/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**4,812,861**	**230,227**	**-**	**5,830,943**	**477,420**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	4,812,861	230,227	-	5,830,943	477,420	-
2. Equity instruments	**13,673**	**3,905**	**633,344**	**12,584**	**3,116**	**535,178**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**4,826,534**	**234,132**	**633,344**	**5,843,527**	**480,536**	**535,178**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of the Explanatory Notes in chapter "Techniques for the determination of fair value".
The "Other Debt Securities" portfolio shown in the table include instruments with flow variability clauses depending on whether or not the financed counterparty achieves certain ESG KPIs (known as "Sustainability-linked instruments"), for Euro 63.1 million; further details on the sustainability objectives pursued by the Group through such instruments are provided in Part 2 – 2024 Consolidated sustainability reporting of the Directors' Report on Group Operations, to which reference is made.

Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by borrowers/issuers

Description/Amounts	Total 31.12.2024	Total 31.12.2023
1. Debt securities	**5,043,088**	**6,308,363**
a) Central Banks	-	-
b) Public Administrations	2,469,380	2,078,256
c) Banks	1,334,728	2,481,930
d) Other financial companies	501,167	842,492
of which: Insurance companies	8,184	31,477
e) Non-financial companies	737,813	905,685
2. Equity instruments	**650,922**	**550,878**
a) Banks	251,712	255,889
b) Other issuers:	399,210	294,989
- other financial companies	281,417	231,259
of which: Insurance companies	225,073	184,351
- non financial companies	117,751	63,689
- other	42	41
3. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: Insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**5,694,010**	**6,859,241**

3.3 Financial assets measured at fair value through other comprehensive income: gross value and total impairment provisions

	Gross value					Total impairment provisions				Total partial write-offs (*)
	Stage 1	of which: Low credit risk instruments	Stage 2	Stage 3	Purchased or originated credit impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	
Debt securities	4,902,226	-	142,714	-	-	1,789	63	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**4,902,226**	**-**	**142,714**	**-**	**-**	**1,789**	**63**	**-**	**-**	**-**
Total 31.12.2023	**6,201,565**	**-**	**108,765**	**1,642**	**-**	**2,667**	**163**	**779**	**-**	**-**

(*) Amount to be shown for information purposes

At 31 December 2024, there are no debt securities classified in Stage 3.
For the approach used in the presentation of the gross value and total impairment provisions of impaired financial assets, reference should be made to Part A of these Explanatory Notes.

Section 4 - Financial assets measured at amortised cost
Item 40

4.1 Financial assets measured at amortised cost: breakdown by product of loans to banks

Type of transaction/Amounts	Total 31.12.2024						Total 31.12.2023					
	Book Value			Fair value			Book Value			Fair value		
	Stage 1 and 2	Stage 3	Purchased or originated credit impaired	L1	L2	L3	Stage 1 and 2	Stage 3	Purchased or originated credit impaired	L1	L2	L3
A. Loans to Central Banks	**1,013,730**	**-**	**-**	**-**	**-**	**1,013,730**	**1,036,703**	**-**	**-**	**-**	**-**	**1,036,703**
1. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserve	1,013,730	-	-	X	X	X	1,036,703	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	-	-	-	X	X	X	-	-	-	X	X	X
B. Loans to banks	**6,667,501**	**-**	**-**	**5,720,905**	**224,489**	**530,472**	**7,345,907**	**-**	**-**	**6,266,294**	**224,369**	**624,378**
1. Loans	530,472	-	-	-	-	530,472	624,378	-	-	-	-	624,378
1.1.Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Time deposits	35,802	-	-	X	X	X	76,611	-	-	X	X	X
1.3. Other loans:	494,670	-	-	X	X	X	547,767	-	-	X	X	X
- Repurchase agreements	343,404	-	-	X	X	X	302,711	-	-	X	X	X
- Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
- Other	151,266	-	-	X	X	X	245,056	-	-	X	X	X
2. Debt securities	6,137,029	-	-	5,720,905	224,489	-	6,721,529	-	-	6,266,294	224,369	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	6,137,029	-	-	5,720,905	224,489	-	6,721,529	-	-	6,266,294	224,369	-
Total	**7,681,231**	**-**	**-**	**5,720,905**	**224,489**	**1,544,202**	**8,382,610**	**-**	**-**	**6,266,294**	**224,369**	**1,661,081**

An explanation of the fair value hierarchy used for classification was given in Part A.4 of the Explanatory Notes to the Consolidated Financial Report.

Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

4.2 Financial assets measured at amortised cost: breakdown by product of loans to customers

Type of transaction/ Amounts	Total 31.12.2024						Total 31.12.2023					
	Book Value			Fair value			Book Value			Fair value		
	Stage 1 and 2	Stage 3	Purchased or originated credit impaired	L1	L2	L3	Stage 1 and 2	Stage 3	Purchased or originated credit impaired	L1	L2	L3
1. Loans	**88,796,001**	**911,192**	**429,196**	**-**	**-**	**94,033,938**	**86,794,278**	**885,683**	**544,393**	**-**	**-**	**90,452,750**
1.1. Current accounts	5,174,967	86,697	34,696	X	X	X	5,341,368	60,408	52,157	X	X	X
1.2. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
1.3. Mortgage loans	61,477,627	596,538	334,126	X	X	X	61,123,092	593,973	403,846	X	X	X
1.4. Credit cards, personal loans and assignments of one-fifth of salary	5,190,175	50,880	8,104	X	X	X	4,781,015	43,167	10,163	X	X	X
1.5. Finance leases	2,718,807	33,390	13,530	X	X	X	2,917,929	44,924	20,163	X	X	X
1.6. Factoring	2,251,538	11,696	-	X	X	X	2,136,057	15,716	-	X	X	X
1.7. Other loans	11,982,887	131,991	38,740	X	X	X	10,494,817	127,495	58,064	X	X	X
2. Debt securities	**15,377,572**	**355,307**	**-**	**14,218,410**	**217,791**	**694,340**	**13,583,007**	**-**	**-**	**11,843,694**	**129,998**	**897,749**
2.1. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Other debt securities	15,377,572	355,307	-	14,218,410	217,791	694,340	13,583,007	-	-	11,843,694	129,998	897,749
Total	**104,173,573**	**1,266,499**	**429,196**	**14,218,410**	**217,791**	**94,728,278**	**100,377,285**	**885,683**	**544,393**	**11,843,694**	**129,998**	**91,350,499**

The sub-item "Other loans", limited to the performing component (inclusive of Stage 1 and 2 equal to Euro 11,983 million, as well as the portion of POCI assets classified in Stage 2, equal to Euro 26.4 million), is composed as follows: Euro 7,238 million of short-term bullet loans (+31.72% on December 2023), Euro 2,614 million of advances on invoices and bills subject to collection (-12.72% on December 2023), Euro 1,292 million of import/export advances, (+10.90% on December 2023), Euro 48 million of credit assignment (+9.09% on December 2023) and Euro 817 million of other miscellaneous entries (-1.45% on December 2023).
The portfolios of Loans and Debt Securities shown in the table include instruments with flow variability clauses depending on whether or not the financed counterparty achieves certain ESG KPIs (known as "Sustainability-linked instruments"), for Euro 799.0 million and Euro 29.0 million respectively; further details on the sustainability objectives pursued by the Group through such instruments are provided in Part 2 – 2024 Consolidated sustainability reporting of the Directors' Report on Group Operations, to which reference is made.
An explanation of the fair value hierarchy used for classification was given in Part A.4 of the Explanatory Notes to this Consolidated Financial Report as at 31 December 2024.

Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

4.3 Financial assets measured at amortised cost: breakdown by borrowers/issuers of loans to customers

Type of transaction/Amounts	Total 31.12.2024			Total 31.12.2023		
	Stage 1 and 2	Stage 3	Purchased or originated credit impaired	Stage 1 and 2	Stage 3	Purchased or originated credit impaired
1. Debt securities	**15,377,572**	**355,307**	**-**	**13,583,007**	**-**	**-**
a) Public Administration	13,833,931	-	-	11,432,365	-	-
b) Other financial companies	1,180,914	355,307	-	1,745,547	-	-
of which: Insurance companies	5,016	-	-	28,463	-	-
c) Non financial companies	362,727	-	-	405,095	-	-
2. Loans:	**88,796,001**	**911,192**	**429,196**	**86,794,278**	**885,683**	**544,393**
a) Public Administration	2,894,056	3,090	-	2,712,660	5,330	72
b) Other financial companies	5,115,346	15,986	785	4,107,539	9,828	1,066
of which: Insurance companies	152,231	-	-	97,349	-	-
c) Non financial companies	38,145,105	484,943	289,380	39,062,960	505,692	365,000
d) Households	42,641,494	407,173	139,031	40,911,119	364,833	178,255
Total	**104,173,573**	**1,266,499**	**429,196**	**100,377,285**	**885,683**	**544,393**

Debt securities of Other financial companies classified under Stage 3 credit impairment are represented by Senior tranches of ABS guaranteed by GACS, classified to that stage at the end of 2024 following underperformance in expected recoveries.

The classification of loans to customers between Stage 1 and Stage 2 is shown below, analysed by type of product and counterparty.

4.3 bis - Financial assets measured at amortised cost: - details of loans to customers: breakdown by type of product, stage and type of counterparty

Type of Product/Counterparty	Public Administrations			Other financial companies		
	Gross exposure	Total impairment provisions	Net exposure	Gross exposure	Total impairment provisions	Net exposure
Loans						
Current accounts	**84,928**	**(2,793)**	**82,135**	**942,751**	**(11,984)**	**930,767**
of which Stage 1	67,607	(181)	67,426	884,043	(4,394)	879,649
of which Stage 2	13,010	(45)	12,965	50,351	(2,665)	47,686
of which Stage 3	4,311	(2,567)	1,744	8,110	(4,782)	3,328
of which: purchased or originated credit impaired	-	-	-	247	(143)	104
Repurchase agreements	**-**	**-**	**-**	**-**	**-**	**-**
of which Stage 1	-	-	-	-	-	-
of which Stage 2	-	-	-	-	-	-
of which Stage 3	-	-	-	-	-	-
of which: purchased or originated credit impaired financial assets	-	-	-	-	-	-
Mortgage loans	**2,489,258**	**(1,091)**	**2,488,167**	**1,889,080**	**(33,584)**	**1,855,496**
of which Stage 1	2,478,070	(926)	2,477,144	1,710,621	(16,248)	1,694,373
of which Stage 2	11,188	(165)	11,023	173,754	(14,792)	158,962
of which Stage 3	-	-	-	3,827	(2,126)	1,701
of which: purchased or originated credit impaired	-	-	-	878	(418)	460
Other loans	**327,461**	**(617)**	**326,844**	**2,376,953**	**(31,099)**	**2,345,854**
of which Stage 1	325,459	(260)	325,199	2,246,717	(15,387)	2,231,330
of which Stage 2	300	(1)	299	111,564	(8,218)	103,346
of which Stage 3	1,702	(356)	1,346	18,326	(7,369)	10,957
of which: purchased or originated credit impaired	-	-	-	346	(125)	221
Total	**2,901,647**	**(4,501)**	**2,897,146**	**5,208,784**	**(76,667)**	**5,132,117**

(cont.)

Type of Product/Counterparty	Non-financial companies			Households			Total (net exposure)
	Gross exposure	Total impairment provisions	Net exposure	Gross exposure	Total impairment provisions	Net exposure	
Loans							
Current accounts	**3,560,022**	**(208,265)**	**3,351,757**	**1,017,972**	**(86,271)**	**931,701**	**5,296,360**
of which Stage 1	2,820,783	(15,005)	2,805,778	703,315	(4,840)	698,475	4,451,328
of which Stage 2	504,876	(28,421)	476,455	203,426	(16,893)	186,533	723,639
of which Stage 3	153,556	(110,885)	42,671	94,277	(55,323)	38,954	86,697
of which: purchased or originated credit impaired	80,807	(53,954)	26,853	16,954	(9,215)	7,739	34,696
Repurchase agreements	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which Stage 1	-	-	-	-	-	-	-
of which Stage 2	-	-	-	-	-	-	-
of which Stage 3	-	-	-	-	-	-	-
of which: purchased or originated credit impaired financial assets	-	-	-	-	-	-	-
Mortgage loans	**21,874,878**	**(494,552)**	**21,380,326**	**37,103,430**	**(419,128)**	**36,684,302**	**62,408,291**
of which Stage 1	18,464,263	(59,132)	18,405,131	33,932,298	(46,153)	33,886,145	56,462,793
of which Stage 2	2,582,682	(116,195)	2,466,487	2,513,442	(135,080)	2,378,362	5,014,834
of which Stage 3	536,354	(241,201)	295,153	505,425	(205,741)	299,684	596,538
of which: purchased or originated credit impaired	291,579	(78,024)	213,555	152,265	(32,154)	120,111	334,126
Other loans	**14,590,524**	**(403,179)**	**14,187,345**	**5,702,100**	**(130,405)**	**5,571,695**	**22,431,738**
of which Stage 1	12,415,125	(36,519)	12,378,606	5,112,042	(15,591)	5,096,451	20,031,586
of which Stage 2	1,657,485	(44,837)	1,612,648	416,041	(20,513)	395,528	2,111,821
of which Stage 3	419,072	(271,953)	147,119	156,062	(87,527)	68,535	227,957
of which: purchased or originated credit impaired	98,842	(49,870)	48,972	17,955	(6,774)	11,181	60,374
Total	**40,025,424**	**(1,105,996)**	**38,919,428**	**43,823,502**	**(635,804)**	**43,187,698**	**90,136,389**

4.4 Financial assets measured at amortised cost: gross value and total impairment provisions

	Gross value					Total impairment provisions				Total partial write-offs (*)
	Stage 1	of which: Low credit risk instruments	Stage 2	Stage 3	Purchased or originated credit impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	
Debt securities	21,133,100	-	389,767	365,721	-	5,780	2,486	10,414	-	-
Loans	82,704,723	-	8,260,669	1,901,022	659,873	214,897	410,292	989,830	230,677	38,972
Total 31.12.2024	**103,837,823**	**-**	**8,650,436**	**2,266,743**	**659,873**	**220,677**	**412,778**	**1,000,244**	**230,677**	**38,972**
Total 31.12.2023	**99,909,553**	**-**	**9,529,188**	**1,730,333**	**876,668**	**193,475**	**485,371**	**844,650**	**332,275**	**49,025**

(*) Amount to be shown for information purposes.

For the approach used in the presentation of the gross value and total impairment provisions of impaired financial assets, reference should be made to Part A of these Explanatory Notes.
Note that default interest is only recorded at the time of actual collection.

The loans that constitute new liquidity granted through public guarantee mechanisms issued in response to the Covid-19 pandemic are reported below

Gross value				Total impairment provisions			
Stage 1	Stage 2	Stage 3	Credit-impaired purchased or originated	Stage 1	Stage 2	Stage 3	Credit-impaired purchased or originated
2,734,084	577,770	253,550	14,046	1,459	3,635	82,501	3,197

Section 5 – Hedging derivatives
Item 50

5.1 Hedging derivatives: breakdown by type of hedge and hierarchy level

	FV 31.12.2024			NV 31.12.2024	FV 31.12.2023			NV 31.12.2023
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives								
1. Fair Value	-	649,437	-	9,270,174	-	1,122,566	-	13,614,339
2. Cash flows	-	-	-	-	-	-	-	-
3. Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives								
1. Fair Value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**649,437**	**-**	**9,270,174**	**-**	**1,122,566**	**-**	**13,614,339**

Key: VN = Notional Value; L1 = Level 1; L2 = Level 2 L3 = Level 3

5.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transactions/Type of hedge	Fair Value							Cash flows		Foreign investments
	Specific						General			
	debt securities and interest rates	equity instruments and stock indexes	currencies and gold	credit	commodities	other		Specific	General	
1. Financial assets measured at fair value through other comprehensive income	36,724	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	483,619	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**520,343**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial Liabilities	129,094	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**129,094**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 6 – Change in value of macro-hedged financial assets
Item 60

There are no amounts to be disclosed in this Consolidated Financial Report.

Section 7 – Equity investments
Item 70

7.1 Equity investments: information on shareholdings

Company name	Registered head office	Operational head office	Type of relationship	Currency	Share capital	Nature of holding		% Available votes
						Parent company	% holding	
A. Companies subject to joint control								
1 Gility s.r.l. Benefit Corporation	Milan	Milan	7	eur	54,666	BPER Banca	45.732	
B. Companies subject to significant influence								
1 Alba Leasing s.p.a.	Milan	Milan	8	eur	357,953,058	BPER Banca	33.498	
2 Cassa di Risparmio di Fossano s.p.a.	Fossano	Fossano	8	eur	31,200,000	BPER Banca	23.077	
3 Cassa di Risparmio di Savigliano s.p.a.	Savigliano	Savigliano	8	eur	38,011,495	BPER Banca	31.006	
4 Gardant Bridge Servicing s.p.a.	Rome	Rome	8	eur	150,000	BPER Banca	30.000	
5 Lanciano Fiera - Polo Fieristico d'Abruzzo Consorzio	Lanciano	Lanciano	8	eur	250,000	BPER Banca	33.333	
6 Nuova Erzelli s.r.l.	Genoa	Genoa	8	eur	20,000	BPER Banca	40.000	
7 Resiban s.p.a.	Modena	Modena	8	eur	165,000	BPER Banca	20.000	
8 Sarda Factoring s.p.a.	Cagliari	Cagliari	8	eur	9,027,079	B. Sard.	13.401	
			8			BPER Banca	8.083	
9 Unione Fiduciaria s.p.a.	Milan	Milan	8	eur	5,940,000	BPER Banca	24.000	

The figure for share capital is provided as extra information as required by CONSOB Communication DEM/6064293 dated 28 July 2006.
The "% Available votes" column is only used if the actual share of votes exercisable at the Ordinary Shareholders' Meeting is different from the interest held in the company's share capital.

Key - Type of relationship: 7 = joint control; 8 = associated company

7.2 Significant equity investments: book value, fair value and dividends earned

Company name	Book Value	*Fair value*	Dividends received
A. Companies subject to joint control			
B. Companies subject to significant influence			
1. Alba Leasing s.p.a.	152,270	-	-
2. Cassa di Risparmio di Fossano s.p.a.	47,030	-	1,551
3. Cassa di Risparmio di Savigliano s.p.a.	35,400	-	932
4. Sarda Factoring s.p.a.	1,958	-	-
5. Unione Fiduciaria s.p.a.	9,860	-	1,423
Total	**246,518**	**-**	**3,906**

Please refer to Part A of the Explanatory Notes for an explanation of how these figures were calculated.

Equity investments are considered significant based on the materiality of total assets compared with the equivalent consolidated figure. Other investments, which are not considered significant, are reported in Table 7.4 "Non-significant equity investments: accounting information"; the controlling interests measured under the equity method are reported in table 7.10. "Companies subject to control measured under the equity method".

7.3 Significant equity investments: accounting information

Company name	Cash and cash equivalents	Financial assets	Non-financial assets	Financial Liabilities	Non-financial liabilities	Total revenues	Net interest income
A. Companies subject to joint control							
B. Companies subject to significant influence							
1. Alba Leasing s.p.a.	X	4,906,185	83,169	4,549,333	213,468	259,527	X
3. Cassa di Risparmio di Fossano s.p.a.	X	2,019,386	69,556	1,840,549	73,607	90,465	X
4. Cassa di Risparmio di Savigliano s.p.a.	X	1,647,341	100,105	1,654,551	49,957	64,107	X
5. Sarda Factoring s.p.a.	X	56,180	1,289	48,680	660	4,705	X
6. Unione Fiduciaria s.p.a.	X	56,643	31,644	73,786	8,037	11,651	X

(cont.)

Company name	Net adjustments to property, plant and equipment and intangible assets	Profit (Loss) from current operations before tax	Profit (Loss) from current operations after tax	Profit (Loss) after tax on non-current assets held for sale	Profit (Loss) for the year (1)	Other comprehensive income after tax (2)	Other comprehensive income (3)= (1)+(2)
A. Companies subject to joint control							
B. Companies subject to significant influence							
1. Alba Leasing s.p.a.	X	25,293	17,242	-	17,242	54	17,296
3. Cassa di Risparmio di Fossano s.p.a.	X	44,918	27,914	-	27,914	-	27,914
4. Cassa di Risparmio di Savigliano s.p.a.	X	10,672	7,007	-	7,007	171	7,178
5. Sarda Factoring s.p.a.	X	(1,664)	736	-	736	-	736
6. Unione Fiduciaria s.p.a.	X	1,736	1,316	-	1,316	-	1,316

Reconciliation of accounting information with the book value of significant equity investments pursuant to paragraph B14 b) IFRS 12

Company name	Shareholders' equity	Minority interests	Goodwill (positive/ negative differences in shareholders' equity)	Other	Book Value
A. Companies subject to joint control					
B. Companies subject to significant influence					
1. Alba Leasing s.p.a.	454,568	152,270	-	-	152,270
2. Cassa di Risparmio di Fossano s.p.a.	203,797	47,030	-	-	47,030
3. Cassa di Risparmio di Savigliano s.p.a.	114,171	35,400	-	-	35,400
4. Sarda Factoring s.p.a.	9,114	1,958	-	-	1,958
5. Unione Fiduciaria s.p.a.	46,622	11,189	(1,329)	-	9,860

For the values and parameters, please refer to Part A.1 of these Explanatory notes.
Alba Leasing s.p.a. was founded in 2010 on the initiative of some of the major Italian cooperative banks. It is a company that specialises in finance leases, which are distributed by the BPER Banca Group through its branch network.
Cassa di Risparmio di Fossano s.p.a. is a Piedmontese bank which offers a wide range of banking services, created with the aim of favouring the commercial, agricultural and industrial development of the Fossano area.
Cassa di Risparmio di Savigliano s.p.a. is an independent local bank at the service of that area, which dedicates resources and services to households, small/medium-sized enterprises, local institutions and associations.
Sarda Factoring s.p.a. offers financing and risk hedging services for businesses. It is the leader in Sardinia in factoring with recourse and has operations that are growing also at a national level.
Unione Fiduciaria s.p.a. was founded by a group of cooperative banks and offers organisational, administrative and tax services for companies, intermediaries and wealthy individuals, including complex situations.

7.4 Non-significant equity investments: accounting information

Company name	Book value of equity investments	Total assets	Total liabilities	Total revenues	Profit (Loss) from current operations after tax	Profit (Loss) after tax on non-current assets held for sale	Profit (Loss) for the year (1)	Other comprehensive income after tax (2)	Other comprehensive income (3)=(1)+(2)
Companies subject to joint control	1,935	2,142	207	317	(365)	-	(365)	-	(365)
Companies subject to significant influence	44,993	9,151	4,628	10,942	19,904	-	19,904	-	19,904

Impairment testing of equity investments in companies subject to significant influence

In compliance with the provisions of the IAS/IFRS principles, the book value of each equity investment, after the application of the equity method (IAS 28), was reconsidered in order to verify the existence or otherwise of objective evidence that would be grounds for considering that the carrying amount of the assets is not fully recoverable (impairment test).

A net investment is impaired and impairment losses are incurred if, and only if, there is objective evidence that one or more events occurring after the initial recognition of the investment, had an adverse impact on the recoverable value of the investment. The impairment may not always be due to a single discrete event, but rather to the combined effect of several identifiable events with reference to specific parameters used to determine the recoverable amount of the investment, some of which are taken from the international reference principles.

For investments in associates and joint ventures, if the recoverable amount, represented by the higher of fair value less costs of disposal and value in use, is lower than the book value, an impairment loss is recognised if is not expected to be recovered. If the recoverable amount later proves higher than the new carrying amount and the reasons for the impairment loss no longer exist due to an event occurring after the impairment loss was recognised, write-backs are recognised in the income statement, up to the amount of the previously recognised adjustment. The estimate of the recoverable amount is based on market methodologies (direct or comparable transactions and market multiples) or alternatively on valuations based on fundamentals, such as expected cash flows discounted at an appropriate cost of capital.

From the checks carried out for the closing of the financial position as at 31 December 2024, the need emerged to make downward value adjustments for a total of Euro 86.3 million, including the adjustment to the equity share under the equity method, as better detailed and commented on in the following tables.

7.5 Equity investments: annual changes

	Total 31.12.2024	Total 31.12.2023
A. Opening balance	**422,046**	**376,158**
B. Increases	**68,787**	**88,677**
B.1 Purchases	50	3,850
B.2 Write-backs	-	-
B.3 Revaluations	-	-
B.4 Other increases	68,737	84,827
C. Decreases	**188,339**	**42,789**
C.1 Sales	992	5
C.2 Adjustments	86,279	1,083
C.3 Impairment	-	-
C.4 Other decreases	101,068	41,701
D. Closing balance	**302,494**	**422,046**
E. Total revaluations	**-**	**-**
F. Total adjustments	**277,281**	**191,002**

"Purchases" refer to the share capital increase against payment of Gardant Bridge Servicing s.p.a. through the transfer of Business Units from BPER Banca.

"Other increases" mainly include the value enhancement of the interest held in Gardant Bridge Servicing s.p.a. (30% of the share capital for an amount of Euro 45,017 thousand).

"Sales" refer to the transfer of control of the interest held in Gardant Bridge Servicing s.p.a. (70% of the share capital for an amount of Euro 210 thousand) and the transfer of the entire interest held in Immobiliare Oasi nel Parco s.r.l. (Euro 782 thousand).

"Adjustments" refer to the impairment testing on equity investments, which led to impairment losses of Euro 86.3 million.

"Other increases/decreases" include the Group's share of the positive or negative results of the investees consolidated under the equity method and other adjustments through equity reserves. They also include the effects of some reclassifications of equity instruments at the closing of 31 December 2024, following the confirmed loss of significant influence pursuant to IAS 28 by BPER Banca; in particular, reference is made to the following equity investments:
- Autostrada dei Fiori s.p.a. (ADF): an equity investment acquired in BPER Banca through the merger with Banca Carige s.p.a., with confirmation at that stage of its classification within the Equity Investments portfolio (as a company subject to Significant Influence)[134], despite the fact that it had been subject to scrutiny in order to monitor the developments and effects of certain corporate decisions, which appeared to be in contrast with the interests of minority shareholders (whose current proprietary rights BPER nevertheless estimated would still be covered by the company's shareholders' equity). It should be noted that BPER Banca, as early as the beginning of 2023, had initiated legal proceedings before the Court of Genoa against, among others, ASTM s.p.a., ADF's reference shareholder, and the members *ratione temporis* of ADF's management and supervisory bodies, primarily seeking compensation for damages suffered in relation to abuse of direction and coordination activities to the detriment of ADF itself and its minority shareholders. As the legal proceedings developed according to the ordinary technical timelines and due to the number of defendants, further evidence emerged in 2024 showing how ADF's reference shareholder, ASTM s.p.a., had effectively directed the company towards self-interested objectives, sidelining the Board of Directors. This situation has objectively demonstrated BPER Banca's inability to exercise influence over the strategic choices and internal management policies of the company, as well as to receive complete and continuous information flows. In light of these developments, and in accordance with the relevant accounting standards, BPER Banca has therefore re-evaluated its classification of the investment in ADF: the presumption of significant influence has evidently ceased to exist, as confirmed by the latest evidence in 2024, and the investment has been transferred from the Investments portfolio to Financial Investments (as an equity instrument classified as FVTOCI, exercising the option under IFRS 9) at a value equal to the estimated fair value (mark-to-model);
- UnipolRental S.p.A: the equity investment held by BPER Banca as at 31 December 2024 amounts to 2.22%. This equity investment, initially equal to 19.99%, had been recognised under associate equity investments (significant influence) pursuant to IAS 28, considering the features of the extraordinary transaction that originated it (on 1 July 2023, the merger by incorporation of Società Italiana Flotte Aziendali – SIFA' s.p.a., previously 100% owned by BPER Banca and operating in long-term rental, into UnipolRental s.p.a., previously 100% owned by UnipolSai Assicurazioni and also active in long-term rental) as well as the terms of the agreement signed between the two shareholders for the launch of a strategic-commercial partnership in the long-term rental sector. Certain events occurred in 2024 regarding the management of the associate and the related decisions taken as early as December 2024 by the Board of Directors of BPER Banca led the latter to reconsider the originally identified association relationship, redefining it as a financial investment (as an equity instrument classified as FVTOCI, exercising the option under IFRS 9) already during the preparation of the Consolidated Financial Report as at 31 December 2024 and providing for the consequent reclassification at the corresponding fair value (mark-to-model).

134 Reference is made to the Consolidated Financial Report of Carige s.p.a. as at 31 December 2021 and the information provided in the Consolidated Explanatory Notes as at 31 December 2022 of BPER Banca, Part G – Business combinations.

7.6. Significant assessments and assumptions to establish the existence of joint control or significant influence

In addition to the comments in section 7.5 “Equity investments: annual changes”, reference is made to Section 3 of Part A of these Explanatory Notes.

7.7 Commitments referred to equity investments in companies subject to joint control

At 31 December 2024 there are no commitments related to companies under joint control.

7.8 Commitments related to equity investments in companies subject to significant influence

At 31 December 2024 there are no commitments related to companies subject to significant influence.

7.9 Significant restrictions

Among the Banks and Companies included in the BPER Banca Group’s scope of consolidation, there are no significant restrictions as foreseen by IFRS 12 § 13.

7.10 Other information

Companies subject to control measured under the equity method

Company name	Book value of equity investments	Total assets	Total liabilities	Total revenues	Profit (Loss) from current operations after tax	Profit (Loss) after tax on non-current assets held for sale	Profit (Loss) for the year (1)	Other comprehensive income after tax (2)	Other comprehensive income (3)=(1)+(2)
Companies subject to control measured under the equity method	9,048	60,259	51,245	4,394	(577)	-	(577)	-	(577)

For the application of the equity method, reference is made to the last available financial statements.
With regard to group companies consolidated under the equity method, i.e. subsidiaries, the valuation has been carried out with reference to their financial statements available prepared and approved at 31 December 2024.
With regard to other companies consolidated under the equity method, the valuation has been carried out with reference to their latest available financial statements, being those prepared and approved at 30 September 2024 for Cassa di Risparmio di Fossano s.p.a. and Cassa di Risparmio di Savigliano s.p.a.

Section 8 – Technical reserves carried by reinsurers
Item 80

There are no amounts to be disclosed in this Consolidated Financial Report.

Section 9 – Property, plant and equipment
Item 90

9.1 Property, plant and equipment used in operations: breakdown of assets measured at cost

Description/Amounts	Total 31.12.2024	Total 31.12.2023
1. Assets owned	**296,602**	**259,971**
a) land	-	-
b) buildings	-	-
c) furniture	73,489	73,097
d) electronic systems	100,385	80,150
e) other	122,728	106,724
2. Rights of use acquired through leases	**397,701**	**314,556**
a) land	-	-
b) buildings	325,636	300,510
c) furniture	-	-
d) electronic systems	63,619	7,187
e) other	8,446	6,859
Total	**694,303**	**574,527**
of which: arising from the enforcement of guarantees received	-	-

9.2 Property, plant and equipment held for investment: breakdown of assets measured at cost

There is no property, plant or equipment held for investment purposes measured at cost in this Consolidated Financial Report.

9.3 Property, plant and equipment used in operations: breakdown of revalued assets

Description/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Assets owned	**-**	**-**	**1,283,302**	**-**	**-**	**1,289,356**
a) land	-	-	668,109	-	-	648,888
b) buildings	-	-	615,193	-	-	640,468
c) furniture	-	-	-	-	-	-
d) electronic systems	-	-	-	-	-	-
e) other	-	-	-	-	-	-
2. Rights of use acquired through leases	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
c) furniture	-	-	-	-	-	-
d) electronic systems	-	-	-	-	-	-
e) other	-	-	-	-	-	-
Total	**-**	**-**	**1,283,302**	**-**	**-**	**1,289,356**
of which: arising from the enforcement of guarantees received	-	-	-	-	-	-

Key: L1 = Level 1; L2 = Level 2 L3 = Level 3

9.4 Property, plant and equipment held for investment: breakdown of assets measured at fair value

Description/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Assets owned	**-**	**-**	**436,418**	**-**	**-**	**494,027**
a) land	-	-	204,207	-	-	229,216
b) buildings	-	-	232,211	-	-	264,811
2. Rights of use acquired through leases	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
Total	**-**	**-**	**436,418**	**-**	**-**	**494,027**
of which: arising from the enforcement of guarantees received	-	-	23,641	-	-	44,156

Key: L1 = Level 1; L2 = Level 2 L3 = Level 3

9.5 Inventories of property, plant and equipment governed by IAS 2: breakdown

Description/Amounts	Total 31.12.2024	Total 31.12.2023
1. Inventories of property, plant and equipment arising from the enforcement of guarantees received	**88,066**	**97,959**
a) land	45,958	52,453
b) buildings	42,108	45,506
c) furniture	-	-
d) electronic systems	-	-
e) other	-	-
2. Other inventories of property, plant and equipment	**102**	**981**
Total	**88,168**	**98,940**
of which: measured at fair value less costs to sell	-	-

This item mainly refers to properties held by the BPER Banca Group's real estate companies.

9.6 Property, plant and equipment used in operations: annual changes

	Land	Buildings	Furniture	Electronic systems	Other	Total
A. Gross opening balance	**568,524**	**1,184,226**	**323,674**	**412,374**	**526,978**	**3,015,776**
A.1 Total net value adjustments	-80,364	243,248	250,577	325,037	413,395	1,151,893
A.2 Net opening balance	**648,888**	**940,978**	**73,097**	**87,337**	**113,583**	**1,863,883**
B. Increases:	**44,593**	**137,882**	**8,464**	**149,132**	**78,509**	**418,580**
B.1 Purchases	3,133	78,791	6,452	108,158	49,407	245,941
B.2 Capitalised expenditure on improvements	-	26,553	-	-	-	26,553
B.3 Write-backs	1,454	1,346	-	-	-	2,800
B.4 Positive changes in fair value allocated to	27,051	5,400	9	-	-	32,460
a) shareholders' equity	17,618	2,368	-	-	-	19,986
b) profit or loss	9,433	3,032	9	-	-	12,474
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfers from property, plant and equipment held for investment	12,955	7,712	-	-	-	20,667
B.7 Other increases	-	18,080	2,003	40,974	29,102	90,159
C. Decreases:	**25,372**	**138,031**	**8,072**	**72,465**	**60,918**	**304,858**
C.1 Sales	-	466	36	95	1,485	2,082
C.2 Depreciation	-	84,011	5,040	47,369	29,320	165,740
C.3 Impairment losses allocated to	-	2,382	391	473	-	3,246
a) shareholders' equity	-	-	-	-	-	-
b) profit or loss	-	2,382	391	473	-	3,246
C.4 Negative changes in fair value allocated to	1,844	14,587	-	-	-	16,431
a) shareholders' equity	-	4,719	-	-	-	4,719
b) profit or loss	1,844	9,868	-	-	-	11,712
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Transfers to:	23,528	31,308	-	2,064	1,449	58,349
a) property, plant and equipment held for investment	18,135	19,971	-	-	-	38,106
b) Non-current assets and groups of assets held for sale	5,393	11,337	-	2,064	1,449	20,243
C.7 Other decreases	-	5,277	2,605	22,464	28,664	59,010
D. Net closing balance	**668,109**	**940,829**	**73,489**	**164,004**	**131,174**	**1,977,605**
D.1 Total net value adjustments	-97,556	266,079	255,562	314,774	436,201	1,175,060
D.2 Gross closing balance	**570,553**	**1,206,908**	**329,051**	**478,778**	**567,375**	**3,152,665**
E. Carried at cost	**362,836**	**681,453**	**-**	**-**	**-**	**1,044,289**

Impairment losses included refer to rights of use acquired through leases following the early closure of certain branches.

9.7 Property, plant and equipment held for investment: annual changes

	Total	
	Land	Buildings
A. Opening balance	**229,216**	**264,811**
B. Increases	**28,710**	**33,838**
B.1 Purchases	425	265
B.2 Capitalised expenditure on improvements	-	7,277
B.3 Increases in fair value	9,284	3,435
B.4 Write-backs	-	-
B.5 Positive exchange differences	-	-
B.6 Transfers from property, plant and equipment used in operations	18,135	19,971
B.7 Other increases	866	2,890
C. Decreases	**53,719**	**66,438**
C.1 Sales	11,968	19,619
C.2 Depreciation	-	-
C.3 Decreases in fair value	17,370	26,033
C.4 Impairment losses	-	-
C.5 Negative exchange differences	-	-
C.6 Transfers to:	24,321	20,429
a) property, plant and equipment used in operations	12,955	7,712
b) Non-current assets and groups of assets held for sale	11,366	12,717
C.7 Other decreases	60	357
D. Closing balance	**204,207**	**232,211**
E. Valuation at fair value	-	-

9.8 Inventories of property, plant and equipment governed by IAS 2: annual changes

	Inventories of property, plant and equipment arising from the enforcement of guarantees received					Other inventories of property, plant and equipment	Total
	Land	Buildings	Furniture	Electronic systems	Other		
A. Opening balance	**52,453**	**45,506**	**-**	**-**	**-**	**981**	**98,940**
B. Increases	**35**	**1,927**	**-**	**-**	**-**	**506**	**2,468**
B.1 Purchases	-	-	-	-	-	-	-
B.2 Write-backs	35	32	-	-	-	-	67
B.3 Positive exchange differences	-	-	-	-	-	-	-
B.4 Other increases	-	1,895	-	-	-	506	2,401
C. Decreases	**6,530**	**5,325**	**-**	**-**	**-**	**1,385**	**13,240**
C.1 Sales	1,088	1,927	-	-	-	-	3,015
C.2 Impairment losses	4,183	1,895	-	-	-	-	6,078
C.3 Negative exchange differences	-	-	-	-	-	-	-
C.4 Other decreases	1,259	1,503	-	-	-	1,385	4,147
D. Closing balance	**45,958**	**42,108**	**-**	**-**	**-**	**102**	**88,168**

Useful life of the main categories of fixed assets used in operations

Category	Useful life
Land	not depreciated
Real estate	based on the useful life identified from specific appraisals
Office furniture and machines	100 months
Furnishings	80 months
Lifting equipment	160 months
Motor vehicles	48 months
Alarm systems	40 months
EDP hardware	60 months

Depreciation is calculated with reference to the estimated useful life of the assets concerned, commencing from when they enter into service.

9.9 Commitments to purchase property, plant and equipment

There are no cases of commitments to purchase property, plant and equipment in this Consolidated Financial Report.

Section 10 – Intangible assets

Item 100

10.1 Intangible assets: breakdown by asset type

Description/Amounts	Total 31.12.2024		Total 31.12.2023	
	Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life
A.1 Goodwill	**X**	**170,018**	**X**	**170,018**
A.1.1 pertaining to group	X	170,018	X	170,018
A.1.2 pertaining to minority interests	X	-	X	-
A.2 Other intangible assets	**540,745**	**-**	**478,963**	**-**
of which Software	537,634	-	474,192	-
A.2.1 Assets measured at cost	540,745	-	478,963	-
a) intangible assets generated internally	-	-	-	-
b) other assets	540,745	-	478,963	-
A.2.2 Assets measured at fair value	-	-	-	-
a) intangible assets generated internally	-	-	-	-
b) other assets	-	-	-	-
Total	**540,745**	**170,018**	**478,963**	**170,018**

Goodwill for an amount of Euro 170.0 million, is allocated to the CGU Arca Holding and has remained unchanged with respect to 31 December 2023.
“Other intangible assets” mainly comprise application software measured at cost and amortised on a straight-line basis over a period, not exceeding five years, that depends on the degree of obsolescence involved.

10.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: generated internally		Other intangible assets: other		Total
		FIN	INDEF	FIN	INDEF	
A. Opening balance	**640,298**	**-**	**-**	**946,451**	**-**	**1,586,749**
A.1 Total net value adjustments	470,280	-	-	467,488	-	937,768
A.2 Net opening balance	**170,018**	**-**	**-**	**478,963**	**-**	**648,981**
B. Increases	**-**	**-**	**-**	**224,427**	**-**	**224,427**
B.1 Purchases	-	-	-	222,428	-	222,428
B.2 Increases in internal intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value	-	-	-	-	-	-
- shareholders' equity	X	-	-	-	-	-
- profit or loss	X	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Other increases	-	-	-	1,999	-	1,999
C. Decreases	**-**	**-**	**-**	**162,645**	**-**	**162,645**
C.1 Sales	-	-	-	-	-	-
C.2 Adjustments	-	-	-	161,251	-	161,251
- Depreciation	X	-	-	126,992	-	126,992
- Impairment losses	-	-	-	34,259	-	34,259
+ shareholders' equity	X	-	-	-	-	-
+ profit or loss	-	-	-	34,259	-	34,259
C.3 Decreases in fair value:	-	-	-	-	-	-
- shareholders' equity	X	-	-	-	-	-
- profit or loss	X	-	-	-	-	-
C.4 Transfers to non-current assets held for sale	-	-	-	33	-	33
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Other decreases	-	-	-	1,361	-	1,361
D. Net closing balance	**170,018**	**-**	**-**	**540,745**	**-**	**710,763**
D.1 Total net value adjustments	470,280	-	-	627,353	-	1,097,633
E. Gross closing balance	**640,298**	**-**	**-**	**1,168,098**	**-**	**1,808,396**

All intangible assets are measured at cost.
The impairment test, carried out in compliance with IAS 36, called for the write-down of software deemed to have reached the end of its useful life ahead of time for Euro 34.3 million.

10.3 Other information

10.3.1 Goodwill

The goodwill reported in the Consolidated Financial Report is summarised in the following table:

(in thousands)

Goodwill	31.12.2024	31.12.2023
Banks/Other companies	**170,018**	**170,018**
- Arca Holding s.p.a.	*170,018*	*170,018*
- Banco di Sardegna s.p.a.	-	-
- BPER Factor s.p.a.	-	-
Total	**170,018**	**170,018**

Information on goodwill

With respect to business combinations, accounting standard IFRS 3 requires the recognition of any intangible assets and goodwill arising from the transaction; goodwill, in particular, is measured as the difference between:

- the consideration transferred, measured in accordance with IFRS 3, which generally requires fair value at the acquisition date, and other items also indicated in the relevant accounting standard;
- and the net value of the amounts at the acquisition date of the identifiable assets acquired and liabilities assumed measured in accordance with IFRS 3.

Also as part of international accounting standards, IAS 36 requires the identification of "Cash Generating Units" (CGUs) and allocation of goodwill to those that will benefit from the effects deriving from the business combination; a CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

According to IAS 36, an impairment test, i.e. the verification of an asset's recoverable amount, is performed by comparing the carrying amount of the CGU with its recoverable value, where "recoverable value" means the higher of its fair value less costs to sell and its value in use. The carrying amount is determined in a way that is consistent with the method used to determine its recoverable value. Generally speaking, the impairment loss shall be recognised immediately in profit or loss.

In accordance with IAS 36, intangible assets with an indefinite useful life, such as goodwill, are not amortised, but must be tested for impairment at least annually (or in any case whenever there is evidence of impairment) to verify the actual recoverability of the recorded value. The annual verification can be carried out at any time during the reference year, provided that it is conducted in the same period in all years. In this context, the BPER Banca Group carries out an annual impairment test at the time the year-end Financial Report is prepared, whereas when interim reports are prepared, a check is performed to verify whether there are any signs of impairment; in this case, if the check has a positive outcome, an impairment test is carried out.

2024 was a positive year for the stock market overall, with the FTSE MIB index rising by +12.63% since the beginning of the year, and particularly for the banking sector, with the FTSE IT Banks sector index up by +53% since the beginning of the year; this trend also affected the European sector (Euro Stoxx Banks index up +23% in one year) and the US market (S&P500 Banks index up +34% during 2024). The share prices of Italian companies in the asset management sector also saw strong growth in 2024, with double-digit growth rates in most cases. Regarding the macroeconomic and sector outlook, a year on, more favourable expectations are now observed for the coming years, with the main macroeconomic and sector parameters generally posting better figures and trends compared to those expected one year ago for the same period. There is, on the other hand, a more unfavourable forecast regarding the trend in bad loans, with a higher variation rate, and in asset management, where average growth over the next few years is expected to be about one percentage point lower than one year ago for the same estimate period, although still at interesting levels above 5%.

Internally, the BPER Banca Group has released the new Business Plan named "B:Dynamic | Full Value 2027" which, at Group level, provides for among other things for growth in assets under management and their profitability, with a consequent increase in fees generated, and the reduction of operating costs over the 2024-2027 period by leveraging potential economies of scale.

Identification of a Cash Generating Unit

Goodwill, identified as an intangible asset with an indefinite useful life, does not generate financial flows except with the contribution of other company assets; it is therefore necessary to preliminarily assign this asset to largely autonomous operational units, a.k.a. CGUs, both in terms of independent cash flows generated and in terms of internal planning and reporting. According to IAS 36, the level at which goodwill is tested has to be correlated with the level of internal reporting of business performance and planning of future trends used by Management to monitor the dynamics. In this regard, the definition of this level is closely dependent on the organisational models and the attribution of management responsibilities for the definition of operating activities and subsequent monitoring. The CGU can also not be larger than an operating segment, as defined in paragraph 5 of IFRS 8.

The business model of the BPER Banca Group is now geared towards a structure focused on customer type and the products/services offered, with flow interaction and operations increasingly based on business areas.

The goodwill still recognised on the balance sheet arose from the business combination carried out to strengthen and enhance the business related to wealth management and investment services, which led BPER Banca to consolidate its equity investment in Arca Holding s.p.a., reaching a majority shareholding of 57% of the capital. In this context, the CGU to which goodwill is allocated can be identified not only with a legal entity (i.e. Arca Holding s.p.a.) but also with a specific business area (i.e. asset management), characterised by specific actual and forecast reporting, based on a consolidated and long-tested reporting system, which allowed for continuous monitoring of the sustainability of the recognised value, while also ensuring continuity with the past.

Based on the above, CGU Arca Holding is therefore identified as the only CGU to which goodwill recognised in the Consolidated Financial report prior to the impairment tests conducted during the year was allocated:

Carrying amount of the CGUs

The carrying amount of the CGUs is determined in a way that is consistent with the method used to estimate its recoverable value.

Given that it refers to companies operating in the financial sector, it is not possible to identify the cash flows generated by a CGU without considering the flows deriving from financial assets/liabilities. In other words, the recoverable value of the CGU is influenced by these flows, which means that the carrying amount has to be determined in line with the estimated recoverable value and therefore also has to include the financial assets/liabilities (so-called "equity side" approach).

The carrying amount of each CGU therefore corresponds to the total of: (i) the interest held in the shareholders' equity of the legal entity, including its results for the period; (ii) the goodwill allocated, net of any adjustments deriving from previous impairment tests; (iii) the residual net carrying amount of the specific intangible assets with a finite useful life that were identified in the context of the business combination by applying the acquisition method (if any).

Criteria for estimating the recoverable value of CGUs

The recoverable value of the CGU is its fair value net of disposal costs or, if greater, its value in use. Under the standard it is not necessary to calculate both value in use and fair value when performing the impairment test, as it is sufficient for at least one of them to exceed the carrying amount in order to confirm that the asset is not impaired.

For the purpose of determining the recoverable amount, reference was made to the value in use estimated using the "Dividend Discount Model" - DDM. This method estimates the value in use of an asset by discounting the flows of potentially distributable dividends, determined by management on the basis of economic-financial projections linked to that asset.

The cash flow expected in the last year of the forecast period is projected in perpetuity using an appropriate long-term growth rate "g" and the opportunity cost of capital in order to estimate the terminal value.

In the case of banks and financial institutions in general, the expected dividend flow is understood to mean the distributable cash flow, taking account of capital restrictions imposed by the Regulatory Authorities or considered reasonable in order to cover the typical risks of the business. Accordingly, future cash flows are identifiable as flows that could potentially be distributed after meeting the minimum capital allocation constraints; given this, the "Excess Capital Method" variant of the DDM is commonly used for appraisals in the banking sector, applying the following formula:

$$W = \sum_{i=0}^{n} CF_i(1 + k_e)^{-i} + TV(1 + k_e)^{-n}$$

Key:
W = value in use;
CF_i = potential cash flow available for distribution over time i;
i = reference year of cash flow;
n = period of time covered by the financial projections;
K_e = opportunity cost of capital, considering current assessments of the time value of money and specific business risks;
TV = terminal value; this corresponds to the present value of a perpetuity calculated based on long-term sustainable cash flow with a constant growth rate of "g".

The verification process, conducted on the basis of the general considerations shown above, will be analysed in detail in the following paragraphs. Testing involved the goodwill recognised for the CGU Arca Holding.

The impairment test conducted on 31 December 2024

Carrying amount of the CGUs

The following table summarises the book values of the individual CGUs for which there is residual goodwill as at 31 December 2024 and prior to verification of the sustainability of the values. The value is estimated as equal to the pro-rata share of the most recently available equity of the company.

(in millions)

CGU	Book value	of which: goodwill
Arca Holding	433.0	*170.0*

Estimation of the recoverable amount of CGUs

To estimate the recoverable amount, here identified with the value in use, the DDM-excess capital method was applied for the Banco di Sardegna CGU, and Arca Holding CGU given the availability of cash flow forecasts recently drawn up by the management of the BPER Banca Group.

Details are provided below regarding the estimate of cash flows and other valuation parameters used in applying the valuation method described above.

Estimate of future cash flows

The value in use of the CGUs was estimated by discounting the expected cash flows over an explicit forecasting period of five years, until 2029, in line with the requirements of IAS 36. The forecasts, approved by the relevant administrative body, were prepared for based on the most recent information on actual performance, on the strategic actions limited to those already undertaken and related effects and the most recent banking system forecasts available close to the time when the figures are verified. The projections are based on reasonable and supportable assumptions which represent the best estimate of the range of economic conditions that will exist in subsequent years at the time of impairment testing. Analysing in detail:

- for the year 2024, the preliminary year-end balance figures were used the best estimate available at the time of the impairment test;
- for 2025 reference was made to the budget for the year presented at the Board of Directors' meeting and approved by the BoD;
- for the years 2026-2027, development takes into account, among other factors, the evolutions forming the basis of the recently approved 2024-2027 "B:Dynamic | Full Value 2027" Business Plan of the BPER Banca Group;
- The forecasts referring to the years 2028-2029, likewise approved by the Boards of Directors of the individual Legal Entities, were developed by adopting an inertial approach, based on growth and margin rates substantially in line with those of the previous period and taking account of the expected trend at banking system level, which reflects the most recent forecasts by specialised infoproviders. The development of inertial forecasts, as required by the accounting standard, aims to reach a normalised situation at the end of the period, calculating a long-term sustainable income that can be used in estimating the Terminal Value. The normalisation process aims to mitigate the effects of anomalous and extraordinary external economic and market conditions, as well as the extraordinary and strategic transactions, already approved and being implemented, but which do not yet express their full effects at the time the impairment test is carried out, generating their effects on the structure once fully operational. Moreover, following an inertial logic and in line with the foregoing considerations, the last few years of forecasting do not reflect any extraordinary transactions which are not yet defined in detail, not approved by the administrative bodies or still not in an advanced phase of implementation;

As previously mentioned, the updated macroeconomic and sector scenario shows a more favourable trend than that considered a year ago for the same period (2025-2027), with the main macroeconomic and sector parameters (i.e. GDP growth rate, inflation rate, unemployment rate, lending growth and interest margin spread) generally showing better values and trends. As for the asset management segment, the most recent expectations point to average growth in the coming years that is about one percentage point lower than a year ago for the same forecast period (2025-2027), although still characterised by rates that are positioned at significant values and above 5%; in 2028, the last year of the forecast period, growth is expected to exceed 6% compared to the previous year. The expected annual growth in CGU assets under management is projected to be in line with system-wide growth.

The internal economic and financial calculations, in addition to considering ongoing or expected changes in the business model, reflect the effects of planned restructuring and strategic actions, which are useful for defining a normalised situation over the medium to long term. Only the effects of strategic actions approved by the Board of Directors and being implemented have been considered, consistent with the requirements of IAS 36.

The distributable cash flows of the CGU have been estimated assuming a target minimum regulatory requirement in line with the supervisory provisions applicable to that type of business, taking into account potential expected developments based on guidance from the Supervisory Authority.

The estimate of value in use includes the calculation of Terminal Value, which quantifies the present value of the cash flows potentially distributable to shareholders in the period subsequent to that covered by explicit projections. Its estimate was developed on the basis of a normalised flow given by the profit of the last projection year (2029), taking into account a long-term tax burden, net of the physiological absorption of capital and capitalised at a rate that measures the difference between the opportunity cost of capital (the "cost of equity") and the nominal "g" growth rate of 2.0%; The latter is consistent with the figure used in the previous annual impairment test as at 31 December 2023. The "g" rate is in line with the expected long-term inflation rate according to the latest estimates by the International Monetary Fund and other specialised infoproviders, as well as with the ECB's long-term target, which implicitly assumes average real growth of zero.

Estimation of the cost of capital

As noted above, the value in use is determined by discounting the expected cash flows at an appropriate rate reflecting the estimated opportunity cost of capital. Consistent with the requirements of IAS 36 and the guidelines of the impairment testing of goodwill, using the Capital Asset Pricing Model (CAPM). The following formula is applied:

$$K_e = R_f + \beta \times (R_m - R_f)$$

Key:
R_f = Risk free rate;
$(R_m - R_f)$ = Market Risk Premium;
β = Beta.

The CAPM expresses a linear relationship, under conditions of market equilibrium, between the yield on an investment and its systematic risk. In detail, the yield on an investment is calculated as the sum of the risk-free rate (expression of the time value of money) and the risk premium, which is the beta of the security multiplied by the Market Risk Premium.

The discount rate used incorporates the risk-free component and risk premiums correlated with the equity component observed over a sufficiently long period of time to take account of different market conditions and economic cycles.

The opportunity cost of capital was estimated at 10.48%, highlighting a decrease of -83 basis points with respect to the figure estimated at the reporting date of the 2023 Financial Report (11.31%), obtained by considering the update of the following parameters in the CAPM formula:

- the risk free rate, being the time value of money corresponding to the yield on a risk-free investment, usually represented by government bonds. The general structure of the CAPM refers to a risk-free rate, but makes no reference to the period of time to be considered. The approach that prevailed for the valuation process was to select a rate of return on long-term government bonds (generally 10-year bonds). An average value of the 10-year BTP yield rates of 3.70%, calculated over a one-year observation period and obtained using the same approach as in the previous impairment tests, has been used here. The figure shows an increase compared to the value used in the impairment test as at 31 December 2023 (when the average value calculated over a one-year observation period was 4.27%), influenced as it is by the additional monetary tightening policies implemented by the Central Banks of the world's major economies;
- the Market Risk Premium, being the difference between the yield on a diversified portfolio of risky investments available on the market and the yield on a risk-free bond. It should be considered that the risk premium is generally associated with the long-term. Since this represents, in fact, the additional return over the risk free rate that an investor requires to invest in a portfolio of risky assets, it should not be linked to short-term market fluctuations. Specifically, a market risk premium of 5.50% was used, unchanged with respect to the figure used in the previous impairment test. This figure is the result of a qualitative and quantitative analysis using information issued periodically by specialised infoproviders, which analyse the sector and macroeconomic trends or periodically record those used on average in practice by various operators when carrying out valuations;
- the beta, being the specific investment risk. The beta expresses the correlation between the yield on a single risky investment and that on a market portfolio. A coefficient equal to one indicates that the investment being considered follows the exact trend of the market portfolio, while a beta greater than one identifies an "aggressive" investment, the yield of which may vary more than the market return. A beta lower than one corresponds to a "defensive" investment; in this case variations in the investment yield are less sensitive. The beta used here is estimated at 1.23 (1.28 at 31 December 2023), equal to the average beta of a sample of companies operating in asset management estimated over a sufficiently long period of time to minimise the distortive effects that may affect short periods. Specifically, in line with what was considered in the most recent impairment tests, the period considered is 5 years of observations, on a monthly basis and taking the Italian stock index as the benchmark. The beta as at 31 December 2024 (equal to 1.23) refers to the asset management sector, given the specific nature of the business characterising the CGU Arca Holding.

The rate estimated in this way is considered to reflect the real risk exposure of the CGU and be consistent with the risk exposure implicit in the economic projections, so there is no need to add any further risk premium. The approach adopted in estimating the opportunity cost of capital follows a well-established impairment testing process, referring the verification of the impact generated by any positive or negative deviations in the external market parameters on the value in use to the sensitivity analyses.

Results of the impairment test

An impairment test requires a comparison between the recoverable amount of the CGU to which goodwill has been allocated and its carrying amount. In accordance with applicable accounting standards, goodwill must be adjusted when the carrying amount of the CGU to which it has been allocated exceeds the recoverable amount, which in this case is assumed to be equal to the value in use. As at the reporting date of this Consolidated Financial Report, and taking into account the outcomes resulting from the update of the valuation parameters, the test confirmed the value of goodwill allocated to the CGU Arca Holding.

The Parent Company obtained an opinion from an independent external expert on the impairment testing process used by its internal organisations.

Sensitivity analysis

It should be noted that the main parameters used in the valuation model, such as cash flows and the opportunity cost of capital, may be significantly influenced by changes in the overall economic environment, although in the most recent period this has shown greater stability compared to the previous period, which was influenced by extraordinary events such as the pandemic and the beginning of the conflict between Russia and Ukraine. The effects of these changes on the cash flow projections and the main financial assumptions could render future results different from those used to verify the sustainability of goodwill.

For this reason and pursuant to IAS 36, sensitivity analyses were carried out to assess the impact of changes in the key parameters underlying the valuation model on the estimates of value in use and, therefore, on the results of the impairment test. This analysis is all the more necessary in periods characterised by a significant market volatility and uncertainty of the impact of certain events beyond the scope of management control; factors which we tried to take into account by using all the information known on the date of testing, including the most up-to-date expectations at the macroeconomic and banking system level, but which in any case always carry an implicit risk related to the possible timing and actual extent of the events, which are currently unpredictable.

In this scenario, the impact on the value in use of a change in some key variables was assessed, specifically the exogenous variables whose trend lies beyond the scope of management control:

- +25 bps and +50 bps on the cost of "basic" capital (equal to 10.48%);
- -25 bps and -50 bps in the long-term "basic" growth rate "g" (equal to 2.0%).

As the CGU involved was Arca Holding, considering that the valuation method applied and the different supervisory requirement under the relevant regulations for this type of business make the development of a sensitivity analysis on this parameter less meaningful, a -15% and -30% change in normalised profit was considered in this case.

CGU	Change in Value in Use of CGUs					
	ke rate		"g" rate		Reduction of normalised profit	
	+25 bps	+50 bps	-25 bps	-50 bps	-15%	-30%
Arca Holding	-1.6%	-3.2%	-1.1%	-2.2%	-7.6%	-15.2%

Again for stress testing purposes, alternative variations were considered for the opportunity cost of capital, for the profits expected in the analytical forecast period (including that used in the estimate of the normalised flow underlying the Terminal Value) and the normalised expected cash flow in the final period of the projections (used to estimate the Terminal Value), in order to reduce the value in use of the CGU to its carrying amount, or, in other words, the threshold value of the main inputs, beyond which impairment testing of the CGU would result in a loss.

CGU	Maximum ke rate	Maximum reduction of expected profits in the forecasting period and of normalised profit	Maximum reduction in the normalised flow
Arca Holding	17.85%	-39%	-70%

This analysis shows that in relation to the Arca Holding CGU, the occurrence of either an increase by approximately over +737 bps in the opportunity cost of capital, from 10.48% to 17.85%, a reduction of 39% in profits in each year of the forecasting period (including the profit underlying the normalised cash flow) or a reduction of 70% in the cash flow underlying the Terminal Value, without prejudice to all other inputs in each scenario, would bring the recoverable value substantially into line with its carrying amount.

Section 11 – Tax assets and liabilities

Asset item 110 and liability item 60

11.1 Deferred tax assets: breakdown

	IRES	IRAP	Total 31.12.2024	Total 31.12.2023
Impairment losses on loans to customers	186,160	16,869	203,029	374,276
Impairment losses on equity investments and securities	42,804	10,242	53,046	77,327
Goodwill convertible into tax credits	237,339	45,607	282,946	306,970
Non-convertible goodwill	17,911	3,776	21,687	34,953
Personnel provisions	254,952	40,293	295,245	259,614
Endorsement credits, clawback action during bankruptcy proceedings and outstanding lawsuits	97,067	4,735	101,802	112,772
Impairment losses on loans to customers FTA IFRS 9	158,288	32,266	190,554	241,524
Non-convertible tax losses	188,135	-	188,135	320,588
Tax losses convertible into tax credits	4,519	210	4,729	2,289
ACE carried forward	7,570	-	7,570	61,000
Property, plant and equipment and intangible assets	2,074	255	2,329	6,209
Other deferred tax assets	32,577	515	33,092	36,967
Total	**1,229,396**	**154,768**	**1,384,164**	**1,834,489**

"Deferred tax assets" are determined on the basis of IRES and IRAP tax rates which are expected to be in force at the time of their recovery.
The total includes, for an amount of Euro 490.1 million, deferred tax assets relating to value adjustments to loans to customers, goodwill and IRES and IRAP tax losses of the current year convertible to tax credits pursuant to Law 214/2011.
The remaining deferred tax assets, amounting to Euro 893.5 million, mainly relate to deductible temporary differences for an amount of Euro 797.8 million, non-convertible tax losses for an amount of Euro 188.1 million and ACE (Allowance for Corporate Equity) surpluses for Euro 7.6 million; these deferred tax assets were recognised on the basis of the positive outcome of the probability test carried out in compliance with the provisions of IAS 12, assuming that a time horizon of 5 years is used for the purposes of the recovery forecasts; the future taxable income considered is consistent with the financial forecasts updated recently in 2024.
As at 31 December 2024, Euro 111.0 million worth of deferred tax assets were not recorded, as they relate to changes recoverable beyond the time horizon allocated for the probability test.

11.2 Deferred tax liabilities: breakdown

	IRES	IRAP	Total 31.12.2024	Total 31.12.2023
Payments to FITD (Interbank Deposit Protection Fund)	196	40	236	236
Revaluations of equity investments and securities	5,240	12,594	17,834	15,713
Capital gains on shares and other securities	1,450	230	1,680	2,390
Personnel provisions	1,643	13	1,656	1,661
Property, plant and equipment and intangible assets	19,593	3,959	23,552	25,988
Other deferred taxes	11,278	869	12,147	10,783
Total	**39,400**	**17,705**	**57,105**	**56,771**

"Deferred tax liabilities" are determined on the basis of IRES and IRAP tax rates which are expected to be in force at the time of their recovery.
At 31 December 2024, there are no temporary differences relating to investments in subsidiaries, branches, associates and companies under joint control for which the related deferred tax liabilities have not been recognised.

11.3 Changes in deferred tax assets (through profit or loss)

	31.12.2024	31.12.2023
1. Initial amount	**1,724,617**	**2,189,502**
2. Increases	**185,970**	**590,727**
2.1 Deferred tax assets recognised in the year	183,963	590,727
a) relating to previous years	47,934	429,589
b) due to changes in accounting criteria	-	-
c) write-backs	-	-
d) other	136,029	161,138
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	2,007	-
3. Decreases	**611,062**	**1,055,612**
3.1 Deferred tax assets derecognised in the year	606,607	968,283
a) reversals	280,908	320,446
b) write-offs	-	-
c) due to changes in accounting criteria	-	-
d) other	325,699	647,837
3.2 Decreases in tax rates	-	-
3.3 Other decreases:	4,455	87,329
a) conversion into tax credit under Law no. 214/2011	4,455	84,080
b) other	-	3,249
4. Final amount	**1,299,525**	**1,724,617**

The amount recognised under 2.1 a) "Deferred tax assets recognised in the year relating to previous years" mainly refers to DTAs recognised in the year following the passing of the probability test relating to tax losses, ACE surpluses, as well as the amortisation of tax-aligned goodwill recoverable in 2028.
Item 2.1 d) "Deferred tax assets recognised in the year - other" mainly includes deferred tax assets related to provisions for redundancy funds, legal disputes, provisions for clawback actions and signature loans, and finally, personnel provisions.
Item 2.3 "Other increases" includes, among others, the accounting balances of deferred tax assets of BPER transferred to Banca Cesare Ponti following the transfer of the business unit identified as the Wealth Business Department of BPER Banca, primarily attributable to provisions set aside for personnel.
The amount recognised in 3.1 a) " Deferred tax assets derecognised in the year" includes the cancellations of deferred tax assets pursuant to Law 214/2011 connected to the write-downs of loans to customers and tax amortisation of goodwill, plus the cancellations of the deferred tax assets on the portion of impairment deducted in the period, registered at the time of the first-time adoption of IFRS 9.
The amount recognised under item 3.1 d) Deferred tax assets cancelled for the year - "other" mainly includes the cancellation of deferred tax assets related to the draw-downs of personnel provisions, the drawdowns of other provisions for risks and the portion of tax losses and ACE surpluses used to reduce individual and group taxable income.
The amount recognised under item 3.3 a) Other decreases "conversion into tax assets as per Law 214/2011" reflects the decrease in DTAs recognised on the IRES tax loss for 2023 and on the negative value of production for 2023, which were converted into tax credits in 2024.
The amount recognised under item 3.3 b) "Other decreases" mainly includes the accounting balances of deferred tax assets of BPER transferred to Banca Cesare Ponti following the transfer of the business unit identified as the Wealth Business Department of BPER Banca, primarily attributable to provisions set aside for personnel.

11.4 Changes in deferred tax assets pursuant to Law 214/2011 (through profit or loss)

	Total 31.12.2024	Total 31.12.2023
1. Initial amount	**683,535**	**977,353**
2. Increases	**6,736**	**4,622**
3. Decreases	**199,567**	**298,440**
3.1 Reversals	195,112	211,586
3.2 Conversion into tax credit	4,455	84,080
a) from losses for the year	-	-
b) from tax losses	4,455	84,080
3.3 Other decreases	-	2,774
4. Final amount	**490,704**	**683,535**

Article 2, paragraph 55 et seq. of Law Decree no. 225/2010 introduced the option of converting into tax credits the DTAs recognised in the financial statements relating to value adjustments pursuant to article 106, paragraph 3 of the Consolidated Income Tax Act, to the value of goodwill and other intangible assets and the part of the IRES tax losses resulting from (and within the limits of) the deduction of the aforementioned items for the year.
Subsequently, Law 147/2013 (Stability Law 2014) extended the conversion of IRAP DTAs relating to impairment losses on loans, goodwill and other intangible assets, also in the case of "negative net value of production".
This table shows the changes that took place during the year limited to these categories of DTAs (called "noble").
The amount under item "2. Increases" refers to the portion of the IRES and IRAP tax loss for 2024 attributable to deductions for loan adjustments and goodwill which led to the reversal of DTAs convertible into tax credits.
Item 3.1 Reversals represents the reversals for the year as a result of the deduction in the year of value adjustments on loans recognised in previous years and the deduction of which had been deferred in accordance with the regulations in force at the time, and of the amortisation of goodwill.
Item 3.2 b) Conversion into tax credits "from tax losses" represents the decrease in DTAs recognised on the IRES tax loss for 2023 and on the negative value of production for 2023, which were converted into tax credits in 2024.

11.5 Changes in deferred tax liabilities (through profit or loss)

	Total 31.12.2024	Total 31.12.2023
1. Initial amount	**13,949**	**12,245**
2. Increases	**3,131**	**3,907**
2.1 Deferred tax liabilities recognised in the year	3,020	3,707
a) relating to previous years	-	-
b) due to changes in accounting criteria	-	-
c) other	3,020	3,707
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	111	200
3. Decreases	**2,373**	**2,203**
3.1 Deferred tax liabilities derecognised in the year	2,343	806
a) reversals	33	133
b) due to changes in accounting criteria	-	-
c) other	2,310	673
3.2 Decreases in tax rates	-	-
3.3 Other decreases	30	1,397
4. Final amount	**14,707**	**13,949**

Item 2.1 c) "Deferred tax liabilities recognised in the year - other" mainly includes deferred tax assets recognised following the revaluation of tax credits held for sale and the misalignment between the carrying and tax value of owned properties due to the fair value adjustment at the end of the financial year.
Item 3.1 c) "Deferred tax liabilities derecognised in the year - other" refers to deferred taxes derecognised following the realisation of securities and equity investments and deferred tax assets recognised in relation to the misalignment between the carrying and tax value of owned properties due to the fair value adjustment at the end of the financial year.

11.6 Changes in deferred tax assets (through shareholders' equity)

	Total 31.12.2024	Total 31.12.2023
1. Initial amount	**109,872**	**162,887**
2. Increases	**4,997**	**5,970**
2.1 Deferred tax assets recognised in the year	4,997	5,965
a) relating to previous years	-	-
b) due to changes in accounting criteria	-	-
c) other	4,997	5,965
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	5
3. Decreases	**30,230**	**58,985**
3.1 Deferred tax assets derecognised in the year	29,542	57,653
a) reversals	799	4,369
b) write-offs	-	-
c) due to changes in accounting criteria	-	-
d) other	28,743	53,284
3.2 Decreases in tax rates	-	-
3.3 Other decreases	688	1,332
- of which: business combinations	-	1,332
4. Final amount	**84,639**	**109,872**

Item 2.1 c) Deferred tax assets recognised in the year - "other" refers mainly to deferred tax assets related to the provision for Section A pension fund and the fair value measurement of non-currrent securities.
Item 3.1 d) Deferred tax assets derecognised in the year - "other" refers mainly to deferred tax assets recognised against the fair value measurement of non-current securities and the impact of the measurement of CFH derivatives.

11.7 Changes in deferred tax liabilities (through shareholders' equity)

	Total 31.12.2024	Total 31.12.2023
1. Initial amount	**42,822**	**51,143**
2. Increases	**6,280**	**3,376**
2.1 Deferred tax liabilities recognised in the year	5,870	3,371
a) relating to previous years	-	-
b) due to changes in accounting criteria	-	-
c) other	5,870	3,371
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	410	5
3. Decreases	**6,704**	**11,697**
3.1 Deferred tax liabilities derecognised in the year	4,134	11,510
a) reversals	284	444
b) due to changes in accounting criteria	-	-
c) other	3,850	11,066
3.2 Decreases in tax rates	-	-
3.3 Other decreases	2,570	187
4. Final amount	**42,398**	**42,822**

Item 2.1 c) "Deferred tax liabilities recognised in the year - other" refers mainly to deferred tax liabilities recognised on the fair value measurement of securities in the HTC&S portfolio, and to deferred tax liabilities recognised against the fair value measurement of IAS 16 properties.
Item 3.1 c) "Deferred tax assets derecognised in the year - other" refers mainly to deferred tax liabilities derecognised following the measurement of HTC&S portfolio securities and the fair value measurement of IAS 16 properties and the impact of the measurement of CFH derivatives.

11.8 Other information

There is no information to be disclosed other than that already provided in this section.

Section 12 – Non-current assets and disposal groups classified as held for sale and related liabilities

Asset item 120 and liability item 70

12.1 Non-current assets and disposal groups classified as held for sale: breakdown by assets

	Total 31.12.2024	Total 31.12.2023
A. Assets held for sale		
A.1 Financial assets	-	-
A.2 Equity investments	-	-
A.3 Property, plant and equipment	38,861	13,969
of which: arising from the enforcement of guarantees received	1,778	3,485
A.4 Intangible assets	33	-
A.5 Other non-current assets	2,126	-
Total A	**41,020**	**13,969**
of which measured at cost	5,775	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	35,245	13,969
B. Discontinued operations		
B.1 Financial assets measured at fair value through profit or loss	-	-
Financial assets held for trading	-	-
Financial assets designated at fair value	-	-
Other financial assets mandatorily measured at fair value	-	-
B.2 Financial assets measured at fair value through other comprehensive income	-	-
B.3 Financial assets measured at amortised cost	-	-
B.4 Equity investments	-	-
B.5 Property, plant and equipment	-	-
of which: arising from the enforcement of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total B	**-**	**-**
of which measured at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-

(cont.)

	31.12.2024	31.12.2023
C. Liabilities associated with assets classified as held for sale		
C.1 Due to banks/customers	110	-
C.2 Securities	-	-
C.3 Other liabilities	4,957	-
Total C	**5,067**	**-**
of which measured at cost	5,067	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities measured at amortised cost	-	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Provisions	-	-
D.5 Other liabilities	-	-
Total D	**-**	**-**
of which measured at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-

“Property, plant and equipment” also includes buildings owned by the Bank totalling Euro 17.1 million of which preliminary sale contracts have been signed for an amount of Euro 15.6 million, or a purchase and sale proposal has been accepted at the reporting date, of which Euro 1.5 million in former Carige leased properties, repossessed as debt collection.

12.2 Other information

There is no information to be disclosed other than that already provided in this section.

Section 13 – Other assets
Item 130

13.1 Other assets: breakdown

	31.12.2024	31.12.2023
Taxes withheld on interest, withholdings and tax credits on dividends, advance taxation	377,652	245,103
Amounts recoverable from the tax authorities for higher taxes paid for previous years and related accrued interest (other than income taxes)	4,970	8,910
Sundry amounts to be charged to customers	312,359	403,213
Bank charges to be debited to customers or banks	131,582	132,701
Cheques being processed	129	75
Cheques drawn on other banks	90,078	73,598
Items relating to securities transactions	160,550	189,429
Leasehold improvement expenditure	14,554	13,279
Gold, silver and precious metals	80,371	43,442
Accrued income and prepaid expenses	13,862	18,435
Tax credits purchased from third parties	4,490,419	4,489,428
Other items for sundry purposes	197,044	455,380
Total	**5,873,570**	**6,072,993**

There are no contract assets, as defined in IFRS 15.

The item "Tax credits purchased from third parties" includes tax credits purchased from third parties under the Relaunch Decree no. 34/2020, measured at amortised cost, for the portion to be recovered by offsetting, and measured at fair value, for the amount corresponding to the sales contracts entered into at the end of the reporting period. The nominal value of tax credits acquired as at 31 December 2024, net of offsets and sales, amounted to Euro 5,002.4 million (Euro 5,021.1 million at 31 December 2023). The recovery of credits by offsetting is confirmed by the assessment of individual and Group tax capacity, which is understood to be the estimate of future payments made through the F24 form.

In light of the complexity of the regulatory scenario, despite the control protocols adopted by the Bank both in the phase of acquiring the tax credit and in its technical assessment, it is believed that BPER Banca remains exposed to a compliance/operational risk that, in the event of irregularities by the selling parties, could cause a deferral in the use of the receivables acquired. In respect of said risk, the Group made an allocation to the Provisions for risks and charges, better detailed in a later section of these Explanatory Notes, dedicated to liability items.

LIABILITIES

Section 1 – Financial liabilities measured at amortised cost
Item 10

1.1 Financial liabilities measured at amortised cost: breakdown by product of due to banks

Type of transaction/Amounts	Total 31.12.2024				Total 31.12.2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Due to Central Banks	-	X	X	X	**1,733,120**	X	X	X
2. Due to banks	**5,047,675**	X	X	X	**6,021,330**	X	X	X
2.1 Current accounts and demand deposits	146,542	X	X	X	265,489	X	X	X
2.2 Time deposits	934	X	X	X	934	X	X	X
2.3 Loans	4,056,116	X	X	X	4,433,199	X	X	X
2.3.1 Repurchase agreements	3,695,586	X	X	X	4,136,364	X	X	X
2.3.2 Other	360,530	X	X	X	296,835	X	X	X
2.4 Payables for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Lease liabilities	10,816	X	X	X	15,254	X	X	X
2.6 Other liabilities	833,267	X	X	X	1,306,454	X	X	X
Total	**5,047,675**	**-**	**-**	**5,047,675**	**7,754,450**	**-**	**-**	**7,754,450**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.
Fair value is assumed to be the same as the carrying amount since they are sight or short-term transactions, mainly at floating rates.
Key: BV = Book value; L1 = Level 1; L2 = Level 2; L3 = Level 3

1.2 Financial liabilities measured at amortised cost: breakdown by product of due to customers

Type of transaction/Amounts	Total 31.12.2024				Total 31.12.2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	**93,722,900**	**X**	**X**	**X**	**94,485,148**	**X**	**X**	**X**
2. Time deposits	**2,078,811**	**X**	**X**	**X**	**3,342,264**	**X**	**X**	**X**
3. Loans	**7,052,840**	**X**	**X**	**X**	**5,514,157**	**X**	**X**	**X**
3.1 Repurchase agreements	1,825,110	X	X	X	2,087,467	X	X	X
3.2 Other	5,227,730	X	X	X	3,426,690	X	X	X
4. Payables for commitments to repurchase own equity instruments	**-**	**X**	**X**	**X**	**-**	**X**	**X**	**X**
5. Lease liabilities	**402,257**	**X**	**X**	**X**	**313,188**	**X**	**X**	**X**
6. Other liabilities	**993,511**	**X**	**X**	**X**	**1,199,795**	**X**	**X**	**X**
Total	**104,250,319**	**-**	**-**	**104,250,319**	**104,854,552**	**-**	**-**	**104,854,552**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.
Fair value is assumed to be the same as the carrying amount since they are sight or short-term transactions, mainly at floating rates.
Key: BV = Book value; L1 = Level 1; L2 = Level 2; L3 = Level 3

1.3 Financial liabilities measured at amortised cost: breakdown, by product, of securities issued

Type of transaction/Amounts	Total 31.12.2024				Total 31.12.2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	**9,890,105**	**6,831,554**	**3,152,197**	**-**	**11,163,577**	**5,052,052**	**5,999,555**	**-**
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	9,890,105	6,831,554	3,152,197	-	11,163,577	5,052,052	5,999,555	-
2. other securities	**1,265,081**	**-**	**-**	**1,265,081**	**738,892**	**-**	**-**	**738,892**
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	1,265,081	-	-	1,265,081	738,892	-	-	738,892
Total	**11,155,186**	**6,831,554**	**3,152,197**	**1,265,081**	**11,902,469**	**5,052,052**	**5,999,555**	**738,892**

"Bonds" include Euro 1,477 million of subordinated debt, none of which are convertible into shares.
An explanation of the fair value hierarchy used for classification was given in Part A.4 of the Explanatory Notes to the Consolidated Financial Report as at 31 December 2023.
Key: BV = Book value; L1 = Level 1; L2 = Level 2; L3 = Level 3

1.4 Breakdown of subordinated securities

	Book Value 31.12.2024	Nominal value 31.12.2024	Book Value 31.12.2023	Nominal value 31.12.2023
BPER Banca EMTN Tier II subordinated non-convertible bond 3.625%, 2020-2030 callable	411,004	400,000	407,042	400,000
BPER Banca EMTN Tier II subordinated non-convertible bond 3.875%, 2022-2032 callable	615,339	600,000	617,106	600,000
BPER Banca Tier II subordinated non-convertible bond 5%, 2022-2032 callable	12,015	12,000	12,014	12,000
BPER Banca EMTN Tier II subordinated non-convertible bond 8.625%, 2022-2033 callable	437,317	400,000	436,053	400,000
Banca Carige s.p.a. bond loan Fixed Rate Tier II, 2018-2028 callable	-	-	1,853	1,800
Banca Carige s.p.a. bond loan Fixed Rate with Reset Tier II, 2019-2029 callable	-	-	206,098	200,000
Banca Monte Lucca s.p.a. bond loan Fixed rate with Reset, Tier II, 2020-2030 callable	1,022	1,208	994	1,208
Total non-convertible bonds	**1,476,697**	**1,413,208**	**1,681,160**	**1,615,008**
Total bonds	**1,476,697**	**1,413,208**	**1,681,160**	**1,615,008**

There are no convertible subordinated bonds outstanding at 31 December 2024 (as was the case in December 2023).

1.5 Breakdown of structured debts

There are no amounts for this item in this Consolidated Financial Report.

1.6 Lease liabilities

Time bands	Present value 31.12.2024	Present value 31.12.2023
Up to 3 months	19,478	21,949
>3 months to 1 year	55,448	48,556
> 1 to 5 years	211,272	94,321
> 5 years	126,875	163,616
Total	**413,073**	**328,442**

Section 2 - Financial liabilities held for trading
Item 20

2.1 Financial liabilities held for trading: breakdown by product

Type of transaction/Amounts	Total 31.12.2024					Total 31.12.2023				
	NV	Fair Value			Fair Value (*)	NV	Fair Value			Fair Value (*)
		L1	L2	L3			L1	L2	L3	
A. On-balance-sheet liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	3	94	-	-	94	-	1	-	-	1
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	3	94	-	-	94	-	1	-	-	1
B. Derivative instruments										
1. Financial derivatives	X	-	219,866	4,334	X	X	-	295,876	5,078	X
1.1 Trading	X	-	219,866	4,334	X	X	-	295,876	5,078	X
1.2 Connected with the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Connected with the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	X	-	219,866	4,334	X	X	-	295,876	5,078	X
Total (A+B)	X	94	219,866	4,334	X	X	1	295,876	5,078	X

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.
Key: VN = Nominal Value or Notional Value; L1 = Level 1; L2 = Level 2; L3 = Level 3; Fair value* = fair value calculated excluding value adjustments due to changes in the creditworthiness of the issuer since the issue date.

2.2 Breakdown of "Financial liabilities held for trading": subordinated liabilities

There are no amounts for this item in this Consolidated Financial Report.

2.3 Breakdown of "Financial liabilities held for trading": structured debts

There are no amounts to be disclosed in this Consolidated Financial Report.

Section 3 – Financial liabilities designated at fair value
Item 30

3.1 Financial liabilities designated at fair value: breakdown by product

Type of transaction/Amounts	Total 31.12.2024					Total 31.12.2023				
	NV	Fair value			Fair value (*)	NV	Fair value			Fair value (*)
		L1	L2	L3			L1	L2	L3	
1. Due to banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Structured	-	-	-	-	X	-	-	-	-	X
1.2 Other	-	-	-	-	X	-	-	-	-	X
of which:										
- commitments to disburse funds	-	X	X	X	X	X	X	X	X	X
- financial guarantees granted	-	X	X	X	X	X	X	X	X	X
2. Due to customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured	-	-	-	-	X	-	-	-	-	X
2.2 Other	-	-	-	-	X	-	-	-	-	X
of which:										
- commitments to disburse funds	-	X	X	X	X	X	X	X	X	X
- financial guarantees granted	-	X	X	X	X	X	X	X	X	X
3. Debt securities	**2,654,092**	**-**	**2,712,050**	**-**	**2,757,390**	**2,025,311**	**-**	**2,009,641**	**-**	**2,014,973**
3.1 Structured	2,654,092	-	2,712,050	-	X	2,025,311	-	2,009,641	-	X
3.2 Other	-	-	-	-	X	-	-	-	-	X
Total	**2,654,092**	**-**	**2,712,050**	**-**	**2,757,390**	**2,025,311**	**-**	**2,009,641**	**-**	**2,014,973**

The item includes capital protection certificates (structured debt securities). Classification into this category derives primarily from the reconciliation of these liabilities to the portfolios managed by the in-house Capital Markets unit, which, according to the Group's policies and in consideration of the objectives pursued and reported performance obtained, are measured at fair value. In addition, this classification makes it possible to pursue a "natural hedge" of derivatives entered into in order to "balance" the risks assumed with derivatives embedded in issued liabilities (derivatives that were classified as "trading" when recognised).
The increase recorded in 2024 is due to the issuing of 7 new certificates, for a currently outstanding total nominal value of Euro 760.9 million.

Key: VN = Nominal Value; L1 = Level 1; L2 = Level 2; L3 = Level 3; Fair value* = fair value calculated excluding value adjustments due to changes in the creditworthiness of the issuer since the issue date.

3.1 bis Financial liabilities designated at fair value: method of use of the fair value option

Description/Amounts	31.12.2024	31.12.2023
a) Natural hedges through derivatives	-	-
a) Natural hedges with other financial instruments	-	-
c) Other types of accounting mismatch	-	-
d) Financial instruments managed and measured at fair value	2,712,050	2,009,641
e) Embedded structured derivative products	-	-
Total	**2,712,050**	**2,009,641**

3.2 Breakdown of "Financial liabilities designated at fair value": subordinated liabilities

There are no amounts to be disclosed in this Consolidated Financial Report.

Section 4 – Hedging derivatives
Item 40

4.1 Hedging derivatives: breakdown by type of hedge and hierarchy levels

	Fair value 31.12.2024			NV 31.12.2024	Fair value 31.12.2023			NV 31.12.2023
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	**-**	**226,324**	**-**	**5,407,819**	**-**	**266,558**	**-**	**5,158,364**
1) Fair value	-	223,075	-	5,350,066	-	265,130	-	5,104,065
2) Cash flows	-	3,249	-	57,753	-	1,428	-	54,299
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**226,324**	**-**	**5,407,819**	**-**	**266,558**	**-**	**5,158,364**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.
Key: NV = Notional Value; L1=Level1; L2=Level2; L3=Level3

4.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transactions/Type of hedge	Fair Value							Cash flows		Foreign investments
	Specific						General			
	debt securities and interest rates	equity instruments and stock indexes	currencies and gold	credit	commodities	other		Specific	General	
1. Financial assets measured at fair value through other comprehensive income	472	8,278	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	116,913	X	-	-	X	X	X	3,249	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**117,385**	**8,278**	**-**	**-**	**-**	**-**	**-**	**3,249**	**-**	**-**
1. Financial Liabilities	15,388	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	82,024	X	-	X
Total liabilities	**15,388**	**-**	**-**	**-**	**-**	**-**	**82,024**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 5 – Change in value of macro-hedged financial liabilities
Item 50

5.1 Change in value of hedged financial liabilities

Change in value of hedged financial liabilities / Group components	31.12.2024	31.12.2023
1. Positive adjustment of financial liabilities	-	-
2. Negative adjustment of financial liabilities	(81,843)	(155,184)
Total	**(81,843)**	**(155,184)**

The balance of the item represents the valuation effect as at 31 December 2024 of the liability items (modelled direct funding, qualifying as "Demand Items") identified as subject to macro hedging of interest rate risk, as part of the macro-hedge accounting strategy qualified also in 2024.

Section 6 – Tax liabilities
Item 60

Please refer to the information provided in section 11, Assets.

Section 7 – Liabilities associated with assets classified as held for sale
Item 70

For details about Liabilities associated with assets classified as held for sale, please refer to the information provided in section 12 of Part B, Assets.

Section 8 – Other liabilities
Item 80

8.1 Other liabilities: breakdown

	31.12.2024	31.12.2023
Amounts due to banks	50,790	56,510
Amounts due to customers	1,201,206	1,415,028
Net adjustments on collection of receivables for third parties	923,069	78,460
Staff emoluments and related social contributions	94,790	97,724
Amounts due to third parties for coupons, securities and dividends to be collected	19,840	799,205
Amounts due to the tax authorities on behalf of customers and personnel	313,428	268,365
Bank transfers for clearance	17,412	19,571
Advances for the purchase of securities	15	15
Due to suppliers	366,866	394,003
Third-party payments as surety for loans	1,048	806
Amounts due to the tax authorities for stamp duty	-	2
Repayment to be made to INPS	576	382
Pension fund liabilities	2,258	2,227
Items in transit	69,432	45,168
Accrued expenses and deferred income	120,029	141,503
Other liabilities to third parties	621,056	674,319
Total	**3,801,815**	**3,993,288**

From the analysis carried out for the purposes of IFRS 15, a single type of contract liability has been identified, amounting to Euro 17.4 million classified under the item "Accrued liabilities and deferred income", which refers to the portion of consideration paid in advance by customers for warranty services provided by Group banks for a period of time ("over time performance obligation"), relating to the portion not yet accrued at the end of the period.

Section 9 – Employee termination indemnities
Item 90

9.1 Employee termination indemnities: annual changes

	Total 31.12.2024	Total 31.12.2023
A. Opening balance	**149,492**	**177,224**
B. Increases	**4,455**	**11,022**
B.1 Provisions for the year	4,189	6,010
B.2 Other increases	266	5,012
C. Decreases	**29,018**	**38,754**
C.1 Benefits paid	15,245	27,070
C.2 Other decreases	13,773	11,684
D. Closing balance	**124,929**	**149,492**
Total	**124,929**	**149,492**

The item "Other decreases" (C.2) includes the portion of termination indemnities transferred to complementary pension funds (Euro 11.9 million).

9.2 Other information

The following tables detail the changes in employee termination indemnities, as well as the principal demographic and financial assumptions made in order to quantify the provision using the Projected Unit Credit Method (pursuant to IAS 19R, § 65-67); lastly, table 9.2.3 presents the comparative information required by law.

9.2.1 Changes in employee termination indemnities during the year

Description/Amounts	31.12.2024	31.12.2023
A. Opening balance	**149,492**	**177,224**
B. Increases	**4,455**	**11,022**
1. Current service cost	88	104
2. Financial charges	4,101	5,905
3. Contribution to the plan by employees	-	-
4. Actuarial losses	67	4,622
5. Exchange differences	-	-
6. Past service cost	-	-
7. Other	199	391
C. Decreases	**29,018**	**38,754**
1. Benefits paid	15,245	27,070
2. Past service cost	-	-
3. Actuarial gains	-	21
4. Exchange differences	-	-
5. Curtailments	-	-
6. Settlement	-	-
7. Other	13,773	11,663
D. Closing balance	**124,929**	**149,492**

The item "Other decreases" (C.7) includes the portion of termination indemnities transferred to complementary pension funds (Euro 11.9 million).

9.2.2 Description of the main actuarial assumptions

Main actuarial assumptions/Percentages	31.12.2024	31.12.2023
Discount rates	2.97%	3.04%
Expected increase in remuneration	n/a	n/a
Turnover	1.96%	1.95%
Inflation rate	2.00%	2.00%
Interest rate adopted for the calculation of interest cost	3.03%	3.71%

In addition to the average data included in the table, the approach taken to identify the principal actuarial assumptions is described below:

- Discount rates: the curve of "Euro Composite AA" rates for prime corporate bonds listed in the Euro market on the measurement date has been used.
- Turnover: time series analysis of the events giving rise to terminations and adjustments to take account of any "anomalies" that occurred in the past. The assumptions made about turnover took account of grade, vintage, age and gender.
- Inflation rate: a rate of 2.00% was used.
- Net interest cost: it was calculated at a rate that reflected the duration of the liability.

Demographic assumptions

As regards the demographic bases, the analyses performed on the time series of staff of companies included in the scope of consolidation focused on monitoring the trend in the following reasons for elimination:

- rate of employee mortality: except for the Section A pension fund, for which use was made of table A62, the ISTAT life expectancy table of resident population was used, broken down by age and gender;
- rate of employee disability: the tables used for the INPS model to generate "Initial projections for 2010" were used;
- frequency and amount of advances on termination indemnities: in order to take into account the effects that these advances have on the timing of severance payments and, consequently on the discounting of the Company's liability, a probability table for the release of part of the accrued volumes was created. The frequency of advance payments and the average percentage of termination indemnities requested as an advance were taken from corporate data;
- probability of retirement, resignation, dismissal: this was taken from corporate data; in particular, a table showing the propensity of departure from the Company was created, based on age and gender. With regard to retirement, the calculation considered a 100% probability of satisfying the AGO requirements aligned with Decree 4/2019.

9.2.3 Comparative information: history of plan

Description/Amounts	31.12.2024	31.12.2023
1. Present value of provisions (+)	124,929	149,492
2. Fair value of assets servicing the plan (-)	-	-
3. Plan (surplus) deficit (+/-)	124,929	149,492
4. Adjustments to plan liabilities based on historical experience - actuarial (gains)/losses	67	4,601
5. Adjustments to plan assets based on historical experience	-	-

The "Adjustments to plan assets based on historical experience" solely comprise actuarial gains and losses.

9.2.4 Sensitivity analysis on employee termination indemnities

As required by IAS 19 Revised, we carried out a sensitivity analysis on employee termination indemnities with respect to the more significant actuarial assumptions to show how the liability would change in relation to possible fluctuations in each of these assumptions. In particular, the following table shows how the provision would change in the event of a 50 basis point increase or decrease in the discount and inflation rates compared with the parameters actually used.

Employee termination indemnities	31.12.2024	+50 bps	-50 bps
	DBO	DBO	DBO
discount rates	124,929	121,784	129,524
inflation rate	124,929	128,016	122,679

Section 10 – Provisions for risks and charges

Item 100

10.1 Provisions for risk and charges: breakdown

Description/Amounts	Total 31.12.2024	Total 31.12.2023
1. Impairment provisions for credit risk related to commitments and financial guarantees granted	54,022	57,324
2. Impairment provisions related to other commitments and guarantees granted	50,884	65,999
3. Provisions for pension and similar obligations	115,916	120,401
4. Other provisions for risk and charges	1,268,225	1,175,525
4.1 legal and fiscal disputes	246,156	259,240
4.2 personnel charges	825,314	746,064
4.3 other	196,755	170,221
Total	**1,489,047**	**1,419,249**

10.2 Provisions for risks and charges: annual changes

	Impairment provisions related to other commitments and guarantees granted	Provisions for pensions and similar obligations	Other provisions for risk and charges	Total
A. Opening balance	**65,999**	**120,401**	**1,175,525**	**1,361,925**
B. Increases	**11,812**	**4,401**	**391,288**	**407,501**
B.1 Provisions for the year	11,752	-	376,067	387,819
B.2 Time value changes	-	3,522	13,141	16,663
B.3 Increases due to discount-rate adjustments	-	879	688	1,567
B.4 Other increases	60	-	1,392	1,452
C. Decreases	**26,927**	**8,886**	**298,588**	**334,401**
C.1 Use during the year	26,678	8,886	249,179	284,743
C.2 Decreases due to discount rate adjustments	-	-	-	-
C.3 Other decreases	249	-	49,409	49,658
D. Closing balance	**50,884**	**115,916**	**1,268,225**	**1,435,025**

The changes due to discount rate adjustments also include actuarial gains and losses, considering not just interest rate movements, but also other demographic and financial factors, where applicable.

The item “Provisions in the year”, relating to “Other provisions for risks and charges”, includes mainly:

- the provisions of Euro 173.8 million related to the extension of the workforce optimisation manoeuvre signed on 13 July 2024 as an addendum to the agreement signed on 23 December 2023;
- the provisions of Euro 19.8 million related to regulatory changes in retirement rules, which lengthened the average stay in the early retirement fund and clarified the scope for those participating in the manoeuvre.

10.3 Impairment provisions for credit risk related to commitments and financial guarantees granted

	Impairment provisions for credit risk related to commitments and financial guarantees granted				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
Commitments to disburse funds	8,455	3,518	-	-	11,973
Financial guarantees granted	2,007	2,828	37,214	-	42,049
Total	**10,462**	**6,346**	**37,214**	**-**	**54,022**

10.4 Provisions for other commitments and other guarantees granted

	31.12.2024
1. Other guarantees granted	24,484
2. Other commitments	26,400
Total	**50,884**

10.5 Provisions for pension with defined-benefits

10.5.1 Features of provisions and related risks

BPER Banca s.p.a. and Arca Fondi SGR s.p.a. contribute to the company pension fund; the required information on the various types of pension funds is provided below.

FIP BPER Banca s.p.a.

The in-house supplementary pension fund is not a separate legal entity and its assets are held together with those of the Bank; it is made up entirely of Section "A", classifiable as a "defined benefit" scheme.
Under the Regulations for Section A, beneficiaries receive a supplementary pension subject to revaluation, the cost of which is borne entirely by the Bank.
This section comprises all current employees hired by the Bank prior to 28 April 1993; it also includes all retired beneficiaries, or their heirs, of supplementary pension payments deriving from earlier agreements signed by BPER Banca or by the banks absorbed by the latter over time.
The following tables report the changes in the Fund.

The actuarial gains and losses relating to Section A are recognised as an equity reserve.

The benefits provided by Fund Section A represent post-employment defined benefits, as governed by IAS 19 Revised; accordingly, the liability for these benefits is determined using the actuarial "Projected Unit Credit Method" applied in relation to termination indemnities.
Following the merger by absorption of Banca Carige, the following pension provisions established within the merged company remained separate, also from an accounting perspective, in BPER Banca s.p.a.:

- The Fund of Banca CARIGE s.p.a. ("FIP Carige -Carige Supplementary Pension Fund);
- the Provision of Cassa di Risparmio di Savona ("FIP Carisa");
- the Provision of Cassa di Risparmio di Carrara ("FIP Carrara").

The three Funds are supplementary pension funds which already existed when Law no. 421 of 23 October 1992 entered into force, and as such, they have been registered with the Registry of Pension Funds under special section III since 14 October 1999. The Carige, Carisa and Carrara funds are respectively registered under no. 9004, 9026 and 9154 and are subject to the supervision of COVIP (Pension Fund Supervisory Commission).
The Funds lack independent legal status; both the Carige and Carisa funds are an item in the Balance Sheet which guarantees the Bank's obligation to maintain the resources necessary at any given time for each Fund to pay the benefits payable. They are therefore a provisioning fund of the Bank which guarantees payment of a future obligation.
FIP Carrara was established as a separate and autonomous fund pursuant to art. 2117 of the Italian Civil Code, as part of the Bank's overall assets. During the financial year, BPER Banca resolved to acquire full ownership of the properties already registered in its name, currently allocated to the FIP Carrara, attributing to the Fund, in cash, the book value of the property assets amounting to Euro 702 thousand according to the appraisal drawn up by Kroll Real Estate Advisory Group as at 31 December 2023, and to proceed with the dissolution of the destination restriction pursuant to Article 2117 of the Italian Civil Code on the assets of the FIP Carrara, ensuring the continuity of related benefits to the entitled parties in accordance with Article 21 of the BPER Pension Fund Regulations.
The Parent Company also resolved to merge the other existing pension schemes into Section A of the Pension Fund for BPER Banca staff. The consolidation has not yet been completed as at 31 December 2024.

The Funds are not structured in individual accounts and are closed to new participants.
A brief description is provided below.

FIP Carige (Carige Supplementary Pension Fund)

During 2015 the Bank and the unions agreed to undertake a project involving the transformation of the Fund for working participants, retired employees and former employees awaiting a deferred pension from the Fund ("deferred pension recipients"). As a result of this transformation, individual asset packages were calculated on the basis of the benefits accrued to each participant as at 30 June 2015 ("transferable packages"). Such transferable packages are to be transferred, following voluntary enrolment, to another defined-contribution pension fund, along with the employer's future contribution; in the cases of retirees and deferred pension recipients, the transformation called for payment of (current or future) pensions in lump-sum form and the calculation of the sums to be offered at 30 June 2015, also through voluntary enrolment, with the exclusion of all other benefits from the Bank.
In implementation of the resolution of the Board of Directors of 27 October 2015, agreements were entered into with the unions to formalise the arrangements indicated above.
Following the aforementioned operation, which continued even after 2015 and which provided, in the case of working participants, for their voluntary enrolment to another defined contribution pension fund, along with the employer's future contribution and, in the case of retirees and deferred pension recipients, payment of the pension principal amount, likewise on a voluntary enrolment basis; the group of participants in the Fund as at the end of the period consisted of 2 deferred pension recipients and 107 retirees.

FIP Carisa (Carisa Supplementary Pension Fund)

During 2016, the same actions as those concerning FIP Carige were implemented for FIP Carisa, with only 1 deferred pension recipients and 5 retirees participating in the Carisa Fund as at the end of the period.

FIP Carrara (Carrara Supplementary Pension Fund)

Only retired employees are registered with FIP Carrara, as the defined contribution section which the employees participated in, was settled in February 2015, in compliance with the resolution taken by the Board of Directors of Cassa di Risparmio di Carrara on 10 November 2014.

Currently, the Carrara Fund has functions limited to a group of 28 retired employees.

FIP Arca Fondi SGR s.p.a.

The fund recorded by Arca Fondi SGR relates to the guarantee given by the company to the members of the "Obiettivo TFR" section of the pension fund. This fund assures the guaranteed minimum represented by the net contributions paid in, having regard for the changes in yields and actuarial assumptions. The amount of the fund was determined by considering the expected yields on the investments made by the section and demographic assumptions about the death and invalidity of members, using a discounting rate - gross of taxation - that reflects the present value of money and the specific risks associated with the contingent liability.

10.5.2 Changes in the year of net liabilities (assets) with defined-benefits and redemption rights

Description/Amounts	**31.12.2024**	**31.12.2023**
Opening balance	**120,401**	**115,987**
A. Increases	**4,401**	**13,735**
1. Current service cost	-	-
2. Financial charges	3,522	4,138
3. Contribution to the plan by employees	-	-
4. Actuarial losses	879	9,597
5. Exchange differences	-	-
6. Past service cost	-	-
7. Other	-	-
B. Decreases	**8,886**	**9,321**
1. Benefits paid	8,886	9,321
2. Past service cost	-	-
3. Actuarial gains	-	-
4. Exchange differences	-	-
5. Curtailments	-	-
6. Settlement	-	-
7. Other	-	-
Closing balance	**115,916**	**120,401**

10.5.3. Information on fair value of plan assets

As mentioned already, the staff pension funds are in-house defined-benefit plans; the resources to be utilised to cover these liabilities are invested, without separate identification, in operating assets.

10.5.4 Description of the main actuarial assumptions

The demographic assumptions made for the measurement were based on A62 tables on the probability of death of retired staff by gender.

The financial assumptions adopted were:

- Discount rates: the curve of "Euro Composite AA" rates for prime corporate bonds listed in the Euro market on the measurement date has been used.
- Inflation rate: a fixed rate of 2.00% was used
- Net interest cost: it was calculated at a rate that reflected the duration of the liability.

10.5.5. Sensitivity analysis and information on the amount, timing and uncertainty of financial cash flows

As required by IAS 19 Revised, a sensitivity analysis was carried out on the obligation of pension funds with respect to the more significant actuarial assumptions to show how the liability would change in relation to reasonably possible movements in each of these assumptions. The following table shows how the provision would change in the event of a 50 basis point increase or decrease in the discount rate compared with the parameters actually used.

Provisions for pensions and similar obligations	**31.12.2024**	**+50 bps discount rate**	**-50 bps discount rate**
	DBO	***DBO***	***DBO***
BPER Banca s.p.a.	101,647	96,711	107,033
FIP Carige (Carige Supplementary Pension Fund)	11,350	11,021	11,698
FIP CR Savona	229	223	237
FIP CR Carrara	2,072	2,015	2,131
Arca Fondi SGR	618	618	619

In compliance with the requirements of IAS 19 Revised with regard to additional disclosures, an estimate of future cash flows was carried out at 31 December 2024, as shown in the following table:

Future cash-flows

Provisions for pensions and similar obligations	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
BPER Banca s.p.a.	7,329	7,197	7,059	6,917	6,766
FIP Carige (Carige Supplementary Pension Fund)	1,440	1,350	1,255	1,159	1,064
FIP CR Savona	31	29	26	24	21
FIP CR Carrara	279	259	238	218	199

10.5.6 Multi-employer plans

At 31 December 2024 there were no multi-employer plans in place.

10.5.7 Defined-benefit plans that share risks between entities under common control

At 31 December 2024 there were no plans of this type.

10.6 Provisions for risks and charges - other provisions

10.6.1 Legal disputes

	31.12.2024	31.12.2023
A. Opening balance	**259,240**	**269,468**
B. Increases	**48,801**	**74,773**
Provisions for the year	43,330	65,152
Other increases	5,471	9,621
C. Decreases	**61,885**	**85,001**
Other decreases	31,169	38,387
Uses for the year	30,716	46,614
D. Closing balance	**246,156**	**259,240**

The BPER Banca Group operates in a highly regulated sector, that of banking, which exposes the Group banks and companies to various types of legal risks. We refer mainly to disputes arising from the provision of banking and financial services to customers, therefore relating mainly to aspects of compound interest and usury, contractual invalidity and unauthorised activities, tax disputes, loan origination and management in its various phases, performing or non-performing, including therein bankruptcy claw-backs.

The banks and companies of the BPER Banca Group (including the legal entities then merged by absorption into the Parent Company) were also subject to various audits by the Tax Authorities. These activities concerned the taxable income declared for the purpose of income tax, VAT, registration tax, and more generally the manner in which the tax legislation in force at the time was applied. As a consequence of said inspections, the BPER Banca Group is involved in a number of legal proceedings.

All Legal and tax disputes are subject to specific analysis by the competent structures of the Parent Company, in order to identify those for which the settlement is likely to require the use of resources intended to produce economic benefits and, consequently, require the allocation of provisions.

The legal and tax risks in respect of which no allocations were recognised were identified as “contingent liabilities”, consisting in:
- possible obligations, in that it has yet to be confirmed whether the entity has a present obligation that could lead to an outflow of resources embodying economic benefits;
- present obligations that do not meet the recognition criteria in IAS 37 (because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made).

Lastly, contingent liabilities with the possibility of any outflow in settlement being deemed “remote” do not require any disclosure, pursuant to the provisions of IAS 37.

In relation to the contingent liabilities (possible risks) stemming from disputes brought in civil proceedings by customers who were the recipients of banking and financial services provided by the Group banks and companies, it should be noted that the high number of cases makes it difficult to provide a detailed list, while their varying natures makes it extremely difficult to group them into similar types. The total damages claimed by the claimants amounted to Euro 212.3 million as at 31 December 2024. In respect of this risk, even though not expressly required by IAS 37, the Group has provisions in place mainly due to the acquisition of positions of possible risk from business combinations[135], the estimate and allocation of non-recurring legal expenses and the substantially prudential approach adopted in the risk assessments.

The update of the main situations of possible legal risk are presented below.

BPER Banca (formerly Emro Finance Ireland Ltd) - fiscal years 2005-2009

Recalling that the Bologna Regional Tax Commission ruled on the appeal filed by the Revenue Agency, reversing the first instance sentences, entirely in favour of the Bank, the Bank submitted an appeal to the Court of Cassation in partial acceptance of the appeal filed by the Revenue Agency and in the absolute conviction of the correctness of its actions, as early as on 13 June 2018 and is still awaiting a date to be set for the hearing.

135 Pursuant to IFRS 3 - Business Combinations, possible risks also require fair value measurement at the Purchase Price Allocation stage.

In the meantime, the Commission accepted the Bank's request to suspend the enforceability of the second-level sentence.

Also in light of the fiscal opinion issued by professionals and advisors with proven experience who do not consider the risk of losing as probable, at the date of preparation of these Financial Report no amount was set aside in the provisions for risks and charges, but a provision for the estimated legal fees was recorded.

10.6.2 Personnel charges

Description/Amounts	Other personnel provisions	
	31.12.2024	31.12.2023
Opening balance	**746,064**	**568,119**
Change in opening balances	-	-
A. Increases	**287,206**	**371,865**
1. Current service cost	266,569	358,461
2. Financial charges	8,500	3,057
3. Contribution to the plan by employees	-	-
4. Actuarial losses	664	375
5. Exchange differences	-	-
6. Past service cost	-	-
7. Other	11,473	9,972
B. Decreases	**207,956**	**193,920**
1. Benefits paid	204,405	160,273
2. Past service cost	70	-
3. Actuarial gains	720	937
4. Exchange differences	-	-
5. Curtailments	-	-
6. Settlement	-	-
7. Other	2,761	32,710
Closing balance	**825,314**	**746,064**

The item "Current service cost" includes the provision of Euro 173.8 million relating to the extension of the workforce optimisation manoeuvre signed on 13 July 2024 as an addendum to the agreement signed on 23 December 2023, and the provision of Euro 19.8 million relating to regulatory changes in retirement rules, which lengthened the average stay in the early retirement fund and clarified the scope for those participating in the manoeuvre.

10.6.3 Other provisions

Items	31.12.2024		31.12.2023	
	Other provisions	Provision for charitable donations	Other provisions	Provision for charitable donations
A. Opening balance	**170,221**	**-**	**181,241**	**-**
B. Provisions	55,677	-	79,722	-
C. Uses	(29,143)	-	(90,742)	-
D. Closing balance	**196,755**	**-**	**170,221**	**-**

Section 11 – Technical reserves
Item 110

There are no amounts to be disclosed in this Consolidated Financial Report.

Section 12 – Redeemable shares
Item 130

There are no amounts to be disclosed in this Consolidated Financial Report.

Section 13 – Group shareholders' equity

Items 120, 130, 140, 150, 160, 170 and 180

13.1 "Share capital" and "Treasury shares": breakdown

The "Share capital" item relates solely to the Parent Company. It consists solely of ordinary shares with no par value, fully subscribed and paid in.

There are 6,112,499 treasury shares in the Parent Company's portfolio amounting to Euro 32,029 thousand. There are also 62,376 shares relating to -and held by- Bibanca s.p.a., for a total of Euro 6 thousand.

13.2 Share capital – Parent Company's number of shares: annual changes

Description/Types	Ordinary	Other
A. Initial number of shares	**1,415,850,518**	**-**
- fully paid-in	1,415,850,518	-
- not fully paid-in	-	-
A.1 Treasury shares (-)	(678,397)	-
A.2 Shares outstanding: opening balance	**1,415,172,121**	**-**
B. Increases	**6,826,043**	**-**
B.1 New issues	5,773,806	-
- against payment:	5,773,806	-
- business combinations	-	-
- conversion of bonds	5,773,806	-
- exercise of warrants	-	-
- other	-	-
- for free:	-	-
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sales of treasury shares	1,052,237	-
B.3 Other increases	-	-
C. Decreases	**6,486,339**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	6,486,339	-
C.3 Business disposal transactions	-	-
C.4 Other decreases	-	-
D. Shares outstanding: closing balance	**1,415,511,825**	**-**
D.1 Treasury shares (+)	6,112,499	-
D.2 Final number of shares	1,421,624,324	-
- fully paid-in	1,421,624,324	-
- not fully paid-in	-	-

Item B1 New issuances paid in cash includes the shares voluntarily converted of part of the "Euro 150,000,000 Convertible Additional Tier 1 Capital Notes" issued on 25 July 2019 further to BPER Banca's BoD resolution of 11 July 2019 on the basis of the power delegated by the extraordinary Shareholders' Meeting on 4 July 2019.
Item B.2 "*Sales of treasury shares*" refers to treasury shares that BPER Banca has assigned free of charge to employees, in line with the provisions of the Remuneration Policies (e.g. for short-term and long-term incentive and/or severance schemes).
Item C.2 "*Purchase of treasury shares*" shows shares that BPER Banca purchased on the market to pay bonuses deriving from the application of short-term incentive schemes and ensure that additional shares are available to cover the alignment of the duration of the Long Term Incentive (LTI) Plan with that of the existing 2022-2025 Business Plan.
Further information about transactions in treasury shares is presented in section 7.5 "Treasury shares" of the Directors' Report on Group Operations.

13.3 Share capital - other information

The shares that make up the share capital of the Parent Company BPER Banca are not subject to rights, privileges or restrictions.

13.4 Reserves from profits: other information

Reserves from profits are generally established when the profit shown in the financial statements is specifically allocated to reserves.

The Italian Civil Code requires companies to set aside at least 5% of their profit for the year to a special reserve until it reaches one-fifth of the share capital. If, for whatever reason, the amount of the legal reserve falls below this limit of one-fifth of share capital, it has to be reinstated by setting aside at least one-twentieth of the profit until the shortfall is covered.

This item also includes the consolidation reserves generated following the elimination of the book value of equity investments against the corresponding portion of equity of each of them.

Lastly, this item includes any effects deriving from the first-time application of new international accounting standards.

The reserves can be used for different operations, depending on their constraints and nature; for the disclosures envisaged in art. 2427 paragraph 7 bis of the Italian Civil Code, please refer to the information provided in the Parent Company's Separate Financial Report.

13.5 Equity instruments: breakdown and annual changes

Issuer	Interest rate	Step up	Issue date	Maturity date	Currency	Nominal Value (in Euro)
BPER Banca	8.75% fixed rate (up to the first Reset Date)	NO	25.07.2019	perpetual	Euro	150,000,000
BPER Banca	8.375% fixed rate (up to the first Reset Date)	NO	16.01.2024	perpetual	Euro	500,000,000
BPER Banca	6.50% fixed rate (up to the first Reset Date)	NO	20.11.2024	perpetual	Euro	500,000,000

On 9 January 2024, BPER Banca successfully placed an Additional Tier 1 perpetual bond issuance, callable from year 5, for a total principal amount of Euro 500 million (the "Notes").
The Notes, reserved for institutional investors, were issued at par, with a fixed coupon of 8.375% until 16 July 2029, payable semi-annually; if not called by the Bank, the coupon will be redetermined by adding a reset spread of 595 bps to the 5-year mid swap rate in Euro as at the reset date and would remain fixed for the following 5 years (until the next recalculation date).

On 31 July 2024, 416,666 BPER Banca ordinary shares with regular dividend entitlement were issued, following the requests for the voluntary conversion - received by 15 July 2024 - of part of the "Euro 150,000,000 Convertible Additional Tier 1 Capital Notes" issued on 25 July 2019 further to BPER Banca's BoD resolution of 11 July 2019 on the basis of the power delegated by the extraordinary- Shareholders' Meeting on 4 July 2019.
On 14 August 2024, a total of 5,357,140 BPER Banca ordinary shares were issued, with regular dividend entitlement rights, as a result of the voluntary conversion requests received by 31 July 2024. At 14 August 2024, there were 503 residual shares outstanding for a nominal value of Euro 125,750,000.

On 13 November 2024, BPER Banca successfully placed an Additional Tier 1 perpetual bond issuance, callable on 20 March 2030 (first reset date) and, subsequently, on each coupon payment date, for a total principal amount of Euro 500 million.
The Notes, reserved for institutional investors, were placed at par with a fixed coupon of 6.50%, payable semi-annually until the First Reset Date. If the Bank decides not to exercise the early redemption option, the coupon will be reset based on the 5-year euro swap rate recorded on the First Reset Date, increased by a spread of 434.6 bps, and will remain fixed for the following five years (until the next reset date).

13.6 Other information

There is no information to be disclosed other than that already provided in this section.

Section 14 – Minority interests
Item 190

14.1 Breakdown of item 190 “Minority interests”

Company name	31.12.2024	31.12.2023
Equity investments in consolidated companies with significant minority interests	210,125	199,003
1. Banco di Sardegna s.p.a.	5,288	5,302
2. Bibanca s.p.a.	5,815	6,071
3. Arca Holding (*)	198,235	186,867
4. Sardaleasing s.p.a.	787	763
Other equity investments	288	325
Total	**210,413**	**199,328**

(*) consolidation of the sub-holding company Arca Holding and its wholly-owned subsidiary, Arca Fondi SGR s.p.a.
To determine the relevance of minority interests, see Part A of these Explanatory notes.
Minority interests not considered significant have been recognised under “Other equity investments”.

14.2 Equity instruments: breakdown and change in year

There are no amounts for this item in this Consolidated Financial Report.

OTHER INFORMATION

1. Commitments and financial guarantees granted

	Nominal value on commitments and financial guarantees granted				Total 31.12.2024	Total 31.12.2023
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
1. Commitments to disburse funds	**30,422,448**	**2,408,888**	**253,506**	**-**	**33,084,842**	**33,356,056**
a) Central Banks	-	-	-	-	-	-
b) Public Administrations	171,043	1,471	20	-	172,534	1,189,290
c) Banks	1,404,335	26,504	-	-	1,430,839	1,504,284
d) Other financial companies	1,255,186	382,803	139	-	1,638,128	1,388,804
e) Non-financial companies	25,750,321	1,830,622	245,612	-	27,826,555	27,170,436
f) Households	1,841,563	167,488	7,735	-	2,016,786	2,103,242
2. Financial guarantees granted	**806,958**	**43,023**	**33,562**	**-**	**883,543**	**967,363**
a) Central Banks	-	-	-	-	-	-
b) Public Administrations	25,583	-	6	-	25,589	25,629
c) Banks	-	-	-	-	-	45,825
d) Other financial companies	36,991	51	36	-	37,078	134,506
e) Non-financial companies	718,587	40,954	32,704	-	792,245	731,193
f) Households	25,797	2,018	816	-	28,631	30,210

2. Other commitments and other guarantees granted

	Nominal value	
	Total 31.12.2024	Total 31.12.2023
Other guarantees granted	**5,025,896**	**5,041,507**
of which: non performing exposures	68,307	67,339
a) Central Banks	1,623	-
b) Public Administrations	26,781	25,800
c) Banks	238,661	318,371
d) Other financial companies	123,009	129,996
e) Non-financial companies	4,504,725	4,430,181
f) Households	131,097	137,159
Other commitments	**2,091,480**	**1,778,000**
of which: non performing exposures	-	-
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	2,091,400	1,778,000
f) Households	80	-

3. Assets pledged as collateral for own liabilities and commitments

Portfolios	Amount 31.12.2024	Amount 31.12.2023
1. Financial assets measured at fair value through profit or loss	-	-
2. Financial assets measured at fair value through other comprehensive income	1,928,346	2,851,222
3. Financial assets measured at amortised cost	18,984,323	21,657,479
4. Property, plant and equipment	-	-
of which: inventories of property, plant and equipment	-	-

The assets sold to vehicle companies as part of Covered Bond transactions amounted to Euro 7,884 million.

4. Breakdown of investments for unit-linked and index-linked policies

There are no amounts for this item in this Consolidated Financial Report.

5. Asset management and trading on behalf of third parties

Type of service	Amount
1. Trading on behalf of customers	
a) purchases	-
1. settled	-
2. unsettled	-
b) sales	-
1. settled	-
2. unsettled	-
2. Portfolio management	
a) individual	6,549,915
b) collective	42,291,975
3. Custody and administration of securities	
a) third party securities held in deposit: related to depositary bank activities (excluding portfolio management)	-
1. securities issued by companies included in consolidation	-
2. other securities	-
b) third party securities held in deposit (excluding portfolio management): other	102,648,759
1. securities issued by companies included in consolidation	4,725,084
2. other securities	97,923,675
c) third party securities deposited with third parties	99,697,786
d) own portfolio securities deposited with third parties	43,331,147
4. Other transactions	**27,935,926**

6. Financial assets subject to offsetting, master netting agreements and similar

Type	Gross amount of financial assets (a)	Amount of financial liabilities offset in the balance sheet (b)	Net amount of financial assets shown in the balance sheet (c=a-b)	Related amounts not subject to offsetting in the balance sheet		Net amount (f=c-d-e) 31.12.2024	Net amount (f=c-d-e) 31.12.2023
				Financial instruments (d)	Cash deposit received as collateral (e)		
1. Derivatives	1,170,625	-	1,170,625	330,791	806,146	**33,688**	**97,999**
2. Repurchase agreements	343,404	-	343,404	341,642	-	**1,762**	**3,311**
3. Securities lending	-	-	-	-	-	**-**	**-**
4. Other	-	-	-	-	-	**-**	**-**
Total 31.12.2024	**1,514,029**	**-**	**1,514,029**	**672,433**	**806,146**	**35,450**	**X**
Total 31.12.2023	**1,996,311**	**-**	**1,996,311**	**677,022**	**1,217,979**	**X**	**101,310**

The amounts shown in the table relate to standard master agreements such as ISDA (International Swaps and Derivatives Association) and CSA (Credit Support Annex) agreements for derivatives and GMRA (Global Master Repurchase Agreement) for repurchase agreement transactions.
Under the agreements executed using the ISDA standard, offsetting of OTC derivative contracts is permitted in the event of default of either party to the agreement and, for almost all institutional counterparties, the terms of the CSA provide for cash collateral that is revised daily based on the contracts' underlying value.
Repurchase agreement transactions entered into with institutional counterparties are governed by the GMRA standard, which, in addition to the delivery of the securities pertaining to the transactions, provide for cash collateral that is revised daily based on the value of the securities.
None of the amounts shown has been offset in the financial statements as the criteria in paragraph 42 of IAS 32 are not satisfied.
For derivatives, the gross amounts (a) are recognised under item 20 a) "Financial assets measured at fair value through profit or loss - Financial assets held for trading" for Euro 521.2 million and under item 50 "Hedging derivatives" for Euro 649.4 million; the related financial instruments (d) consist of derivatives recorded under item 20 "Financial liabilities held for trading" and under item 40 "Hedging derivatives", whereas cash deposits received (e) are recorded under item 10 a) "Due to banks" and under item 10 b) "Due to customers".
For repurchase agreements, the gross amounts (a) are recognised under item 40 a) "Financial assets measured at amortised cost - Loans to banks" for an amount of Euro 343.4 million; the related financial instruments (d) represent the value of the securities pertaining to the transactions.

7. Financial liabilities subject to offsetting, master netting agreements and similar

Type	Gross amount of financial assets (a)	Amount of financial assets offset in the balance sheet (b)	Net amount of financial liabilities shown in the balance sheet (c=a-b)	Related amounts not offset in the balance sheet		Net amount (f=c-d-e) 31.12.2024	Net amount (f=c-d-e) 31.12.2023
				Financial instruments (d)	Cash deposit pledged as collateral (e)		
1. Derivatives	369,545	-	369,545	330,791	32,409	**6,345**	**10,415**
2. Repurchase agreements	5,520,695	-	5,520,695	5,497,577	153	**22,965**	**16,886**
3. Securities lending	-	-	-	-	-	**-**	**-**
4. Other transactions	-	-	-	-	-	**-**	**-**
Total 31.12.2024	**5,890,240**	**-**	**5,890,240**	**5,828,368**	**32,562**	**29,310**	**X**
Total 31.12.2023	**6,653,766**	**-**	**6,653,766**	**6,584,567**	**41,898**	**X**	**27,301**

The same considerations of the previous table are valid for framework agreements.
None of the amounts shown has been offset in the financial statements as the criteria in paragraph 42 of IAS 32 are not satisfied.
For derivatives, the gross amounts (a) are recorded under item 20 "Financial liabilities held for trading" for an amount of Euro 159.2 million and under item 50 "Hedging derivatives" for an amount of Euro 210.3 million; the related financial instruments (d) consist of opposite sign derivatives recorded under item 20 a) "Financial assets measured at fair value through profit or loss - Financial assets held for trading" and under item 50 "Hedging derivatives", whereas cash deposits made (e) are recorded under item 40 a) "Loans to banks" and item 40 b) "Loans to customers".
For repurchase agreements, the gross amounts (a) are recognised under item 10 a) "Due to banks" for an amount of Euro 3,695.6 million, and under item 10 b) "Due to customers" for an amount of Euro 1,825.1 million. The related financial instruments (d) represent the value of the securities pertaining to the transactions, whereas cash deposits made (e) are recognised under item 40 a) "Loans to banks" and, if any, 40 b) "Loans to customers".

8. Securities lending

There are no amounts for this item in this Consolidated Financial Report.

9. Disclosure on joint control activities

There are no amounts for this item in this Consolidated Financial Report.

PART C

Information on the Consolidated Income Statement

Section 1 – Interest
Items 10 and 20

1.1 Interest and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other transactions	Total 31.12.2024	Total 31.12.2023
1. Financial assets measured at fair value through profit or loss:	**5,762**	**694**	**296**	**6,752**	**15,712**
1.1 Financial assets held for trading	1,235	-	-	1,235	1,998
1.2 Financial assets designated at fair value	7	-	-	7	71
1.3 Other financial assets mandatorily measured at fair value	4,520	694	296	5,510	13,643
2. Financial assets measured at fair value through other comprehensive income	**100,808**	**-**	**X**	**100,808**	**120,695**
3. Financial assets measured at amortised cost:	**325,694**	**4,061,353**	**X**	**4,387,047**	**4,107,646**
3.1 Loans to banks	74,309	360,661	X	434,970	517,356
3.2 Loans to customers	251,385	3,700,692	X	3,952,077	3,590,290
4. Hedging derivatives	**X**	**X**	**248,269**	**248,269**	**332,320**
5. Other assets	**X**	**X**	**270,667**	**270,667**	**185,185**
6. Financial Liabilities	**X**	**X**	**X**	**-**	**1,069**
Total	**432,264**	**4,062,047**	**519,232**	**5,013,543**	**4,762,627**
of which: interest income on impaired financial assets	-	101,390	-	101,390	95,161
of which: interest income on finance lease	X	160,645	X	160,645	162,190

1.2 Interest and similar income: other information

1.2.1 Interest income on foreign currency financial assets

Items	31.12.2024	31.12.2023
Interest income on foreign currency financial assets	49,054	47,916

The item includes flows from derivatives hedging securities shown under assets.

1.3 Interest and similar expense: breakdown

Items/Technical forms	Loans	Debt Securities	Other transactions	Total 31.12.2024	Total 31.12.2023
1. Financial liabilities measured at amortised cost	1,055,549	428,801	X	1,484,350	1,367,048
1.1 Due to central banks	9,760	X	X	9,760	182,235
1.2 Due to banks	250,812	X	X	250,812	266,805
1.3 Due to customers	794,977	X	X	794,977	602,105
1.4 Debt securities issued	X	428,801	X	428,801	315,903
2. Financial liabilities held for trading	16	-	-	16	5
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	X	X	779	779	786
5. Hedging derivatives	X	X	151,522	151,522	142,116
6. Financial assets	X	X	X	-	855
Total	**1,055,565**	**428,801**	**152,301**	**1,636,667**	**1,510,810**
of which: interest expense on lease liabilities	15,718	X	X	15,718	9,159

1.4 Interest and similar expense: other information

1.4.1 Interest expense on foreign currency liabilities

Items	31.12.2024	31.12.2023
Interest expense on foreign currency liabilities	160,027	177,789

Interest in foreign currency relates mainly to repurchase agreements with non-resident banks.

1.5 Spreads on hedging transactions

Items	Total 31.12.2024	Total 31.12.2023
A. Positive spreads on hedging transactions	547,904	522,004
B. Negative spreads on hedging transactions	(451,157)	(331,800)
C. Balance (A-B)	**96,747**	**190,204**

Section 2 – Commissions

Items 40 and 50

2.1 Commission income: breakdown

Type of service/Amounts	Total 31.12.2024	Total 31.12.2023
a) Financial instruments	347,158	310,898
1. Placement of securities	265,162	236,456
1.1 Through underwriting and/or on a firm commitment basis	-	1,952
1.2 Without a firm commitment basis	265,162	234,504
2. Reception, transmission and execution of orders on behalf of customers	29,383	26,695
2.1 Reception and transmission of orders for one or more financial instruments	29,383	26,695
2.2. Execution of orders on behalf of customers	-	-
3. Other commission income related to activities connected to financial instruments	52,613	47,747
of which: dealing on own account	3,257	2,921
of which: individual portfolio management	48,904	44,355
b) Corporate Finance	2,619	3,546
1. Mergers and acquisitions advisory	562	918
2. Treasury services	-	-
3. Other commission income related to corporate finance services	2,057	2,628
c) Investment advice	2,005	1,736
d) Clearing and settlement	-	-
e) Collective portfolio management	440,843	380,982
f) Custody and administration	30,898	37,453
1. Depositary bank	-	-
2. Other commission income related to custody and administration services	30,898	37,453
g) Central administrative services for collective portfolio management	-	-
h) Fiduciary services	-	-
i) Payment services	757,972	744,251
1. Current accounts	364,107	379,572
2. Credit cards	85,474	76,042
3. Debit cards and other payment cards	113,163	98,833
4. Bank transfers and other payment orders	140,734	131,908
5. Other commission income related to payment services	54,494	57,896
j) Distribution of third-party services	287,885	262,261
1. Collective portfolio management	32	609
2. Insurance products	253,792	232,997
3. Other products	34,061	28,655
of which: individual portfolio management	6,079	6,875
k) Structured finance	44,589	38,903
l) Securitisation servicing	46	66
m) Commitments to disburse funds	-	-
n) Financial guarantees granted	51,296	47,777
of which: credit derivatives	-	-
o) Financing transactions	240,357	242,356
of which: factoring transactions	16,664	16,892
p) Currency dealing	16,164	17,092
q) Commodities	-	-
r) Other commission income	76,150	70,528
of which: management of multilateral trading facilities	-	-
of which: management of organised trading facilities	-	-
Total	**2,297,982**	**2,157,849**

2.2 Commission expense: breakdown

Type of services/Amounts	Total 31.12.2024	Total 31.12.2023
a) Financial instruments	1,711	1,483
of which: trading in financial instruments	1,617	1,424
of which: placement of financial instruments	24	-
of which: individual portfolio management	70	59
- Own portfolios	70	59
- Third party portfolios	-	-
b) Clearing and settlement	-	-
c) Collective portfolio management	114,683	99,027
1. Own portfolios	114,683	99,027
2. Third party portfolios	-	-
d) Custody and administration	5,949	6,148
e) Collection and payment services	100,258	77,284
of which: credit cards, debit cards and other payment cards	89,560	66,151
f) Securitisation servicing	-	-
g) Commitments to receive funds	-	-
h) Financial guarantees received	4,894	3,430
of which: credit derivatives	-	-
i) "Out-of-branch" offer of financial instruments, products and services	9,551	7,044
j) Currency dealing	-	-
k) Other commission expense	20,765	18,095
Total	**257,811**	**212,511**

Section 3 – Dividends and similar income

Item 70

3.1 Dividends and similar income: breakdown

Items/Income	Total 31.12.2024		Total 31.12.2023	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	7,961	1	2,122	-
B. Other financial assets mandatorily measured at fair value	115	8,707	94	6,959
C. Financial assets measured at fair value through other comprehensive income	25,037	-	21,709	-
D. Equity investments	-	-	-	-
Total	**33,113**	**8,708**	**23,925**	**6,959**

Section 4 – Net income from trading activities
Item 80

4.1 Net income from trading activities: breakdown

Transactions/Income items	Capital gains (A)	Profits on trading (B)	Capital losses (C)	Losses on trading (D)	Net Result [(A+B) - (C+D)]
1. Financial assets held for trading	**917**	**14,246**	**(545)**	**(5,591)**	**9,027**
1.1 Debt securities	523	2,063	(424)	(568)	1,594
1.2 Equity instruments	394	12,173	(121)	(4,992)	7,454
1.3 UCITS units	-	10	-	(31)	(21)
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**55,764**
4. Derivative instruments	**225,186**	**461,087**	**(152,497)**	**(472,171)**	**30,637**
4.1 Financial derivatives:	225,186	461,087	(152,497)	(472,171)	30,637
- on debt securities and interest rates	162,939	410,769	(141,192)	(422,295)	10,221
- on equities and stock indexes	56,799	25,613	(6,119)	(25,549)	50,744
- on currency and gold	X	X	X	X	(30,968)
- other	5,448	24,705	(5,186)	(24,327)	640
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected with the fair value option	X	X	X	X	-
Total	**226,103**	**475,333**	**(153,042)**	**(477,762)**	**95,428**

The item includes capital gains from valuation relating to the operational hedging of Certificates, for a total amount of Euro 54.4 million.

Section 5 – Net income from hedging activities
Item 90

5.1 Net income from hedging activities: breakdown

Income items/Amounts	Total 31.12.2024	Total 31.12.2023
A. Income from:		
A.1 Fair value hedges	152,452	304,585
A.2 Hedged financial assets (fair value)	222,735	598,910
A.3 Hedged financial liabilities (fair value)	25,253	19
A.4 Cash-flow hedging derivatives	-	117
A.5 Foreign currency assets and liabilities	-	-
Total income from hedging activity (A)	**400,440**	**903,631**
B. Charges from:		
B.1 Fair value hedges	248,087	575,342
B.2 Hedged financial assets (fair value)	18,339	37,908
B.3 Hedged financial liabilities (fair value)	132,241	267,874
B.4 Cash-flow hedging derivatives	-	121
B.5 Foreign currency assets and liabilities	-	-
Total charges from hedging activity (B)	**398,667**	**881,245**
C. Net income from hedging activities (A-B)	**1,773**	**22,386**
of which: result of hedging on net positions	-	-

Section 6 – Gains (Losses) on disposal or repurchase

Item 100

6.1 Gains (Losses) on disposal or repurchase: breakdown

Items/Income items	Total 31.12.2024			Total 31.12.2023		
	Gains	Losses	Net result	Gains	Losses	Net result
Financial assets						
1. Financial assets measured at amortised cost	77,154	(11,936)	65,218	63,063	(3,985)	59,078
1.1 Loans to banks	7,341	(1,180)	6,161	269	(115)	154
1.2 Loans to customers	69,813	(10,756)	59,057	62,794	(3,870)	58,924
2. Financial assets measured at fair value through other comprehensive income	9,214	(3,777)	5,437	13,890	(889)	13,001
2.1 Debt securities	9,214	(3,777)	5,437	13,890	(889)	13,001
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**86,368**	**(15,713)**	**70,655**	**76,953**	**(4,874)**	**72,079**
Financial liabilities measured at amortised cost						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Debt securities issued	91	(74)	17	3	-	3
Total liabilities (B)	**91**	**(74)**	**17**	**3**	**-**	**3**

The net result relating to "Financial assets" refers to the disposal of loans (Euro 32.4 million) and debt securities classified in the HTC and HTC&S portfolios (Euro 38.2 million).

Section 7 – Net income on other financial assets and liabilities measured at fair value through profit or loss

Item 110

7.1 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of financial assets and liabilities designated at fair value

Transactions/Income items	Capital gains (A)	Gains on disposal (B)	Capital losses (C)	Losses on disposal (D)	Net Result [(A+B) - (C+D)]
1. Financial assets	**3,418**	**2**	**(3,410)**	**(8)**	**2**
1.1 Debt securities	3,418	2	(3,410)	(8)	2
1.2 Loans	-	-	-	-	-
2. Financial Liabilities	**44,335**	**1,202**	**(75,808)**	**(106,754)**	**(137,025)**
2.1 Debt securities issued	44,335	1,202	(75,808)	(106,754)	(137,025)
2.2 Due to banks	-	-	-	-	-
2.3 Due to customers	-	-	-	-	-
3. Foreign currency financial assets and liabilities: exchange differences	X	X	X	X	**-**
Total	**47,753**	**1,204**	**(79,218)**	**(106,762)**	**(137,023)**

The results shown on Securities in Issue refer to the Certificates issued and are attributable to the change in fair value attributable to interest rate risk, to the change in fair value of the derivative component embedded in the instruments issued (which is similarly recognised with an entry of opposite sign in item 80 "Net income from trading activities" against the valuation of derivatives entered into on the market to balance the bank's position).

7.2 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

Transactions/Income items	Capital gains (A)	Gains on disposal (B)	Capital losses (C)	Losses on disposal (D)	Net Result [(A+B) - (C+D)]
1. Financial assets	**34,435**	**7,324**	**(40,557)**	**(660)**	**542**
1.1 Debt securities	15	2,830	(3,867)	(142)	(1,164)
1.2 Equity instruments	345	-	(4,432)	-	(4,087)
1.3 UCITS units	34,075	3,800	(32,156)	(518)	5,201
1.4 Loans	-	694	(102)	-	592
2. Foreign currency financial assets: exchange differences	**X**	**X**	**X**	**X**	**371**
Total	**34,435**	**7,324**	**(40,557)**	**(660)**	**913**

Section 8 – Net impairment losses/write-backs for credit risk

Item 130

8.1 Net impairment losses for credit risk relating to financial assets measured at amortised cost: breakdown

Transactions/Income items	Impairment losses (1)						Write-backs (2)				Total 31.12.2024	Total 31.12.2023
	Stage 1	Stage 2	Stage 3		Purchased or originated credit impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
			Write-offs	Other	Write-offs	Other						
A. Loans to banks	**(12)**	**(144)**	**-**	**-**	**-**	**-**	**206**		**-**	**-**	**50**	**3,165**
- Loans	(12)	(144)	-	-	-	-	204	-	-	-	48	3,246
- Debt securities	-	-	-	-	-	-	2	-	-	-	2	(81)
B. Loans to customers	**(31,417)**	**(46,171)**	**(12,275)**	**(553,705)**	**(1,520)**	**(55,110)**	**3,679**	**86,281**	**230,296**	**48,134**	**(331,808)**	**(439,426)**
- Loans	(30,801)	(29,961)	(12,275)	(553,705)	(1,520)	(55,110)	2,938	79,160	230,296	48,134	(322,844)	(425,583)
- Debt securities	(616)	(16,210)	-	-	-	-	741	7,121	-	-	(8,964)	(13,843)
Total	**(31,429)**	**(46,315)**	**(12,275)**	**(553,705)**	**(1,520)**	**(55,110)**	**3,885**	**86,281**	**230,296**	**48,134**	**(331,758)**	**(436,261)**

8.2 Net impairment losses for credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Income items	Impairment losses (1)						Write-backs (2)				Total 31.12.2024	Total 31.12.2023
	Stage 1	Stage 2	Stage 3		Purchased or originated credit impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
			Write-offs	Other	Write-offs	Other						
A. Debt securities	**-**	**(13)**	**-**	**(1,187)**	**-**	**-**	**878**	**113**	**-**	**-**	**(209)**	**(57)**
B. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- to customers	-	-	-	-	-	-	-	-	-	-	-	-
- to banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**(13)**	**-**	**(1,187)**	**-**	**-**	**878**	**113**	**-**	**-**	**(209)**	**(57)**

Section 9 – Gains (Losses) from contractual modifications without derecognition
Item 140

9.1 Gains (losses) from contractual modifications: breakdown
The item in question includes the economic impact of contractual modifications that do not qualify for derecognition of the assets and which, as a result, entail a change in the related amortised cost based on discounting the new contractual flows at the original Internal Rate of Return (IRR).

The scope of the exposures under consideration is represented by a portion of the forborne exposures (performing and non-performing) or situations in which the contractual modification is linked to the borrower's financial difficulty and does not fall within the concept of a "substantial modification" for the BPER Banca Group.

The impact calculated on the basis of this scope is added to the write-downs envisaged by the Group in application of its own policies for the assessment of performing and non-performing loans and, for the two types of exposures, comes to a total amount of of Euro 1.3 million.

Section 10 – Net insurance premiums
Item 160

There are no amounts to be disclosed in this Consolidated Financial Report.

Section 11 – Other net insurance income (expense)
Item 170

There are no amounts to be disclosed in this Consolidated Financial Report.

Section 12 – Administrative expenses
Item 190

12.1 Staff costs: breakdown

Type of costs/Amounts	Total 31.12.2024	Total 31.12.2023
1) Employees	**1,862,441**	**1,929,412**
a) wages and salaries	1,189,750	1,170,501
b) social security charges	306,667	305,204
c) termination indemnities	68,403	65,223
d) pension expenses	650	615
e) provision for employee termination indemnities	4,189	6,010
f) provision for pension and similar commitments:	3,068	3,430
- defined contribution plan	-	-
- defined benefit plans	3,068	3,430
g) payments to external supplementary pension funds:	42,634	39,435
- defined contribution plan	42,634	39,435
- defined benefit plans	-	-
h) costs from share-based payments	11,778	6,157
i) other personnel benefits	235,302	332,837
2) Other not-retired employees	**22,411**	**39,661**
3) Directors and Statutory Auditors		**10,710**
4) Retired employees	**634**	**784**
Total	**1,897,878**	**1,980,567**

The item "Other personnel benefits" includes (i) the cost of Euro 173.8 million relating to the extension of the workforce optimisation manoeuvre signed on 13 July 2024 to supplement the agreement signed on 23 December 2023 (Euro 294.5 million as at 31 December 2023) and (ii) the cost of Euro 19.8 million relating to regulatory changes in retirement rules, which lengthened the average stay in the early retirement fund and clarified the scope for those participating in the manoeuvre.

12.2 Average number of employees by category

	31.12.2024	31.12.2023
Employees:	**18,782**	**19,283**
a) Managers	372	361
b) Middle managers	6,753	6,908
c) Remaining employees	11,657	12,014
Other personnel	**327**	**669**

12.2.1 Number of employees by category: banking group

	31.12.2024	31.12.2023
Employees:	**19,508**	**20,224**
a) Managers	370	384
b) Total 3rd and 4th level middle managers	2,761	2,785
c) Total 1st and 2nd level middle managers	4,231	4,423
d) Remaining employees	12,146	12,632
Other personnel	**171**	**485**

The number of employees does not include staff on leave (24 resources).

12.3 Defined benefit company pension funds: costs and revenues

Type of costs/Amounts	31.12.2024	31.12.2023
Provisions for defined-benefit pension plans	3,068	3,430

For more information on defined-benefit pension plans, please refer to Part B of these Explanatory notes, section 10 “Provisions for risks and charges”.

12.4 Other employee benefits

Type of costs/Amounts	31.12.2024	31.12.2023
Other employee benefits	235,302	332,837

For more information on the composition of the item, please refer to the footnotes in table 12.1 Personnel expenses: breakdown.

12.5 Other administrative expenses: breakdown

Items	31.12.2024	31.12.2023
Indirect taxes and duties	**339,490**	**323,519**
Stamp duty	284,407	263,488
Other indirect taxes with right of recourse	21,826	16,386
Municipal property tax	21,330	22,242
Other	11,927	21,403
Other costs	**894,405**	**920,334**
Maintenance and repairs	116,632	114,218
Rental expense	19,343	22,945
Post office, telephone and telegraph	23,862	28,682
Data transmission fees and use of databases	57,519	79,112
Advertising	43,997	41,198
Consulting and other professional services	205,054	155,936
Lease of IT hardware and software	85,493	59,724
Insurance	26,249	26,141
Cleaning of office premises	11,934	12,225
Printing and stationery	13,581	10,791
Energy and fuel	36,327	56,415
Transport	15,783	16,943
Staff training and expense refunds	17,622	20,830
Information and surveys	14,235	16,332
Security	10,932	10,431
Administrative services	15,989	18,211
Use of external data gathering and processing services	19,256	17,536
Membership fees	12,134	10,936
Condominium expenses	10,859	11,686
Contributions to systemic funds	111,684	161,241
Sundry other	25,920	28,801
Total	**1,233,895**	**1,243,853**

The item “Contributions to systemic funds” refers to the regular 2024 contribution to the DGS (Deposit Guarantee Scheme) of Euro 109.6 million and the estimated initial contribution to the Guarantee Fund for life insurance of Euro 2.1 million.

Section 13 – Net provisions for risks and charges
Item 200

13.1 Net provisions for credit risk on commitments to disburse funds and financial guarantees granted: breakdown

Type of risks and charges	Impairment losses				Write-backs				31.12.2024	31.12.2023
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
Commitments to disburse funds	(105)	(483)	-	-	343	123	2	-	(120)	7,626
Financial guarantees granted	(93)	(438)	(11,691)	-	34	-	15,553	-	3,365	5,120
Total	**(198)**	**(921)**	**(11,691)**	**-**	**377**	**123**	**15,555**	**-**	**3,245**	**12,746**

13.2 Net provisions on other commitments and other guarantees granted: breakdown

Type of risks and charges	Impairment losses	Write-backs	31.12.2024	31.12.2023
Other guarantees granted	(5,400)	17,000	11,600	(2,500)
Other commitments	(6,352)	9,924	3,572	20,378
Total	**(11,752)**	**26,924**	**15,172**	**17,878**

13.3 Net provisions for other risks and charges: breakdown

Type of risks and charges	31.12.2024	31.12.2023
A. Provisions	**(104,604)**	**(119,157)**
1. for legal disputes	(51,183)	(71,035)
2. other	(53,421)	(48,122)
B. Write-backs	**27,534**	**26,052**
1. for legal disputes	17,309	24,867
2. other	10,225	1,185
Total	**(77,070)**	**(93,105)**

Section 14 – Net adjustments to property, plant and equipment
Item 210

14.1. Net adjustments to property, plant and equipment: breakdown

Asset/Income items	Depreciation (a)	Impairment losses (b)	Write-backs (c)	Net result (a + b - c)
A. Property, plant and equipment				
1. Used in operations	(165,740)	(3,247)	2,561	(166,426)
- Owned	(83,303)	(903)	1,762	(82,444)
- Rights of use acquired through leases	(82,437)	(2,344)	799	(83,982)
2. Held for investment	-	-	-	-
- Owned	-	-	-	-
- Rights of use acquired through leases	-	-	-	-
3. Inventories	X	(7,305)	331	(6,974)
B. assets available for sale	X	-	60	60
Total	**(165,740)**	**(10,552)**	**2,952**	**(173,340)**

The item "Impairment losses" for an amount of Euro 2.3 million refers to rights of use acquired through leases following the early closure of certain branches.

Section 15 – Net adjustments to intangible assets
Item 220

15.1 Net adjustments to intangible assets: breakdown

Asset/Income items	Depreciation (a)	Impairment losses (b)	Write-backs (c)	Net result (a + b - c)
A. Intangible assets				
of which: software	(123,107)	(34,259)	-	(157,366)
A.1 Owned	(126,992)	(34,259)	-	(161,251)
- Generated internally by the company	-	-	-	-
- Other	(126,992)	(34,259)	-	(161,251)
A.2 Rights of use acquired through leases	-	-	-	-
Total	**(126,992)**	**(34,259)**	**-**	**(161,251)**

The item "Impairment losses" (Euro 34.3 million) refers to software whose useful life has been reviewed.

Section 16 – Other operating expense (income)
Item 230

16.1 Other operating expense: breakdown

Description/Amounts	31.12.2024	31.12.2023
Loss from loss data collection	23,739	16,784
Amortisation of leasehold improvement expenditure	3,616	3,878
Other expense	80,207	121,223
Total	**107,562**	**141,885**

La voce "Altri oneri" comprende indennizzi relativi alle operazioni di cessione di crediti (€ 17 milioni),

16.2 Other operating income: breakdown

Description/Amounts	31.12.2024	31.12.2023
Rental income	10,680	11,562
Recovery of taxes	303,733	277,001
Income from Loss data collection	43,928	36,686
Fast-track facility fee	10,686	8,390
Other income	138,340	199,542
Total	**507,367**	**533,181**

The item "Other income" includes the fair value measurement of tax receivables in the portfolio, that are expected to be recovered through sale to third parties (Euro 6.2 million), contingent assets from settlement of past business combinations (Euro 6.5 million), recovery of appraisal fees from customers for new loans (Euro 16.7 million), recovery of insurance premiums (Euro 8.0 million), income from the management of the securitisation vehicles' liquidity (Euro 13.4 million), reimbursement of training expenses and other staff-related charges (Euro 5.6 million).

Section 17 – Gains (Losses) of equity investments
Item 250

17.1 Gains (Losses) of equity investments: breakdown

Income items/Sectors	Total 31.12.2024	Total 31.12.2023
1) Companies subject to joint control		
A. Gains	-	-
1. Revaluations	-	-
2. Gains on disposals	-	-
3. Write-backs	-	-
4. Other income	-	-
B. Losses	(937)	(403)
1. Write-downs	-	-
2. Impairment losses	(937)	(403)
3. Losses from disposals	-	-
4. Other expense	-	-
Net result	**(937)**	**(403)**
2) Companies subject to significant influence		
A. Gains	171,369	47,683
1. Revaluations	20,369	24,286
2. Gains on disposals	151,000	23,397
3. Write-backs	-	-
4. Other income	-	-
B. Losses	(118,072)	(1,010)
1. Write-downs	(32,730)	(330)
2. Impairment losses	(85,342)	(680)
3. Losses from disposals	-	-
4. Other expense	-	-
Net result	**53,297**	**46,673**
Total	**52,360**	**46,270**

"Revaluations" and "Write-downs" reflect the results of the companies consolidated under the equity method.

"Gains on disposals" mainly refer to the gain realised on the transfer of control in Gardant Bridge Servicing (Euro 150.1 million).
The amount shown under "Impairment losses" refers to the impairment test on equity investments.

Section 18 – Valuation differences on property, plant and equipment and intangible assets
Item 260

18.1 Net result of measurement at fair value (or at a revalued amount) or at the estimated realisable value of property, plant and equipment and intangible assets: breakdown

Asset/Income items	Revaluations (a)	Write-downs (b)	Exchange differences		Net result (a-b+c-d)
			Positive (c)	Negative (d)	
A. Property, plant and equipment	**14,240**	**(44,294)**	**-**	**-**	**(30,054)**
A.1 Used in operations:	9,608	(8,616)	-	-	992
- Owned	9,608	(8,616)	-	-	992
- Rights of use acquired through leases	-	-	-	-	-
A.2 Held for investment	4,632	(35,678)	-	-	(31,046)
- Owned	4,632	(35,678)	-	-	(31,046)
- Rights of use acquired through leases	-	-	-	-	-
A.3 Inventories	-	-	-	-	-
B. Intangible assets	**-**	**-**	**-**	**-**	**-**
B.1 Owned	-	-	-	-	-
B.1.1 Generated internally by the company	-	-	-	-	-
B.1.2 Other	-	-	-	-	-
B.2 Rights of use acquired through leases	-	-	-	-	-
Total	**14,240**	**(44,294)**	**-**	**-**	**(30,054)**

Section 19 – Impairment losses on goodwill
Item 270

19.1 Impairment losses on goodwill: breakdown

The impairment test, carried out in accordance with IAS 36, did not identify any need to to record impairment losses on goodwill. In the previous year, goodwill allocated to the CGUs Banco di Sardegna and BPER Factor was written down by Euro 27.6 million and Euro 6.8 million, respectively.

For further details on how the impairment test is carried out and the related results, please refer to Part B, Section 10 - Intangible Assets in these Explanatory Notes.

Section 20 – Gains (Losses) on disposal of investments
Item 280

20.1 Gains (losses) on disposal of investments: breakdown

Income items/Amounts	Total 31.12.2024	Total 31.12.2023
A. Real estate	592	1,336
- Gains on disposal	2,225	1,810
- Losses on disposal	(1,633)	(474)
B. Other assets	(1,049)	(481)
- Gains on disposal	24	-
- Losses on disposal	(1,073)	(481)
Net result	**(457)**	**855**

Section 21 – Income taxes for the year on current operations
Item 300

21.1 Taxes on income from continuing operations: breakdown

Income items/Sectors	Total 31.12.2024	Total 31.12.2023
1. Current tax (-)	(209,023)	(144,698)
2. Change in current taxes of prior years (+/-)	14,948	17,572
3. Reduction in current taxes of the year (+)	-	334,661
3. bis Reductions in current taxes of the year due to tax credit pursuant to Law 214/2011 (+)	4,455	86,168
4. Changes in deferred tax assets (+/-)	(425,092)	(464,885)
5. Changes in deferred tax liabilities (+/-)	(758)	(1,692)
6. Tax for the year (-) (-1+/-2+3+3bis+/-4+/-5)	**(615,470)**	**(172,874)**

21.2 Reconciliation of theoretical and actual tax charges

IRES	31.12.2024	Tax rate in %
Profit (loss) from current operations before tax	**2,053,980**	
Theoretical IRES tax charge at the applicable rate	**562,738**	**27.40%**
Temporary differences (+/-)	(696,761)	
Temporary differences not related to components of the grossresult (+/-)	(100,119)	
Permanent differences (+/-)	17,677	
Permanent differences not related to components of the gross result (+/-)	(45,772)	
Use of ACE surpluse	(162,734)	
Use of previous tax losses	(650,935)	
IRES tax base	-	
Current IRES tax charge	**111,264**	**26.69%**
Current IRES taxes recognised in equity	(4)	
Change in IRES DTA/DTL linked to changes in the tax base for the year	441,623	
Actual IRES tax charge	**552,884**	**26.92%**

IRAP	31.12.2024	Tax rate in %
Profit (loss) from current operations before tax	**2,053,980**	
Income statement components not relevant for IRAP purposes	**(193,846)**	
Theoretical IRAP tax charge at the applicable rate	**103,653**	**5.57%**
Temporary differences (+/-)	(476,873)	
Temporary differences not related to components of the grossresult (+/-)	(112,773)	
Permanent differences (+/-)	604,930	
Permanent differences not related to components of the gross result (+/-)	(47,947)	
IRAP tax base	1,827,470	
Current IRAP tax charge	**100,473**	**5.40%**
Current IRAP taxes recognised in equity	(2,648)	
Change in IRAP DTA/DTL linked to changes in the tax base for the year	34,707	
Actual IRAP tax charge	**137,828**	**7.41%**

Out-of-period IRES and IRAP tax rates and other taxes	31.12.2024	Tax rate in %
Change in IRES/IRAP DTA/DTL not linked to changes in the tax base for the year	(59,901)	
Current IRES tax charge relating to previous financial years	(661)	
Current IRAP tax charge relating to previous financial years	(14,680)	
Actual tax charge - other taxes	**(75,242)**	**-3.66%**
Total actual tax charge	**615,470**	**29.96%**

Section 22 – Gains (Losses) from non-current assets and disposal groups classified as held for sale after tax
Item 320

There are no amounts to be disclosed in this Consolidated Financial Report.

Section 23 – Profit (Loss) for the year pertaining to minority interests
Item 340

23.1 Breakdown of item 340 "Profit (Loss) for the year pertaining to minority interests"

Company name	31.12.2024	31.12.2023
Consolidated equity investments with significant minority interests	35,873	32,301
1. Banco di Sardegna s.p.a.	620	705
2. Bibanca s.p.a.	761	895
3. Arca Holding (*)	34,451	30,685
4. Sardaleasing s.p.a.	41	16
Other equity investments	(12)	(28)
Total	**35,861**	**32,273**

(*) consolidation of the sub-holding company Arca Holding and its wholly-owned subsidiary, Arca Fondi SGR s.p.a.

To determine the relevance of minority interests, see Part A of these Explanatory notes.
Minority interests not considered significant have been recognised under "Other equity investments".

Section 24 – Other information

The information contained in the above sections is deemed to be detailed and completed, thus providing a full picture of the consolidated income statement.

Section 25 – Earnings per share

IAS 33 requires disclosure of basic and diluted earnings per share (EPS), specifying how each is calculated.

Basic earnings per share reflect the relationship between:
- the earnings attributable to ordinary shareholders,
- and the weighted average number of shares outstanding during the period.

Diluted earnings per share reflect the relationship between:
- the earnings used to calculate Basic EPS, as adjusted by the economic effects of converting all outstanding convertible bonds into shares at period end;
- the number of shares in circulation used to calculate basic EPS, as adjusted by the weighted average of the potential ordinary shares with a diluting effect deriving from the conversion of bonds outstanding at period end.

	31.12.2024			31.12.2023		
	Attributable earnings	Weighted average ordinary shares	Earnings per share (Euro)	Attributable earnings	Weighted average ordinary shares	Earnings per share (Euro)
Basic EPS	1,402,649	1,415,505,208	0.991	1,519,496	1,414,727,277	1.074
Diluted EPS	1,402,649	1,448,994,996	0.968	1,519,496	1,450,441,563	1.048

The following tables reconcile the weighted average number of ordinary shares outstanding used to calculate basic earnings per share with the number of ordinary shares used to calculate diluted earnings per share; they also reconcile net profit for the year with the net income used to determine basic and diluted earnings per share.

25.1 Average number of ordinary shares (fully diluted)

	31.12.2024	31.12.2023
Weighted average number of outstanding ordinary shares for Base EPS calculation	1,415,505,208	1,414,727,277
Weighted dilutive effect deriving from the potential conversion of convertible bonds	33,489,788	35,714,286
Weighted average number of outstanding ordinary shares for diluted EPS calculation	1,448,994,996	1,450,441,563

25.2. Other information

	31.12.2024	31.12.2023
Profit (Loss) for the year	1,402,649	1,519,496
Allocations not attributable to the shareholders	-	-
Net profit for Basic EPS calculation	1,402,649	1,519,496
Change in income and charges deriving from conversion	-	-
Net profit for diluted EPS calculation	1,402,649	1,519,496

PART D

Consolidated Other Comprehensive Income

Consolidated detailed Statement of Other Comprehensive Income

Items		31.12.2024	31.12.2023
10.	**Profit (Loss) for the year**	**1,438,510**	**1,551,769**
	Other comprehensive income that will not be reclassified to profit or loss	**13,338**	**(9,275)**
20.	Equity instruments designated at fair value through other comprehensive income:	48,038	(12,628)
	a) change in fair value	52,690	(12,330)
	b) transfer to other components of shareholders' equity	(4,652)	(298)
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness):	(41,556)	(9,532)
	a) change in fair value	(41,311)	(9,550)
	b) transfer to other components of shareholders' equity	(245)	18
40.	Hedge of equity instruments measured at fair value through other comprehensive income:	(6,876)	(2,976)
	a) change in fair value (hedged instrument)	(2,384)	396
	b) change in fair value (hedging instrument)	(4,492)	(3,372)
50.	Property, plant and equipment	14,630	26,960
60.	Intangible assets	-	-
70.	Defined benefit plans	(570)	(13,924)
80.	Non-current assets and disposal groups classified as held for sale	-	-
90.	Share of the valuation reserves of equity investments carried at equity	(1,017)	(2,053)
100.	Financial revenues or costs relating to insurance contracts issued	-	-
110.	Income taxes relating to other comprehensive income that will not be reclassified to profit or loss	689	4,878
	Other comprehensive income that may be reclassified to profit or loss	**51,742**	**99,817**
120.	Hedge of foreign investments:	**-**	**-**
	a) changes in fair value	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
130.	Foreign exchange differences:	**-**	**-**
	a) changes in value	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
140.	Cash flow hedges:	1,671	(12,287)
	a) changes in fair value	1,671	1,680
	b) reclassification to profit or loss	-	(13,967)
	c) other changes	-	-
	of which: result of net positions	-	-
150.	Hedging instruments (not designated elements):	**-**	**-**
	a) changes in value	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
160.	Financial assets (no equity instruments) measured at fair value through other comprehensive income	75,338	160,222
	a) changes in fair value	60,557	164,618
	b) reclassification to profit or loss	14,781	(4,396)
	1. impairment losses for credit risk	209	56
	2. gains/losses on disposal	14,572	(4,452)
	c) other changes	-	-
170.	Non-current assets and disposal groups classified as held for sale	**-**	**-**
	a) changes in fair value	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
180.	Share of the valuation reserves of equity investments carried under the equity method	**-**	**-**
	a) changes in fair value	-	-
	b) reclassification to profit or loss	-	-
	1. impairment adjustments	-	-
	2. gains/losses on disposal	-	-
	c) other changes	-	-
190.	Financial revenues or costs relating to insurance contracts issued	-	-
	a) changes in fair value	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
200.	Financial revenues or costs relating to outwards reinsurance	-	-
	a) changes in fair value	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
210.	Income taxes relating to other comprehensive income that may be reclassified to profit or loss	(25,267)	(48,118)
220.	**Total other comprehensive income**	**65,080**	**90,542**
230.	**Other comprehensive income (Items 10+220)**	**1,503,590**	**1,642,311**
240.	Consolidated other comprehensive income pertaining to minority interests	**35,984**	**32,383**
250.	**Consolidated other comprehensive income pertaining to the Parent Company**	**1,467,606**	**1,609,928**

PART E

Information on risks and related hedging policies

Introduction

A summary of the organisation of the BPER Banca Group's risk governance and the related processes and key functions involved is described in this paragraph.

The configuration of the Internal Control and Risk Management System of the BPER Group (hereinafter, the "System") is defined, alongside its principles, in the "Group Policy on the Internal control System" (Policy), which also includes the information flows for the integration of the components of the System.

The Policy, prepared in compliance with the Supervisory Provisions, was approved by the Board of Directors of the Parent Company and implemented by the Group Banks and Companies.

The System comprises policies, structures, procedures, resources and processes aimed at ensuring that:
- the activities carried out by BPER and by the Group Banks and Companies are in line with internal practices, industry standards and external regulations;
- risks are adequately monitored and mitigated.

All Group Structures contribute to risk control and every Group Bank and Company ensures correct operations by performing controls and submitting information flows to its Corporate Bodies and to the Corporate Bodies of the Parent Company.

The System includes three lines of defence:
- First-level controls: line controls embedded in processes and procedures and carried out by operating and business units;
- Second-level controls (Risk and compliance controls) entrusted to the: i) Compliance Function (which includes the Data Protection Officer - DPO); ii) Risk Management Function; iii) Validation Function; iv) Anti-Money Laundering Function;
- Third-level controls: entrusted to Internal Audit which operates in compliance with international standards.

Second- and Third-Level Control Functions are independent, separate and distinct from the structures that take on the risks and are in charge of line controls.

As a general rule, the System envisages outsourcing to the Parent Company of the second and third-level control functions, if any, of the Group Banks and Companies under Italian law; however, as required by the regulations, the latter still remain responsible for their performance.

The Internal Control System also includes:
- the Whistleblowing System to anonymously communicate facts or behaviours that may represent a violation of Legislative Decree 24/2023 "implementing Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law";
- the Supervisory Body pursuant to Legislative Decree no. 231/2001;
- the Manager responsible for preparing the company's financial reports under Law no. 262/2005.

Every year, the Control Functions submit to the Board of Directors a report on the activities carried out substantiated by their analyses, results, identified weaknesses and proposals for interventions to be implemented with a view to strengthening the controls in place. The Control Functions submit a plan of activities to the Corporate Bodies for approval at least once a year, subject to the prior review of the Control and Risk Committee.

The document "Public Disclosure - Pillar 3" as at 31 December 2024, prepared pursuant to the requirements of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR) and subsequent updates, illustrates the key metrics used by the BPER Banca Group (own funds, capital requirements, financial leverage and liquidity coverage ratio) as required by art. 447 of Regulation (EU) 575/2013, as later amended.

The disclosure at 31 December 2024 is published on the same date as or as soon as possible after the Consolidated Financial Report is published on the Parent Company's website https://https://group.bper.it/en/.

Risk management (RAF)

As part of the Group's Internal Control System, the BPER Banca Group identifies the Risk Appetite Framework (RAF) as a tool for overseeing the risk profile that the Group intends to take in the implementation of its business strategies, considering it as an essential element to ensure that the risk governance policy and process by which risks are managed comply with the principles of sound and prudent business management.

The key principles of the RAF are formalised and approved by the Parent Company, which periodically reviews them, ensuring that they are in line with the strategic guidelines, business model and regulatory requirements in force at any given time.

Through a coordinated and representative series of metrics, the RAF outlines the risk objectives (risk appetite), any Early Warning thresholds, the tolerance thresholds (risk tolerance), risk limits and the operating limits, which the Group intends to comply with in the pursuit of its strategic guidelines, defining the levels of consistency with the maximum risk that can be accepted (risk capacity).

In order to ensure effective and pervasive transmission of the risk objectives, the Group sets its overall risk appetite, establishing risk limits that govern the operations of the organisational structures to which they are assigned (so-called "risk takers"), in a structured framework consistent with the policies of governance and control of individual risks.

The activities comprising the set-up process of the RAF are updated annually, or more frequently, and whenever necessary following changes in the internal or external conditions.

In 2024, the Risk Appetite Statement was calibrated on various occasions, considering the objectives established by the plan forecast and the expectations/guidelines of the Supervisory Authorities, involving the Corporate Bodies: the latest version was examined by the Board of Statutory Auditors and by the Control and Risk Committee on 26 March 2024 and by the Board of Directors on 28 March 2024.

The Group periodically monitors the overall RAF metrics, in order to promptly control any overruns of the tolerance thresholds (or of the Early Warning levels, if any) and/or risk limits assigned and, if appropriate, activate the envisaged escalation processes, by handling the necessary communications to the Corporate Bodies and subsequent remedies, as required by the RAF management macro-process Regulation.

Development of the internal control system

The Parent Company manages the Group's Internal Control System through a process that involves the following phases:
- design;
- implementation;
- assessment;
- external communication.

Some phases of the development process are outlined below, indicating the related responsibilities of the Corporate Bodies[136] involved.

Design of the internal control system

The Board of Directors of the Parent Company defines and approves:
- the Internal Control System of the Parent Company and the Group;
- the risk objectives, tolerance thresholds (where identified) and risk governance policies;
- the remedies needed to restore a normal situation after any overrun of the tolerance thresholds;
- the criteria for identifying significant transactions to be submitted to the risk management function;
- system standards for carrying out all activities;
- the Parent Company's code of ethics must be followed by all employees and members of the Corporate Bodies, as well as any third parties operating directly or indirectly for or with the Bank.

136 Corporate Bodies include all bodies with strategic supervision, management and control functions. The definition of Corporate Body also includes the sub-committees of the Board of Directors ("Board Committees").

At least annually, the Parent Company's Board of Directors approves the programme of activities and examines the annual reports prepared by the Corporate Control Functions and by the Manager Responsible for Preparing the Company's Financial Reports - Financial Disclosure Unit. More specifically, the Board of Directors of the Parent Company, with the assistance of the Control and Risk Committee and at the proposal of the CEO, establishes and approves:
- the business model;
- the strategic plan and its periodic review;
- Internal system for reporting violations;
- Stress testing programme;
- the structure of the Corporate Control Functions and Control Functions and their coordination methods;
- internal information flows to ensure that the Corporate Bodies and Control Functions are fully aware of the various risk factors and have the ability to govern them;
- formalised coordination and liaison procedures between the Companies of the Group and the Parent Company;
- the ICAAP and ILAAP processes, ensuring consistency with the RAF;
- the Recovery Plan;
- the process for managing anomalies identified by the Corporate Control Functions and Control Functions, as well as the methods for handling, and possibly accepting, identified residual risk in compliance with the RAF;
- asset measurement policies and processes;
- the process for the development and validation of internal risk measurement;
- the "Product Governance" process for approving new products and services, the launch of new activities, entering new markets;
- Group policy for outsourcing business functions.

The Parent Company's Board of Directors ensures that:
- implementation of the RAF is consistent with the approved levels of risk appetite and risk tolerance thresholds (where identified);
- the strategic plan, the RAF, the ICAAP, ILAAP, budgets and Internal Control System are consistent, bearing in mind any developments in the internal and external conditions in which the Group operates;
- the amount and the allocation of capital and liquidity held are consistent with the risk appetite, risk governance policies and risk management process;
- adequate governance processes are in place to support resolution planning activities.

The Board of Directors of the Parent Company appoints and dismisses the heads of the Corporate Control Functions and the Manager responsible for preparing the company's financial reports, based on prior identification and proposal by the Control and Risk Committee, with the contribution of the Nominations and Corporate Governance Committee, the Board of Statutory Auditors and the Chief Executive Officer, each for matters within their competence.

The Board of Directors of each Bank and Company within the Group supplements the structure of their respective Internal Control Systems, in line with the coordination and liaison procedures defined by the Parent Company and incorporates and approves the RAF elements applicable to their own Bank and Company, in accordance with the Group's Risk Appetite Framework.

Implementation of the internal control system

The Board of Directors of the Parent Company vests the Chief Executive Officer with adequate duties, powers and resources to implement the strategic guidelines, RAF and risk governance policies defined by the Board when the Internal Control System is designed. The Chief Executive Officer is responsible for adopting all the actions needed to ensure the compliance of the organisation and the Internal Control System with the standards and requirements provided for under Supervisory laws, monitoring them to ensure continued compliance.

The Chief Executive Officer has the power to propose resolutions regarding the Internal Control and Risk Management System and oversees the execution of the resolutions of the Board of Directors.

The Chief Executive Officer, supported by the competent functions:
- ensures integrated management of all corporate risks, evaluating the internal and external factors from which they may originate and their reciprocal interrelationships and is responsible for adopting the necessary initiatives to ensure the compliance of the organisation and the Internal Control System with the regulatory principles and requirements, continuously monitoring their observance at the Bank and Group level;
- assumes the provisions designed to ensure that the various Corporate Functions implement the risk management and control process for the Bank and the Group, also overseeing the set-up and the functioning of the internal risk measurement systems and the ICAAP and ILAAP processes, in line with the Supervisory Provisions, the strategic guidelines, the RAF and the risk governance policies defined and approved by the Board.

Finally, the Chief Executive Officer additionally has the power to request audits or investigations to be carried out, also with regard to specific irregularities, without prejudice to similar powers lying with the Bodies of strategic supervision, management and control, of the Parent Company and/or of the Group Banks and Companies.

The Board of Directors of each Group Bank and Company vests its corporate functions with the task of implementing the choices made by the Parent Company when planning the Internal Control Systems in their own organisations.

Assessment of the internal control system

With regard to internal risk measurement systems for the determination of capital requirements, the Board of Directors of the Parent Company:
- periodically verifies the choices of model made to ensure that they remain valid over time, approving significant changes to the System and carrying out overall supervision to ensure that it functions properly;
- monitors, with the assistance of the relevant Functions, effective use of internal systems for management purposes and their compliance with regulatory requirements;
- reviews at least once a year the results of the validation process and passes a formal resolution, with the approval of the Board of Statutory Auditors, by which it certifies compliance with the requirements for the use of internal measurement systems.

The Parent Company's Board of Directors periodically assesses the adequacy and effectiveness:
- of the RAF and the compatibility between actual risk and the risk objectives;
- of the Group's[137] internal control and risk management system - with the help of the Control and Risk Committee - identifying possible areas of improvement and defining the steps needed to correct any weaknesses. To this end, Internal Audit prepares the overall assessment of the Internal Control System which capitalises on the results of the activities performed by the other Corporate Control Functions and by the Manager Responsible for Preparing the Company's Financial Reports - Financial Disclosure Unit.

The Board of Directors:
- receives, either directly or through the CEO, the information flows required to gain full awareness of the various risk factors and the ability to govern them, so as to plan and implement interventions to ensure the compliance and adequacy of the Internal Control System;
- receives the reports drawn up by the Control Functions along with the Board of Statutory Auditors, the Control and Risk Committee and the Chief Executive Officer.

External communication on the internal control system

The Board of Directors of each Group Bank and Company, especially that of the Parent Company as regards the Group internal control system, ensures that information on the internal control and risk management system is given in all cases foreseen by law, guaranteeing the correctness and completeness of the information provided. In this context, it is important to make the disclosures to the general public required by Pillar 3. For this, the Board of Directors of the Parent Company assigns control responsibilities and duties to the Corporate Bodies and the various functions involved in the different stages of the process of governing internal controls.

137 Supervisory instructions for banks – Circular 285 of the Bank of Italy, Part I, Title IV, Chapter 3, Section II, paragraph 2 "assures that: [...] "b) the internal control system and corporate structure are consistently in line with the principles mentioned in Section I and the corporate control functions satisfy the requirements and comply with the provisions of Section III. In the event of weaknesses or anomalies, it promotes timely adoption of appropriate corrective measures and assesses their effectiveness".

Levels of control envisaged by the Supervisory Authority

As part of the Group internal control system, the following control functions are identified at the levels provided for in the Supervisory instructions for banks, taking into account of the fact that the second and third level control functions always apply to the entire Group:

- Third-level controls: designed to
  - identify violations of procedures and regulations,
  - to periodically assess the completeness, suitability, functionality (in terms of efficiency and effectiveness) and reliability of the Internal Control System and information system, in relation to the nature and intensity of the risks involved.

  These controls are conducted on an ongoing basis, periodically or at random, including spot checks, by various units that are independent of business structures. In the parent company BPER, these activities are entrusted to Internal Audit.
- Second-level controls ("risk and compliance controls"): the second level control functions have been developed and identified with the following objectives:
  - to check on an ongoing basis that company procedures are consistent with the goal of preventing money laundering and financing of terrorism and to prevent and combat money laundering and financing of terrorism by reporting suspicious transactions and by performing constant checks. This activity is entrusted to the Anti-Money Laundering Function;
  - to identify non-compliance risks, examining the standards applicable to the Group on an ongoing basis and assessing their impact on Group companies. To establish, depending on the risks that have been identified and assessed, the control objectives foreseen, by proposing organisational and procedural interventions to ensure adequate protection from any risks of non-compliance and monitoring their implementation. These activities are entrusted to the Compliance Function;
  - to collaborate in the definition and implementation of the Risk Appetite Framework (RAF) and the related risk governance policies, through an adequate risk management process. To define methodologies, processes and tools to be used for risk management. To ensure consistency of the measurement and risk control systems with processes and methodologies to assess business operations. To ensure the correct representation of the risk profile and assessment of loan positions, to perform assessments of loan monitoring and recovery processes, to supervise the process for the allocation/monitoring of the official rating and to perform second-level controls over the lending process. These activities are entrusted to various offices and units of the Risk Management Function;
  - qualitative and quantitative ratification of internal risk measurement models adopted by the Parent Company, as used to estimate internal capital and capital requirements, ensuring compliance with the instructions issued by the Supervisory Authority for this process, as well as consistency with the operational needs of the company and the evolution of the market. This activity is carried out by the Internal Validation Office which reports directly to the Chief Risk Officer. The organisational positioning of this Office guarantees independence from the structures responsible for the development and use of internal risk models subjected to validation.
- First level controls ("line controls") (designed to ensure that operations are carried out properly by the operating teams or embedded in procedures or performed as part of back-office activities).

In addition to the levels of control laid down by Supervisory Regulations, the legal system and the sources of self-regulation attribute monitoring roles to specific structures/roles other than the Corporate Control Functions, whose activities are incorporated in the Internal Control System (Supervisory Body, Manager Responsible for Preparing the Company's Financial Reports).

Control roles and duties attributed to BPER Banca Group functions

Internal Audit Function

The Internal Audit carries out an independent and objective assurance and consulting activity aimed at increasing and protecting the value of the Banks and Companies of the BPER Group by providing objective services to promote, through a systematic and structured professional approach:

- the effectiveness and efficiency of processes and controls;
- balanced and conscious risk management.

On the basis of the results of its controls, it:

- identifies the possible improvements - with specific reference to the RAF, the risk management process and their measurement and control tools - bringing them to the attention of the Corporate bodies;
- formulates specific recommendations to be submitted to a formal monitoring procedure in order to guarantee (and report about) their effectiveness and timely implementation.

Internal Audit contributes to the dissemination of risk & control culture awareness and the key principles that guide the BPER Banca Group.

The Function carries out its activities:
- as part of the management and coordination of the Parent Company, with respect to the Group Banks and Group Legal Entities, taking into account the breadth and depth of the Internal Control System and in compliance with the principles of proportionality and cost-effectiveness;
- based on specific outsourcing contracts, for the Banks and Companies that have outsourced Internal Audit to the Parent Company, i.e. all banks and companies under Italian law with an Internal Audit Department with the exception of Arca Fondi s.p.a. SGR.

The Internal Audit Function operates in compliance with international standards for the professional practice of internal auditing.

With a view to continuous improvement and in line with the Global Internal Audit Standards, the Function has set up an internal evaluation process - Quality Assurance and Improvement Programme (QAIP) - the results of which are submitted annually to the Parent Company's Board of Directors.

In 2024, an external assessment of the Internal Audit activity was performed to reassess its compliance with the Standards, also taking into account the ongoing strategic/transformational development of the Function, whose outcome will be presented to the Board of Directors in the first months of 2025.

Risk Management Function

The Risk Management Function, which also includes the model validation function[138], aims to collaborate in the definition and implementation of the Risk Appetite Framework and the related risk governance policies, through an adequate risk management process.

An integral part of its mission is to ensure adequate reporting to the Corporate Bodies of the Parent Company and Group companies.

The Risk Management Function extends its area of responsibility to all of the Group companies included in the current risk map, given that the "Group Policy - Internal Control System" provides for centralised management of the risk management function by the Parent Company.

The Group companies that have this function outsource it to the Parent Company, with the exception of the Luxembourg based company[139] and Arca Fondi SGR.

The mission of the Risk Management Function is carried out as part of the Parent Company's direction and coordination activity as an outsourcer for Group Banks and Companies.

The Risk Management Function operates at Group companies through a Contact identified at the various Group companies.

The Risk Management Function is independent of the business functions, which are responsible for the "operational management" of risks that affect the risk-taking of the business units and change the risk profile of the Bank.

This function is hierarchically positioned to report directly to the Parent Company's Board of Directors and is accountable to that body for its tasks and responsibilities.

Responsibility for the Risk Management Function lies with the Chief Risk Officer.

The Contact Persons of the Risk Management Function, identified at the Companies falling within the sphere of competence, functionally depend on the function itself and hierarchically depend on the Management Body of the Company they belong to.

138 Bank of Italy Circular no. 285 of 2013 of the Bank of Italy, part I, title IV, section III, point 3.3. The banks which adopt internal systems for risk measurement, if consistent with the nature, size and complexity of the activities carried out, identify, within the risk control function, units responsible for validating said systems independent from the units responsible for developing them.

139 Update of circular CSSF 12/552 on the central administration, internal governance and risk management "120. Outsourcing the compliance function and risk control function is not authorised."

The main activities of the Risk Management Function are listed below:

- within the scope of the Risk Appetite Framework, proposing to the Corporate Bodies the quantitative and qualitative parameters necessary for its definition, both in the normal course of business and in situations of stress, ensuring their adequacy over time in relation to changes in the internal and external context;
- proposing the risk governance policies that do not fall within the competence of the other control functions, ensuring the adequacy and update with regard to risk management and exposure and operating limits, and helps in implementing them, ensuring consistency with the Risk Appetite Framework;
- developing risk management methodologies, processes and tools[140] via the identification, measurement/assessment, monitoring and reporting of risks inclusive of prospective and retrospective analyses, ensuring their adequacy over time through the development and application of indicators designed to highlight anomalous situations and inefficiencies;
- monitoring the actual risk profile assumed in relation to the risk objectives defined in the Risk Appetite Framework, collaborating in the definition and monitoring of operating limits for the assumption of various types of risk and constantly verifying their adequacy, reporting any overruns to Corporate Bodies;
- providing prior opinions on the consistency with the Risk Appetite Framework of the Most Significant Transactions;
- supporting the CEO in implementing the ICAAP and ILAAP;
- coordinating the various activities involved in the internal stress testing programme;
- checking the adequacy and effectiveness of the measures taken to correct weaknesses in the risk management macro-processes;
- controlling the macro process of assigning and monitoring the official rating;
- developing, ratifying[141] and maintaining the IFRS 9 model framework for calculation of provisions;
- analysis of risks deriving from new products/services and from entry into new business segments;
- performance of second-level checks on the lending process, verifying the existence of effective supervision over credit exposures (especially if impaired), the proper classification of risk and the adequacy of provisions; the comprehensive effectiveness of the bad loan recovery process;
- overseeing management of the Risk Committee of the Parent Company.

Moreover, the Risk Management Function, before their approval by the Corporate Bodies, is involved in defining:

- of the Group strategy, assessing the related impacts on risk;
- of the strategic developments of the Internal Control System of the Group.

Anti-money laundering function

The Anti-Money Laundering Function's duty is:

- to prevent and combat money laundering and financing of terrorism through the reporting of suspicious transactions and the execution of continuing control activities (Anti-Money Laundering control);
- to check that the IT and organisational procedures adopted by Group Banks and Companies are consistent with laws and regulations, as well as self-regulation in the field of money laundering and financing of terrorism (Anti-Money Laundering Function).

The organisational model adopted by the Group provides for centralised management at the Parent Company of the anti-money laundering function and supervision of the Italian Group Banks and Companies subject to money laundering regulations, except for Arca Fondi SGR s.p.a., in light of the specific nature of its business.

As regards the Parent Company's guidance and coordination activities, performed for all Group Banks and Companies subject to anti-money laundering regulations, the Anti-Money Laundering Function has the following responsibilities:

- it identifies and evaluates the Group's exposure to the risk of money laundering and financing of terrorism;
- it identifies any risk of non-compliance with anti-money laundering legislation to which the Group is exposed, continuously examining the rules applicable to the Group and assessing their impact;
- it makes an annual assessment of the principal money laundering and terrorism financing risks, at Group level and for each Group Bank and Company, and presents that assessment ("Report of the Anti-Money Laundering Function of the BPER Banca Group") to the Management Bodies of the Parent Company. This report identifies the action taken and the training provided to personnel, highlighting any issues and making planning proposals for the related corrective actions, as well as for the preventive actions needed to tackle any new non-conformity risks identified. The report also includes the results of the self-assessment carried out. With regard to Arca Fondi SGR, a self-assessment carried out independently by the subsidiary is acquired. For the Luxembourg subsidiary, BPER Bank Luxembourg SA, it reports in the same document any critical issues arising from the opinions expressed and data provided by its relevant Corporate Functions;

140 With the participation of the organisational units of the Chief Operating Officer and the Chief Information Officer.

141 Through the Internal Validation Service.

- it proposes changes to the Group policy for governing the risks of money laundering and the financing of terrorism;
- it defines methods, processes and tools for performing the activities of the Anti-Money Laundering Function and uses the reports defined in coordination with other control functions (corporate or otherwise);
- for the foreign companies that have not outsourced the function to the Parent Company (the Luxembourg subsidiary BPER Bank Luxembourg SA), it defines the general standards regarding customer due diligence, retention of data and reports on suspicious transactions, making sure they are implemented;
- it ensures adequate reporting on the outcome of its activities to the Corporate Bodies, highlighting the main non-compliance issues and events of particular risk as they emerge;
- it proposes organisational and procedural changes to the guidance and coordination processes aimed at preventing and combating money laundering and terrorist financing, in order to ensure adequate control over the non-compliance risks that have been identified and to monitor that it is carried out;
- supports the Chief AML Officer (CAMLO), as Head of Group suspicious transactions (SOS), in the in-depth analysis and assessment, in terms of Group, of the reports filed and transactions reported to the Financial Intelligence Unit for Italy (FIU) or to the various Competent local authorities by Italian and foreign Group companies. This type of support is also provided with reference to reports filed and transactions reported to the competent local authorities by the Group's Luxembourg subsidiary;
- supports the Chief Corporate & Investment Banking Officer – CCIBO of the Parent Company in assessing the opening of correspondence accounts with correspondent entities of third Countries by the Parent Company and Group Companies, issuing a specific opinion;
- supports the CAMLO in their instructions regarding the authorisation to open, or maintain, ongoing relationships with residents or entities based in high-risk third Countries under current EU regulations or Group policies for BPER and other Italian banking companies. For non-banking Companies, it receives the information report regarding the implementation of continuous relationships / maintenance of relationships with these persons and evaluates any weaknesses;
- supports the CAMLO in their instructions regarding the authorisation to open, or maintain, ongoing relationships or carry out occasional transactions with "politically exposed persons". For non-banking Companies, it receives the information report regarding the implementation of continuous relationships / maintenance of relationships/ performance of transactions with "Politically exposed persons" and evaluates any weaknesses.

Among other things, the Function also:
- manages relations with Italy's Financial Intelligence Unit, the Investigative Authorities and the Judicial Authorities whenever there is need for in-depth investigation or discussion about the anti-money laundering and anti-terrorism legislation;
- supports the Company Delegate in assessing and investigating reports of suspicious transactions and their transmission to the Financial Intelligence Unit if considered justified;
- checks on proper compliance with the requirements for adequate verification, the risk profiling of customers, the recognition and reporting of suspicious transactions, the limits on cash usage, and data retention.

With reference to the Luxembourg subsidiary BPER Bank Luxembourg SA, which does not fall within the scope of the Anti-Money Laundering Function, the direction and coordination activity is supported by monitoring the reports on suspicious transactions and by specific instructions in the field of customer identification and data retention.

It should also be noted that, in compliance with the current anti-money laundering legislation, in particular the Measure of the Bank of Italy of 1 August 2023 amending the "Bank of Italy's Provisions on organisation, procedures and internal controls for anti-money laundering purposes" of 26 March 2019 (so called "Measure of the Bank of Italy"), the Parent Company and the other Group Companies subject to anti-money laundering regulations have appointed their own Representative responsible for anti-money laundering, as well as a Group-level Representative responsible for anti-money laundering, in accordance with the statutory requirements.

Compliance Function

The Compliance Function's task is to ensure the adequacy of internal procedures to prevent the violation of external rules (e.g. laws and regulations) and/or self-regulation (e.g. Articles of association, codes of conduct, corporate governance codes) applicable to Group Companies.

The Function also plays an important advisory role in the design of processes and projects that the bank intends to undertake, offering assistance and advice to the bank's corporate bodies in all matters in which compliance risk takes on significance, collaborating in personnel training activities with regard to the provisions applicable to the activities carried out and promoting the dissemination of a culture based on principles of integrity, fairness and respect for the spirit and letter of the law, as an indispensable element of the successful operation of the company.

The Data Protection Officer (DPO), who operates within the Function, possesses specialist knowledge of the legislation and of the cases regarding personal data protection, set forth in EU Regulation no. 2016/679 (GDPR), to which the legislation attributes the primary duties of verification of compliance and of control of respect for the privacy provisions.

The Compliance Function, as part of the management of compliance risk, oversees - directly or through the Specialist Controls - regulations that concern the entire banking activity, with the exception of those for which there are Corporate Functions and other dedicated control functions.

Pursuant to art. 88 of the Intermediaries Regulations adopted by CONSOB with resolution 20307 of 15 February 2018, the Compliance Function also carries out regular checks on the effective application (or functioning) of the procedures and the measures taken to resolve any weaknesses.

In line with its mission, it extends the scope of its guidance, control and coordination activities to all Group companies.

The organisational solution for supervised companies (Banks and Financial credit companies) provides for the centralisation of the Compliance Function at the parent company, for which a Contact person is designated.

For Companies not subject to the obligation to set up a Compliance Function (special purpose and service companies), the monitoring of the compliance risk is guaranteed, for regulatory areas that have an impact on the same companies, through the provision of compliance activities carried out by the Parent Company.

For the Group's bank based in Luxembourg (BPER Luxembourg) and the company Arca Fondi SGR, as an exception to the centralised model, only management and coordination activities are envisaged.

As part of the direction and coordination activity exercised by the Parent Company on behalf of the Group companies, the Compliance Function has the following duties:

- it identifies non-compliance risks, at Group level, examining the standards applicable to the Group on an ongoing basis and assessing their impact on Group companies;
- it establishes, depending on the risks that have been identified and assessed, the control objectives foreseen for the Companies that have outsourced this function to the Parent Company, and verifies that the planning of Compliance activities of the individual companies that did not outsource this function to the Parent Company guarantees adequate risk control;
- it ensures adequate reporting on the outcome of its activities to the Corporate Bodies, promptly highlighting the main non-compliance issues and events of particular risk as they emerge;
- it proposes organisational and procedural changes to processes of the Parent Company and Group companies in order to ensure adequate control over the non-compliance risks that have been identified and to monitor that it is carried out.

Other control functions

In addition to the levels of control laid down by Supervisory Regulations, the legal system and the sources of self-regulation attribute monitoring roles to specific structures/roles other than the Corporate Control Functions, whose activities are incorporated in the Internal Control System; in particular, the following are identified in the Group:

- Supervisory Bodies pursuant to Legislative Decree 231/2001;
- the Manager Responsible for Preparing the Company's Financial Reports established on the basis of the provisions of Law 262/2005, who, in order to carry out his/her duties, makes use of the Financial & Sustainability Reporting Supervision service (hereinafter also "Service"). The Manager responsible for preparing the Company's Financial Reports and this unit are therefore part of the Group's Internal Control System.

Manager responsible for preparing the Company's Financial Reports – Financial & Sustainability Reporting Supervision

Pursuant to Italian Law 262/2005, Article 154-bis of the Consolidated Law on Finance, and Bank of Italy Circular 285, the Manager responsible for preparing the Company's financial reports is a Control Function and is responsible for overseeing the administrative and accounting procedures for the preparation of the separate financial report, consolidated financial report and any other financial communication. Under the applicable regulations and the Articles of Association, the appointment is approved by the Board of Directors, subject to the opinion of the Board of Statutory Auditors.

The Manager responsible for preparing the Company's financial reports also certifies, together with the Chief Executive Officer, the consistency of the content of the public disclosure document – Pillar 3 – with internal documentation, in line with the relevant external regulations (Article 431, paragraph 3, CRR).

Following the adoption of the Corporate Sustainability Reporting Directive (CSRD) in September 2024 (Legislative Decree no. 125 of 6 September 2024), the BPER Banca Group has deemed it appropriate to also confer to the Manager responsible for preparing the Company's financial reports the certification of the Sustainability Statement, in line with the highest standards of transparency and compliance in accordance with the ESRS (European Sustainability Reporting Standards).

The Manager responsible for preparing the Company's financial reports governs the "Financial and sustainability reporting control model", understood as the set of requirements for the correct management and control of the risk of unintentional errors and fraud in financial reporting, as well as risk factors related to the preparation of sustainability reporting (ESG).

The Parent Company's Manager responsible for preparing the Company's financial reports makes use of the following to carry out their mission and assigned responsibilities:
- the Service, which reports hierarchically to the Manager responsible for preparing the Company's financial reports, rightsized with respect to the complexity of the company and the group, as well as independent with respect to the functions in charge of preparing the economic, financial and sustainability reporting;
- a Contact person for the Manager responsible for preparing the Company's financial reports, identified in the companies within scope, who functionally reports to the Manager responsible for preparing the Company's financial reports.

Finally, where companies other than the Parent Company are present within the Group but are classified as "Listed issuers having Italy as their home member state", they must also appoint a Manager responsible for preparing the Company's financial reports in accordance with regulations, who functionally reports to the Parent Company's Manager responsible for preparing the Company's financial reports.

The Financial and sustainability reporting control model, in its most recent update approved at the 28 November 2024 meeting of the Board of Directors of the Parent Company BPER Banca, consists of the following regulatory framework:
- Group policy for managing the risk of unintentional errors and fraud in financial reports (high level legislative source);
- Regulation of the Manager responsible for preparing the Company's financial reports and the Financial & Sustainability Reporting Supervision Service (high level legislative source);
- Methodological note addressing the macro-process for the management of unintentional errors and fraud in financial disclosures (high level atypical source).

In accordance with Bank of Italy Circular 285[142] and following the update of the Group Policy on the Internal Control System and the Report on corporate governance and ownership structure, the Financial & Sustainability Reporting Supervision Service has been included among the Control Functions. It is responsible for defining, strengthening, and updating the "Financial and Sustainability Reporting Control Model" to be applied to the Parent Company and, with reference to procedures for the preparation of the consolidated financial and sustainability report, to Banks and Companies within both scopes.

For more details regarding the main characteristics of the current risk management and internal control systems in relation to the financial reporting process, please refer to the 2024 Report on corporate governance and ownership structure, prepared in accordance with art. 123-bis of the Consolidated Law on Finance.

142 Source: "Circular 285 – Part I, Title IV, Chapter III, Section I, Paragraph 3 definitions" – "Control functions: the set of functions which, by legislative, regulatory, statutory or self-regulatory provision, have control duties".

Supervisory Body pursuant to Legislative Decree 231/01

The Parent Company, in compliance with arts. 6 and 7 of Legislative Decree 231/01, adopted a Model of Organisation and Management (MOM) in order to prevent the commission and/or the attempted commission of the types of offence provided for in this Decree. In accordance with this law, the Parent Company has established a Supervisory Body to supervise the functioning, compliance with and update of its Model of Organisation and Management.

These activities principally comprise:
- monitoring the functioning of the Model: in all business areas, checking that the risk of committing offences identified in Legislative Decree 231/01 is identified, mapped and monitored; with regard to the risk areas and sensitive processes identified, ensuring the adequacy of the protocols adopted to prevent and stop unlawful conduct and requiring their adoption or amendment in the event of weaknesses, inadequacies or changes in internal organisation and/or business activities;
- monitoring compliance with the Model: in the context of the risk areas and sensitive processes identified, checks compliance with the protocols adopted to prevent and impede unlawful conduct; checks the efficacy of the organisational/managerial changes following the update of the Model; promotes training, communications and dissemination of the Model and the Code of Ethics; receives reports and notifies infringements of the Model of Organisation and Management to the competent bodies;
- monitoring the updating of the Model: makes observations requiring the adjustment of the Model to the Board of Directors, or in cases of particular urgency, to the Chief Executive Officer in the event of changes in the laws on the administrative liability of entities pursuant to Legislative Decree 231/01, changes in the company's internal governance and/or business or significant findings of shortcomings/breaches of the Model;
- expressing its observations on the implementation of the so-called "Action Plan 231" prepared by the Compliance Function and, where it identifies elements of inadequacy and/or the need for further examination of the measures being adopted or already adopted in relation to the risk mitigation objectives, directing its observations to the relevant Process Owners, with the support of the competent Compliance Function, or by communicating directly with them.

The Supervisory Body supervises the functioning of and compliance with the Model by implementing and executing periodic audit activities, even without giving prior notice.

The Supervisory Body reports every six months to the Board of Directors and the Board of Statutory Auditors regarding the verification work and checks carried out, and on any Model weaknesses identified, suggesting as necessary the relevant corrective actions.

The Supervisory Body of the Parent Company also coordinates the Supervisory Bodies of the Companies subject to Group instructions in relation to Legislative Decree 231/01 (Banco di Sardegna, Bibanca, Banca Cesare Ponti, BPER Real Estate, BPER Factor, Sardaleasing and Finitalia) and monitors that they adopt these instructions, albeit with the necessary adjustments to take account of the special responsibilities and characteristics of individual Group companies.

Section 1 – Risks of consolidation accounting

Quantitative information

Credit quality

A.1 Non-performing and performing credit exposures: amounts, adjustments, changes and economic distribution

A.1.1 Breakdown of financial assets by portfolio classification and credit quality (book values)

Portfolios/quality	Bad loans	Unlikely-To-Pay loans	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	124,895	1,160,588	81,244	725,128	111,458,644	113,550,499
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	5,043,088	5,043,088
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	154,950	154,950
5. Financial assets held for sale	-	-	-	-	-	-
Total 31.12.2024	**124,895**	**1,160,588**	**81,244**	**725,128**	**116,656,682**	**118,748,537**
Total 31.12.2023	**174,589**	**715,728**	**153,756**	**876,742**	**114,738,710**	**116,659,525**

Details on forborne exposures classified as "Financial assets measured at amortised cost" are provided below.

Portfolios/Quality	Bad loans	Unlikely-To-Pay loans	Non-performing past due exposures	Performing past due exposures	Performing exposures
1. Financial assets measured at amortised cost					
- Loans to customers	20,074	254,979	177	30,982	781,878

A.1.2 Breakdown of financial assets by portfolio classification and credit quality (gross and net values)

Portfolios/quality	Non-performing				Performing			Total (net exposure)
	Gross exposure	Total impairment provisions	Net exposure	Total partial write-offs	Gross exposure	Total impairment provisions	Net exposure	
1. Financial assets measured at amortised cost	2,577,655	1,210,928	1,366,727	38,972	112,837,220	653,448	112,183,772	113,550,499
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	5,044,940	1,852	5,043,088	5,043,088
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	154,950	154,950
5. Financial assets held for sale	-	-	-	-	-	-	-	-
Total 31.12.2024	**2,577,655**	**1,210,928**	**1,366,727**	**38,972**	**117,882,160**	**655,300**	**117,381,810**	**118,748,537**
Total 31.12.2023	**2,198,731**	**1,154,658**	**1,044,073**	**49,025**	**116,158,983**	**704,722**	**115,615,452**	**116,659,525**

(*) Amount to be shown for information purposes

Portfolios/quality	Low credit quality assets		Other assets
	Cumulated capital losses	Net exposure	Net exposure
1. Financial assets held for trading	-	83	661,530
2. Hedging derivatives	-	-	649,437
Total 31.12.2024	**-**	**83**	**1,310,967**
Total 31.12.2023	**-**	**1,363**	**1,729,764**

Details of counterparties	Total write-offs	
	31.12.2024	31.12.2023
Financial companies		
- of which: financial and non resident companies	-	-
Non-financial companies	37,652	47,683
- of which: non financial and non resident companies		
Households	1,321	1,342
- of which: non resident households		
Total	**38,973**	**49,025**
- of which: non resident	**-**	**-**

Previous write-offs do not include those carried out during the year on bad loans as part of credit extinction events, also reported in the tables A.1.7 and A.1.9, as detailed below.

Category	Total gross write-offs	
	31.12.2024	31.12.2023
Financial companies	2	1,305
- of which: financial and non resident companies	-	136
Non-financial corporations	65,495	347,660
- of which: non financial and non resident companies	-	-
Households	7,946	79,481
- of which: non resident households	24	68
Public Administrations	-	40
- of which: non resident Public Administrations	-	-
Total	**73,443**	**428,486**
- of which: non resident	**24**	**204**

The amounts shown above are gross of default interest.

A. Information on structured entities (other than securitisation vehicles)

B.1 Consolidated structured entities

As at 31 December 2024, the companies that have been consolidated do not include structured entities, as defined in IFRS 12, but only companies controlled by holding voting rights that ensure governance of the relevant activities.

B.2 Structured entities not consolidated for accounting purpose

B.2.1 Prudentially consolidated structured entities

At 31 December 2024, the BPER Banca Group does not have any structured entities that are not consolidated from an accounting point of view, but consolidated for regulatory purposes.

Qualitative Information

B.2.2 Other structured entities

As at 31 December 2024, the BPER Banca Group owns equity investments in entities that, on the basis of the interest held, would fall within the scope of application of IFRS 10 or IAS 28, but the percentage held in the nominal share capital is limited to situations that do not make it possible to exercise a significant influence.

These are generally investments of marginal value, for which it is not considered necessary to provide additional information to help give a complete and accurate representation of the economic and financial situation of the Group.

For completeness of information, it should be noted that at 31 December 2024 unconsolidated SPVs are those provided in this Part E of the Explanatory Notes, Section C "Securitisation Transactions" in Table C.4 "Banking Group - Non-consolidated securitisation vehicles".

As at the same date, the BPER Banca Group has not issued any covered bonds through unconsolidated structured entities.

Quantitative information

Items/ Type of structured entity	Accounting portfolios of Assets	Total assets (A)	Accounting portfolios of Liabilities	Total liabilities (B)	Net Book value (C=A - B)	Maximum exposure to risk of loss (D)	Difference between exposure to risk of loss and book value (E=D-C)
1. Special purpose vehicle		-	-	-	-	-	-
2. UCITS							
	FVTPLM	54,877	-	-	54,877	54,877	-
3. Other companies							
	FVOCI	163	-		163	-	(163)
		-	Due to customers	898	(898)	-	898

Section 2 – Risk of prudential consolidation

1.1 Credit risk

The BPER Banca Group's organisation provides for centralisation of the credit risk control function at the Parent Company.

Qualitative Information

1. General aspects

In 2024, the Italian economy followed a trend of gradual slowdown with only modest growth in GDP. The weakness of the economic cycle is clearly reflected in the negative contribution of investments and exports, which have been affected by the sluggish growth of European economies, ongoing geopolitical tensions, and international uncertainties.

Exposure to declining foreign demand has been particularly evident over various quarters due to strong interdependence with the German market, which has been experiencing a period of significant macroeconomic fragility.

The repercussions of falling cross-border sales are also visible in the decline of industrial production, which has negatively affected various manufacturing specialisations; in contrast, the services sector has shown an expansion in activity.

Household spending has shown signs of recovery, driven by increased purchasing power, mainly supported by the decline in inflation and the gradual decrease in interest rates, which has freed up liquidity in household budgets.

In fact, inflation has gradually returned to lower levels: on average in 2024, consumer prices rose by 1%, a sharp decrease from 5.7% in 2023, primarily due to falling energy prices. Food prices also declined significantly, bringing the average annual change to +2.4%[143].

Regarding the labour market, the expansionary cycle continued until the final months of 2024, when the employment rate stabilised at 62.4%[144].

Looking ahead, while the economy will continue to benefit from the recovery in consumer purchasing power, the positive effects of implementing the NRRP (National Recovery and Resilience Plan), and expected improvements in international economies, the effects of reduced building sector incentives and weak investment will persist, as will exogenous risks linked to fragile international balances.

Based on the trend in fundamentals and the characteristics of the macroeconomic context, growth of 0.8% in GDP is forecast for 2025, while a greater 1.1% expansion of GDP is expected for 2026[145], linked to the slightly more contained interest rate assumptions and a recovery of international economies which will give more momentum to the exports.

Despite the gradual reduction of interest rates by the European Central Bank, bank lending has continued to decline, especially loans to non-financial corporations, due to weak demand for investment credit.

The impairment rates for banking assets are still at very contained levels. The portion of performing loans for which banks have recognised a significant increase in credit risk remains limited.

143 Istat, National consumer price index.

144 Istat, data referring to October and November 2024.

145 Bank of Italy, The Italian economy in brief, January 25.

2. Credit risk management policies

Against the backdrop of a low-growth economic scenario and uncertainty arising from geopolitical instability fueled by the protracted Russia-Ukraine conflict,the Israeli-Palestinian crisis and the downturn in German economy, during 2024 the BPER Banca Group confirmed the actions targeted at the segments most exposed to market dynamics, in the aim to better calibrate the sectoral guidelines of its credit policy and hence its asset allocation targets, with the objective of supporting the system and its resilience. The guidelines for promoting “green financing” and “technological innovation” are confirmed, as they cross cut all sectors of the economy and make it possible to ensure greater competitiveness for recipient companies. More specifically, as early as in June 2024, the Group updated its specific “ESG-linked Loan Origination Policy”, which sets out the principles adopted by the Group during the credit assessment. In fact, this document[146] indicates:

- the general limitation and exclusion criteria for counterparty and/or project financeability, consistently with the “ESG Policy” of the BPER Group and its voluntary commitments (Net-Zero Banking Alliance, PRB);
- detailed criteria applying to counterparties belonging to single high ESG impact sectors;
- strategies to support transition and the increasing “alignment” of counterparties with the principles of the EU Taxonomy, including via dedicated products or services (build out).

The credit management policy of the BPER Banca Group, by defining a credit strategy micro-founded at counterparty level, continues to pursue the aim of carefully selecting counterparties through an analysis of their creditworthiness, including the use of well-established tools such as the internal rating system, having regard for the achievement of commercial and support objectives, including in an ESG perspective.

In view of the Group’s strategic objectives and operations, the general risk management strategy was to accept a moderate level of risk involving:

- the assessment of the current and prospective creditworthiness of counterparties;
- the diversification of the portfolio, limiting the concentration of exposures towards individual counterparties and sectors of economic activity;
- integrating factors specifically pertaining to the transition risk and physical risk to which they are exposed into the definition of credit strategies and prospective assessments of counterparties.

2.1 Organisational aspects

The Group’s credit risk management model has the following objectives:

- apply the instructions issued by the Supervisory Authorities, while taking account of the Group’s specific operating characteristics;
- ensure that credit risk is managed appropriately by each bank/company and at a Group level.

These objectives are achieved via the segregation of responsibilities and duties between the bodies that manage credit risk and those with a control function.

The following elements underpin work to manage and control the exposure to credit risk:

- independence of the function responsible for the measurement of credit risk with respect to the various business functions;
- clear definition of delegated powers and the resulting structure of limits imposed by the Board of Directors of the Parent Company;
- coordination by the Parent Company of credit risk management processes, while leaving individual companies with operational autonomy for the management of credit risk;
- consistent application of measurement models throughout the Group, in line with international best practice;
- transparent methodology and measurement criteria to facilitate understanding of the risk measures adopted;
- performance of periodic stress tests which use endogenous and exogenous shock scenarios to provide deterministic and/or probability-based indicators of risk.

146 For more information on the “the ESG Policy on granting credit” adopted by the Group, please refer to the information available on the website://institutional.bper.it.

2.2 Systems for managing, measuring and monitoring

The management of risk involves applying a system of methodologies and approaches for the ongoing measurement and/or assessment of risk. This system helps to guide operational decisions and quantify the level of capital required by the Group in order to cover the risks that have been accepted. Each Group bank/company analyses the various components of credit risk and identifies the exposure associated with the loan portfolio using suitable measurement methodologies. In particular, the Group uses many tools to measure and monitor credit risk in relation to both performing and non-performing loans.

As part of its policies for managing loans to customers, the Group has adopted rules and processes for monitoring relationships, which have involved, among other things, a complex activity of classifying them into homogeneous risk categories. In particular, on the basis of "rating" and "early warning" systems, the Group has analysed performing loans to customers valued at amortised cost and identified those most at risk.

The characteristics of the rating models developed by the Parent Company for the calculation of PD (Probability of default: i.e. the probability that the borrower will not be able to meet their commitments) depend on the risk segment to which the counterparty belongs, the amount of the exposure and the stage in the lending process at which they are applied (initial pay-out or monitoring). The classifications are represented by 13[147] creditworthiness rating classes differentiated by business model segment. All of the Parent Company's systems share a number of common characteristics:

- the rating is determined with reference to the specific counterparty;
- the rating models are established with reference to the loan portfolio of the BPER Banca group (the rating is unique for each counterparty, even if shared by several Group Banks and Companies);
- the models process socio-demographic data and internal performance information (the latter derived from reports issued by the Central Credit Register database), as well as financial information in the case of businesses;
- the models for Corporate SMEs, Long-term Property SMEs, Holding Companies, Financial Companies and Large Corporates add a qualitative element to the purely statistical side. The rating assignment process for these segments involves expert attribution for counterparties that exceed a certain threshold[148] and all Financial Companies, via a central structure operating at Group level. For Corporate SMEs, Long-term Property SMEs, Large Corporates and Holding Companies that fall below the threshold, there is also the possibility for the relationship manager to activate an override, i.e. to request an exception from the quantitative rating on the basis of solid, documented information not processed by the model. In certain cases, the override can also be requested for Newco counterparties (newly established companies). The requested exception is evaluated by a central structure that operates at Group level;
- in addition to the model that evaluates the individual counterparty, the rating model for Large Corporates, Holding Companies, Financial Companies, Corporate SMEs and Multiannual Real Estate SMEs is supplemented by a component that, where applicable, takes into consideration the fact that they belong to a consolidated corporate group;
- the Probability of Default is calibrated with reference to regulatory anomalies, which include past due amounts;
- the time series used in order to develop and calibrate the models cover a broad time horizon, consistent with the requirements of current regulations;
- the rating is reviewed at least once each year; the Bank has also defined a process for the monitoring of each rating, causing the rating to lapse if it no longer represents the true risk profile of the counterparty and there are signs of deterioration in the quality of the related lending;
- use is made of a rating calculation model for counterparties acting as guarantors for individuals, aimed at the quantification and measurement of credit risk attributable to retail counterparties that provide personal guarantees to BPER Banca Group's customers.

The estimation of LGD (Loss Given Default represents the extent of the loss expected to occur on default of the borrower, dependent on type of exposure to the counterparty) is based on information on the borrower (segment, geographical area, internal administrative status), the product (technical form, size of exposure), and the presence, type and coverage of guarantees. LGD estimation includes the impact of the recession phase in the economic cycle (downturn LGD).

In addition to indicating the principles of governance, assumption and management of credit risk, the Group Credit Risk Governance Policy defines the BPER Banca Group's credit risk appetite. For this purpose, the policy provides for a new system of credit risk exposure limits, establishing supervisory thresholds that have to be monitored periodically. The document also explains the principles for calculating analytical and collective loan loss provisions and for the classification of loans by status.

147 Except for the Large Corporate and Holding models, which are structured into 9 classes.

148 Threshold defined based on turnover, balance sheet structure and status of the consolidating parent company.

In order to manage credit risk, the Group has developed a system of credit limits designed to regulate the lending process, together with a system for authorisations that takes account of the riskiness of the customer and/or the transaction, consistent with the risk evaluation systems adopted. This system ensures compliance with the principle that the level of authorisation be consistent with the riskiness of the transaction, envisaging that the limits on decision making are established with reference to one or more aspects of the specific counterparty and transaction risk (in particular counterparty rating, expected loss, amount of the facility).

The internal rating system's risk measures are used for management reporting purposes; in particular:
- a Credit Risk Report is prepared for management every quarter and the results are included in the quarterly risk report, which is then sent to Top Management and the various Corporate Bodies of the Parent Company and of Group Banks and Companies. The information is discussed by the Risks Committee and presented by the Chief Risk Officer to the Control and Risk Committee and the Board of Directors of the Parent Company;
- a summary report is prepared on a monthly basis, including the monitoring of supervisory thresholds set for credit risk;
- a network reporting tool is also available, characterised by different views of the loan portfolio, with different levels of aggregation (Branch, Regional Department, General Management, Bank and Group) and hierarchical visibility cones.

Advanced methodologies (AIRB) have long been used as part of the process of defining capital adequacy (ICAAP). To be precise, the BPER Banca Group has adopted the advanced methodologies (AIRB) starting from the Supervisory Reports of June 2016 with reference to the Banks falling within the scope of first validation (BPER Banca, Banco di Sardegna and BiBanca), subsequently extended to the Cassa di Risparmio di Bra[149] starting from the Supervisory Reports of March 2019.

Starting from Supervisory Reporting as at 31 December 2021, after the ex-ante notification was sent to the Supervisory Authorities in October 2021, the use of the Group internal models for the calculation of credit risk capital requirements was extended to the credit exposures acquired from the Intesa Sanpaolo business units.

Moreover, following the Final decision of the latest Internal Model Investigation received on 16 February 2023 and the subsequent Follow-Up letter from the ECB, starting from the Supervisory Reports as at 31 March 2023, the calculation of the credit risk capital requirements was extended to former Cassa di Risparmio di Saluzzo and former UBI Banca credit exposures, and starting from the Supervisory Reports as at 30 June 2023 to former Unipol Banca exposures.

The following asset classes are subject to AIRB methodologies:
- "Exposures to retail businesses";
- "Exposure to companies".

The other Group Companies/Banks and asset classes for which Permanent Partial Use (PPU) is not required or which are not included in the roll-out plan, the BPER Group has continued to use the Standardised Approach and the external ratings supplied by the ECAIs (External Credit Assessment Institutions) recognised by the Supervisory Authority. In particular, the following were used:
- the Cerved, Fitch, Moody's and Standard & Poor's ratings were used for "Exposure to corporates";
- the Fitch, Moody's and Standard & Poor's ratings were used for "Exposures to supervised intermediaries" and "Covered bonds";
- Scope Ratings AG for "Exposures to central administrations or central banks";
- the Fitch Rating was used for financial Instruments pledged as collateral;
- the Standard & Poor's ratings for "Exposures to securitisation".

Through the implementation of the "second best rating" rule, in compliance with the provisions approved by the CRR (Capital Requirements Regulation), article 138 (d)(e)(f), where two ratings of the same customer are present, the more prudential one is adopted; in the case of three ratings, the intermediate one; if all ratings are present, the second best one. In addition, in line with the contents of the CRR, article 444 (d) regarding the association of the external rating of each ECAI with the risk weights corresponding to the credit quality steps set out in said CRR, it is confirmed that the BPER Group respects the association published by the EBA.

2.3 Methods for determining the extent of impairment

The ECL model for calculating expected credit losses is based on the risk parameters estimated for regulatory purposes, whose main characteristics were described in the previous paragraphs, appropriately modified to ensure that they fully comply with IFRS 9. For information on impairment models and related risk parameters, please refer to Part A of the Explanatory Notes to this Consolidated Financial Report.

149 Subsequently absorbed by BPER Banca in July 2020.

Update of macroeconomic scenarios and ECL sensitivity

As stated in Part A.1, Section 5 and Part A.2 of these Explanatory Notes, the BPER Banca Group develops forward-looking impairment models using three macroeconomic scenarios that are consistent with those considered in other business areas requiring similar forecasts, such as planning (including the determination of lending policies) and risk management.

The time horizon for the macroeconomic forecasts is 3 years for each of the 3 scenarios used:

- Adverse Scenario (in its “Extreme Adverse” version);
- Baseline Scenario;
- Best Scenario.

The development of the scenarios is outsourced to a leading provider that carries out economic research and provides the BPER Banca Group with short and medium-term forecasts for the Italian and international economies and long-term forecasts for the Italian economy. The scenarios are later customised according to the guidelines of the Bper Banca’s Market Research, Surveys and Innovation office.

The macroeconomic scenarios used by the Bank for the estimate of the multi-scenario ECL as at 31 December 2024, are different from those used in relation to the Financial Report for the period ended 31 December 2023 as a result of an improvement in the context, in spite of some elements of uncertainty. Among the main factors :

- over the last few months, the global economy has continued to show moderate but stable growth, supported by declining inflation and still-solid labour market conditions in many countries;
- global geopolitical risk remains high because of the conflicts in Ukraine and in the Middle East;
- in the Eurozone, during the third quarter of 2024, the economy accelerated at a modest pace. The deflationary process continues, reflecting the expected decline in energy prices and providing the ECB with support to proceed with monetary easing;
- as of December 2024, in the baseline scenario, an average annual GDP growth rate of 1% for Italy was forecast for the 2025-2027 period, based on the following supportive elements: delayed economic impact of the 110% green ‘Superbonus’ tax deduction, stable inflation, strength of the labour market, more favourable credit conditions, increased household consumption, and benefits from NRRP measures for gross fixed investments.

Scenarios used to determine the multi-scenario ECL in relation to the Financial Report as at 31 December 2024

		Starting point	BASELINE			EXTREME ADVERSE SCENARIO		
		2024	2025	2026	2027	2025	2026	2027
Brent oil: $ per barrel	lev	85	81	82	82	97	103	105
Italy equity index	% chg.	19.9	9.6	6.0	3.0	-12.9	-3.4	2.5
Italian GDP	% chg.	0.7	1.0	1.0	0.9	-2.5	-0.7	0.0
Public spending	% chg.	-1.4	-0.7	-0.3	-0.4	1.3	0.5	0.3
Investments in machinery and means of transport	% chg.	0.9	4.2	4.2	2.9	-7.5	-3.2	-1.8
Export of goods and services	% chg.	0.7	2.0	2.9	3.1	-1.4	0.1	1.4
Industrial production	% chg.	-3.0	0.8	2.5	1.6	-6.5	-0.1	2.1
10Y BTP-Bund Spread	%	1.4	1.6	1.5	1.3	3.1	2.9	2.8
BTP 10Y interest rate	%	3.8	3.9	4.0	4.2	5.1	5.0	5.2
Commercial property price index	% chg.	1.4	1.7	1.4	1.7	-4.1	-1.6	-0.6
Residential property price index	% chg.	2.0	2.0	1.9	2.1	-3.4	-1.5	-0.9

Scenarios used to determine the multi-scenario ECL in relation to the Financial Report as at 31 December 2023

		Starting point	BASELINE			EXTREME ADVERSE SCENARIO		
		2023	2024	2025	2026	2024	2025	2026
Brent oil: $ per barrel	lev	85	95	91	91	121	105	100
Italy equity index	% chg.	17.4	9.8	10.3	6.1	-18.1	3.4	5.2
Italian GDP	% chg.	0.8	0.7	0.7	0.7	-1.3	0.2	0.0
Public spending	% chg.	1.1	2.5	0.1	-0.2	4.4	-0.2	-0.5
Investments in machinery and means of transport	% chg.	4.6	3.0	4.6	2.6	-6.2	0.6	0.3
Export of goods and services	% chg.	0.3	1.8	2.4	2.5	-1.2	-0.8	0.2
Industrial production	% chg.	-2.1	1.4	1.0	1.0	-1.2	0.6	1.2
10Y BTP-Bund Spread	%	1.8	1.7	1.7	1.7	3.2	3.3	2.7
BTP 10Y interest rate	%	4.3	4.6	5.0	5.1	6.0	6.3	6.0
Commercial property price index	% chg.	1.1	1.2	1.7	1.4	0.5	2.0	0.4
Residential property price index	% chg.	0.9	1.1	1.8	2.0	0.2	0.6	-0.4

By comparing the indicators at both dates:
- a forecast revised upwards in December 2024 emerges for the production of goods and services (ITALIAN GDP) as compared to the forecast in December 2023;
- with respect to December 2023 forecasts, some signs are observed that point to a decrease in the price of a number of commodities (which continue to be exposed to high volatility) including oil;
- a decline in the 10y BTP-Bund spread was projected over the forecast period compared to the December 2023 estimate;
- a decrease in public spending was also expected relative to the December 2023 forecast.

Shown below is the sensitivity of the ECL in response to a change in the probability of occurrence attributed to each of the (multiple) scenarios considered by the model adopted by the BPER Banca Group, applied on a "recurring" basis by the BPER Banca Group, without taking account of the overlays identified in relation to the uncertainties of the macroeconomic context ("post-model adjustments").
As at 31 December 2024, ECL sensitivity to a change in the probability of occurrence attributed to the favourable and adverse (extreme) scenario with respect to the baseline scenario, ranges between -2.72 % / +27.13%.
The total amount of ECL in the account as at the reporting date, including the effect of the overlays applied, is confirmed 3.41% higher than at 31 December 2024, compared to the value resulting from the 100% risk weight of the adverse scenario.

2.4 Credit risk mitigation techniques

Mitigation techniques are an important tool for reducing or transferring part of the credit risk associated with the portfolio of exposure. Consistent with the low propensity to accept risk that characterises operations, the Group seeks to mitigate credit risk, in particular, by obtaining and managing secured and unsecured guarantees. For this purpose, the Group has prepared suitable IT procedures and systems for managing mortgages and financial guarantees in compliance with prudent supervisory requirements, as well as appropriate internal regulations for managing the life-cycles of other collateral obtained.

The collateral mostly used by the Group generally comprise mortgages on residential and non-residential property, as part of retail lending and, to a lesser extent, loans to Corporate customers, as well as pledges on securities, receivables and cash. An internal procedure developed over a number of years gathers information in an organised fashion on the property assets of borrowers and on the properties given in guarantee. As collateral for both performing and non-performing positions, properties are periodically revalued and updated with new appraisals or indexed revaluations based on the statistical databases of a leading market player. A dedicated procedure is used to check every month whether a new appraisal or index-based revaluation is needed, in compliance with the Guidelines for banks on non-performing loans (NPL) and EU Regulation no. 575/2013, as later amended. An internal function covering the entire banking group has been established to supervise this process and monitor constantly the value obtained to cover exposures, as required by current regulations. The Group also has a new appraisal management system that automatically directs requests to providers according to the rules consistent with the relevant legislation. The same application monitors the state of the appraisals in progress and acts as a historical archive that preserves the previous assessments in digital format with all the accompanying documents.

Likewise, the collateral represented by financial instruments is managed within a procedure that updates the fair value on the basis of market trends.

The principal types of unsecured guarantees consist of “specific guarantees” and “restricted omnibus guarantees”, mainly given by entrepreneurs in favour of their companies and by parent companies in favour of their subsidiaries in the form of binding comfort letters. Particular attention is also given to the phenomenon of surety guarantees provided by various guarantee consortia in favour of their member companies, along with other guarantees issued by third-party entities such as SACE, MCC (Guarantee Fund for SMEs, significantly increased during the COVID-19 crisis), EIF (European Investment Fund), CONSAP (Guarantee Fund for the First Home), EIB (Life for Energy), ISMEA. These are also subject to regular monitoring.

3 Non-performing exposures

3.1. Strategies and management policies

Management of the Under- and Non-Performing portfolio is based on the classification of financial assets within the risk categories envisaged by supervisory regulations on the basis of the identified risk profile.

A position is assigned to one of the above classifications by either an both automated or analytical methodology. The two methodologies are governed by an internal Group regulation that applies the guidelines for identifying any deterioration in creditworthiness and assigning the most appropriate administrative status to the position. When not automated, the classification of positions as anomalous is based on the assessments made by relationship managers as part of the performance monitoring activities carried out by the credit chain. The Early Warning tools available detect, at an early stage, any signs of deterioration of relationships potentially at risk, enabling the analysis of creditworthiness and classification of the position to the correct risk category, if required.

The following are some of the most significant interventions developed at Group level, which are considered to contribute to better managing under- and non-performing loans:

- Organisation and governance: in compliance with ECB Guidance to banks on Non Performing Loans and EBA Guidelines on Loan Origination & Monitoring for an enhanced monitoring of loans and operational specialisation by segment and product complexity, the Bank has evolved its organisational structure by introducing operational units specialised by type of debtor. This is designed to complete the NPL management advancement project with migration to a lifecycle model that overcomes the distinction between *Gestione Proattiva* (Proactive Management) and *Credito Anomalo* (‘Credit management and workout’) function enabling a new operational process that ensures timely action for safeguarding credit quality (early management of overdrafts and defaults, oversight and faster closure of lawsuits, etc.). More specifically, the new “lifecycle” management model is based on differentiated ownership, scopes of work and objectives. It is specialised by customer clusters and technical form/type of transaction (e.g. credit remediation dealing with instalment loans and standard technical forms, CIB, restructuring (work out), small tickets, etc.) to ensure greater focus on credit management. In particular, the Parent Company:
  - set up a structure dedicated to portfolio analysis and management support, aimed at continuously improving credit quality through ongoing support and supervision of the branch network;

  - has rolled out and revised its internal models since early 2024, with the introduction of: (1) a new statistical component in the EWS for the detection of counterparties with a high probability of 30-day PD in the following months and (2) an NBA algorithm to provide an indication of self-cure positions on the performing credit portfolio. The above activity is overseen by a dedicated structure that ensures supervision of the monitored portfolio flagged by the new statistical EW system, in order to timely process irregular loan files on a sample basis, and possibly trigger on a higher-risk classification as required;
  - oversaw the adoption, as of January 2024, of a new operational/organisational model involving the outsourcing of the recovery of bad loans and the management of UTP loans, owned by BPER Banca and its subsidiary Banco di Sardegna, through the activation of a Strategic Partnership with the Gardant Group, realised through the creation of a servicing platform 70% owned by Gardant Bridge Servicing s.p.a. (former Bridge Servicing s.p.a.), a company belonging to the Gardant Group, and 30% owned by BPER Banca.
- Under- and Non-performing Loan processes and procedures: loan management and monitoring processes make use of procedures that have continuously been developed and improved over the last few years, to have them comply with new regulatory requirements (Guidance to banks on Non Performing Loans). The main areas of action include: the Early Warning model, the Electronic request for loan management action (*Pratica Elettronica di Gestione* – PEG), an external collection system that seeks to recover smaller loans, the expected segregation of the monitoring activity by the organisational unit in charge from the managing activity by the Going supply chains, a more extensive use of the forbearance tool and the introduction of a monitoring system to measure the effectiveness of measures granted.
- In addition to the above, efficiency and strengthening measures for the operational model and the under- and non-performing loan management processes are being defined.
- Credit granting processes and procedures a decision-making system is planned to be introduced to prevent potential deterioration already at the time of the credit granting through:
  - the development of point-in-time credit policies, characterised by indications of asset allocation based on risk/return/capital absorption indicators. In this way the quality of the performing portfolio has improved over the years, shifting its concentration towards the best rating classes;
  - strengthening of the preliminary examination of loan files for top management approval, with preparation of a much more complete set of information, similar to the supporting documents for structured finance transactions, with enhancement of the delegated functions involved;
  - a very precise monitoring system also for the Granting process, the timing of approvals and the quality of the approved portfolio.
- Incentive systems: credit quality objectives are allocated to the network and head office teams, addressing the activities of each function, in order to achieve complementary results that are fully consistent with Group objectives.
- Training on lending activities: in order to strengthen credit monitoring in application of current legislation, (NPL Guidance and Guidelines on the application of the definition of default), training cycles segmented by functions are provided to central structures and training cycles with more general content and strategic management indications to pursue are provided to the network.

The consistency of the classification of a position in the right risk category, with respect to internal rules and Bank of Italy regulations, is also ensured by second-level checks that, by applying a suitable method, verify not only that classifications are correct, but also the adequacy of provisions, the presence of first-level controls and the effectiveness of recovery processes, so as to ensure strong supervision throughout the entire credit chain. The improvement in the risk profile of counterparties leads to a transfer to better internal classifications and may result in a return to "performing" status.

With regard to the cycle for the management of exposures showing initial signs of difficulty and non-performing exposures, macro strategies for internal recoveries are envisaged within the Group, which apply specific methods depending on the type of debtor, how critical the anomalies are and an assessment of the entire exposure to the debtor and any related parties.

The main strategies that can be followed are:
- management of arrears/overdrafts, also through outsourcing;
- reshaping of the credit line and/or guarantee framework;
- granting of forbearance measures;
- waiver of loan (with or without debt forgiveness, a.k.a.: Debt forgiveness);
- transfer of loans to third parties;
- repossession of the asset.

The recovery of arrears and the granting of forbearance measures without remission - even partial - of the debt, where judged practicable, are to be preferred to alternative strategies such as a waiver or assignment of loans and the use of debt recovery procedures and enforcement actions, and will be pursued as a matter of priority.

The resolution approving the management strategy envisages a system of increasing delegated powers, consistent with the powers of classification and the estimate of value adjustments, also with the intervention of specialist units competent in the various phases of the relationship, and with different degrees of centralisation of decision-making skills in relationship management.

3.2 Write-offs

In general, and in line with the relevant legislation, the elimination of the loan from the financial statements must be carried out when:

- there is no reasonable prospect of recovery as a result of facts of any nature that make it impossible for the customer to fully meet their obligations ("write-off"), or
- the certainty of a loss materialises (for example, because of definitive legal events).

The assessment and proposal of write-offs, foreseen exclusively for the positions classified as "unlikely to pay" and "bad loans" occurs only in the presence of specific events that make it evident that the exposure is unrecoverable. In such cases, once unrecoverability is ascertained, a loan is timely written off in line with the recommendations of the supervisory authority, the applicable guidelines and Group policies.

3.3 Purchased or originated credit-impaired financial assets

If a credit exposure classified in item 30 "Financial assets measured at fair value through other comprehensive income" or in item 40 "Financial assets measured at amortised cost" at the time of initial recognition becomes impaired, it is identified as "Purchased or Originated Credit Impaired - POCI".

By convention, POCI financial assets are classified in Stage 3 on initial recognition.

Should these assets become performing, following an improvement in the creditworthiness of the counterparty, they are reclassified to Stage 2.

They can never be classified in Stage 1, as the expected credit loss must always be calculated over the residual duration.

The BPER Banca Group identifies as "Purchased or originated credit-impaired financial assets":

- exposures already impaired at the time of purchase, also as part of business combinations;
- exposures originated as part of restructuring transactions of impaired exposures that led to the disbursement of new finance, or introduced substantial changes to the original contractual conditions.

4. Renegotiated financial assets and forborne exposures

The BPER Banca Group adopts the definition of "Forbearance Measure" of the Implementing Regulation EU 227/2015. Measures of forbearance consist of concessions to debtors who are or are about to find themselves in difficulty in meeting their financial commitments (i.e. in financial difficulty). The exposures subject to forbearance measures are identified as forborne. "Forbearance" means facilitating measures in favour of the customer which can be summarised in the following categories:

- "modifications", made to the terms and conditions of a loan agreement due to the debtor's inability to perform financially in the commitments assumed previously;
- total or partial "refinancing" of the debt.

An intrinsic characteristic of forbearance is the state of financial difficulty of the debtor: it is based on an overall assessment of the debtor for which the rating is one of the elements to be considered. Financial difficulty is objectively recognised when the counterparty position is classified among the non-performing loans, while it is presumed when loan anomalies envisaged under current regulations are detected, including but not limited to:

- existence during the past 3 months, or potential existence in the absence of assistance granted to the debtor, of past due and/or overdrawn relationships for periods of at least 30 days;
- allocation of new loans, in whole or in part, to paying down existing credit lines that were past due and/or overdrawn for 30 days at least once during the 3-month period prior to granting the new loans to the debtor.

The Group adopts standardised decision-making trees and/or customised solutions in order to apply efficient and effective debt rescheduling solutions, based on customer characteristics and type of exposure, which constitute one of the Group's strategies for reducing non-performing exposures.

The forbearance measures are divided, depending on the time horizon over which they extend, into:

- short-term forbearance measures, or temporary changes in the reimbursement conditions, aimed at facing short-term financial difficulties, and have a duration of less than 24 months;
- long-term forbearance measures, or changes in the reimbursement conditions aimed at definitively resolving the debtor's financial difficulty, and lasting more than 24 months (also in combination with short-term measures).

Not all contractual changes in favour of the customer ("concessions") give rise to forborne exposures, but only if there are also elements of financial difficulty. In their absence, the concessions are configured as transactions for merely commercial purposes.

Forborne positions are monitored by the Bank to check the effectiveness and efficiency of the assistance provided, in order to verify that the financial difficulties have been overcome. The minimum observation period is:

- 24 months if the counterparty is classified as performing (probation period);
- 36 months if the counterparty is in default (12-month cure period and 24-month probation period).

Once the debtor's financial difficulty has been established, the conditions for classification as an unlikely to pay position must also be verified when the measure is granted.

Positions may be forborne in both macro-categories of credit classification ("performing" and "default") and, in accordance with current regulations, may result in the counterparty being classified as non-performing: for example, a counterparty with credit lines that are forborne under probation, that has therefore completed the 12-month cure period and is now in the probation period following reclassification as "performing" from "default", is automatically classified as unlikely to pay if they are overdrawn for more than 30 days or a new concession is made (re-forborne).

Quantitative information

A. Credit quality

A.1 Non-performing and performing credit exposures: amounts, adjustments, changes and economic distribution

A.1.1 Prudential consolidation: breakdown of financial assets by past due buckets (book values)

Portfolios/Risk stage	Stage 1			Stage 2			Stage 3			Purchased or originated credit impaired		
	1 to 30 days	> 30 to 90 days	> 90 days	1 to 30 days	> 30 to 90 days	> 90 days	1 to 30 days	> 30 to 90 days	> 90 days	1 to 30 days	> 30 to 90 days	> 90 days
1. Financial assets measured at amortised cost	350,941	-	7	185,681	143,148	34,245	28,574	71,664	932,164	13,228	5,675	68,420
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**350,941**	**-**	**7**	**185,681**	**143,148**	**34,245**	**28,574**	**71,664**	**932,164**	**13,228**	**5,675**	**68,420**
Total 31.12.2023	**426,984**	**-**	**4**	**221,752**	**166,191**	**49,274**	**31,204**	**67,436**	**535,861**	**15,646**	**17,288**	**99,214**

A.1.2 Prudential Consolidation - Financial assets, commitments to disburse funds and financial guarantees granted: changes in total impairment provisions

Sources/Risk stages	Total impairment provisions											
	Financial assets classified in stage 1						Financial assets classified in stage 2					
	On-demand loans to banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment losses	of which: collective impairment losses	On-demand loans to banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment losses	of which: collective impairment losses
Total opening adjustments	**1,164**	**193,475**	**2,667**	**-**	**-**	**197,306**	**-**	**485,371**	**163**	**2**	**-**	**485,536**
Increases in purchased or originated financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Derecognitions other than write-offs	-	(215)	-	-	-	(215)	-	(125)	-	-	-	(125)
Net impairment losses for credit risk (+/-)	(115)	27,683	(878)	-	-	26,690	-	(71,994)	(100)	-	-	(72,094)
Contractual modifications without derecognition	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in profit or loss	-	(469)	-	-	-	(469)	-	(599)	-	-	-	(599)
Other	-	203	-	-	-	203	-	125	-	-	-	125
Total closing adjustments	**1,049**	**220,677**	**1,789**	**-**	**-**	**223,515**	**-**	**412,778**	**63**	**2**	**-**	**412,843**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-

A.1.2 Prudential Consolidation - Financial assets, commitments to disburse funds and financial guarantees granted: changes in total impairment provisions

(cont.)

Sources/Risk stages	Total impairment provisions										
	Financial assets classified in stage 3						Purchased or originated credit-impaired				
	On-demand loans to banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment losses	of which: collective impairment losses	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment losses	of which: collective impairment losses
Total opening adjustments	**-**	**844,650**	**779**	**-**	**845,429**	**-**	**332,275**	**-**	**-**	**329,845**	**2,430**
Increases in purchased or originated financial assets	-	-	-	-	-	-	X	X	X	X	X
Derecognitions other than write-offs	-	(205,233)	-	-	(205,233)	-	(92,914)	-	-	(92,914)	-
Net impairment losses for credit risk (+/-)	-	378,194	(779)	-	377,415	-	17,699	-	-	8,957	8,742
Contractual modifications without derecognition	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in profit or loss	-	(42,376)	-	-	(42,376)	-	(26,572)	-	-	(26,290)	(282)
Other	-	25,009	-	-	25,009	-	189	-	-	189	-
Total closing adjustments	**-**	**1,000,244**	**-**	**-**	**1,000,244**	**-**	**230,677**	**-**	**-**	**219,787**	**10,890**
Recoveries from financial assets subject to write-off	-	4,077	-	-	4,077	-	34,215	-	-	34,215	-
Write-offs recognised directly through profit or loss	-	17,928	-	-	17,928	-	-	-	-	-	-

A.1.2 Prudential Consolidation - Financial assets, commitments to disburse funds and financial guarantees granted: changes in total impairment provisions

(cont.)

Sources/Risk stages	Total provisions on commitments to disburse funds and financial guarantees issued				Total
	Stage 1	Stage 2	Stage 3	Commitments to disburse funds and financial guarantees granted, purchased or originated credit impaired	
Total opening adjustments	**10,606**	**5,582**	**41,136**	**-**	**1,917,870**
Increases in purchased or originated financial assets	-	-	-	-	-
Derecognitions other than write-offs	-	-	-	-	(298,487)
Net impairment losses for credit risk (+/-)	(179)	798	(3,864)	-	346,465
Contractual modifications without derecognition	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-
Write-offs not recognised directly in profit or loss	-	-	-	-	(70,016)
Other	35	(34)	-58	-	25,469
Total closing adjustments	**10,462**	**6,346**	**37,214**	**-**	**1,921,301**
Recoveries from financial assets subject to write-off	-	-	-	-	38,292
Write-offs recognised directly through profit or loss	-	-	-	-	17,928

A.1.3 Prudential Consolidation - Financial assets, commitments to disburse funds and financial guarantees granted: transfers between different credit risk stages (gross and nominal values)

Portfolios/Risk stage	Gross exposure/Nominal value					
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
	From Stage 1 to Stage 2	From Stage 2 to Stage 1	From Stage 2 to Stage 3	From Stage 3 to Stage 2	From Stage 1 to Stage 3	From Stage 3 to Stage 1
1. Financial assets measured at amortised cost	4,106,102	3,092,671	835,833	77,131	254,543	22,409
2. Financial assets measured at fair value through other comprehensive income	132,035	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-
4. Commitments to disburse funds and financial guarantees granted	1,806,815	981,806	74,679	5,089	52,025	4,134
Total 31.12.2024	**6,044,952**	**4,074,477**	**910,512**	**82,220**	**306,568**	**26,543**
Total 31.12.2023	**7,124,127**	**7,022,873**	**528,863**	**119,195**	**350,998**	**45,726**

A.1.4 Prudential consolidation - On- and off-balance sheet credit exposures to banks: gross and net values

Type of exposure/amount	Gross exposure					Total impairment provisions					Net exposure	Total partial write-offs (*)
		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
A. ON-BALANCE SHEET CREDIT EXPOSURES												
A.1. ON DEMAND	**7,064,036**	**7,064,036**	**-**	**-**	**-**	**1,049**	**1,049**	**-**	**-**	**-**	**7,062,987**	**-**
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	7,064,036	7,064,036	-	X	-	1,049	1,049	-	X	-	7,062,987	-
A.2 OTHER	**9,064,648**	**8,621,274**	**419,302**	**-**	**-**	**24,617**	**1,832**	**≤22,785**	**-**	**-**	**9,040,031**	**-**
a) Bad loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non-performing past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	22,914	365	22,549	X	-	22,466	-	22,466	X	-	448	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	9,041,734	8,620,909	396,753	X	-	2,151	1,832	319	X	-	9,039,583	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	**16,128,684**	**15,685,310**	**419,302**	**-**	**-**	**25,666**	**2,881**	**22,785**	**-**	**-**	**16,103,018**	**-**
B. OFF-BALANCE SHEET CREDIT EXPOSURES												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	2,823,675	1,643,320	26,504	X	-	57	57	-	X	-	2,823,618	-
TOTAL (B)	**2,823,675**	**1,643,320**	**26,504**	**-**	**-**	**57**	**57**	**-**	**-**	**-**	**2,823,618**	**-**
TOTAL (A+B)	**18,952,359**	**17,328,630**	**445,806**	**-**	**-**	**25,723**	**2,938**	**22,785**	**-**	**-**	**18,926,636**	**-**

(*) Amount to be shown for information purposes

A.1.5 Prudential consolidation - On- and off-balance sheet credit exposures to customers: gross and net values

Type of exposure/amount	Gross exposure					Total impairment provisions					Net exposure	Total partial write-offs (*)
		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
A. ON-BALANCE SHEET CREDIT EXPOSURES												
a) Bad loans	516,523	X	-	439,398	77,125	391,628	X	-	328,734	62,894	124,895	38,972
- of which: forborne exposures	83,731	X	-	72,440	11,291	63,657	X	-	54,582	9,075	20,074	2,711
b) Unlikely to pay loans	1,938,692	X	-	1,707,379	231,313	778,104	X	-	631,196	146,908	1,160,588	-
- of which: forborne exposures	518,902	X	-	393,788	125,114	263,923	X	-	188,174	75,749	254,979	-
c) Non-performing past due exposures	122,440	X	-	119,965	2,475	41,196	X	-	40,313	883	81,244	-
- of which: forborne exposures	221	X	-	221	-	44	X	-	44	-	177	-
d) Performing past due exposures	763,274	352,617	398,355	X	12,302	38,594	2,034	35,364	X	1,196	724,680	-
- of which: forborne exposures	34,529	-	28,712	X	5,817	3,547	-	2,790	X	757	30,982	-
e) Other performing exposures	108,295,106	99,766,157	7,975,494	X	336,659	592,089	218,599	354,692	X	18,798	107,703,017	-
- of which: forborne exposures	846,706	-	762,841	X	83,865	64,828	-	57,015	X	7,813	781,878	-
TOTAL (A)	**111,636,035**	**100,118,774**	**8,373,849**	**2,266,742**	**659,874**	**1,841,611**	**220,633**	**390,056**	**1,000,243**	**230,679**	**109,794,424**	**38,972**
B. OFF-BALANCE SHEET CREDIT EXPOSURES												
a) Non-performing	360,755	X	-	360,755	-	55,252	X	-	55,252	-	305,503	-
b) Performing	39,133,599	36,303,444	2,756,750	X	-	49,597	39,285	10,312	X	-	39,084,002	-
TOTAL (B)	**39,494,354**	**36,303,444**	**2,756,750**	**360,755**	**-**	**104,849**	**39,285**	**10,312**	**55,252**	**-**	**39,389,505**	**-**
TOTAL (A+B)	**151,130,389**	**136,422,218**	**11,130,599**	**2,627,497**	**659,874**	**1,946,460**	**259,918**	**400,368**	**1,055,495**	**230,679**	**149,183,929**	**38,972**

(*) Amount to be shown for information purposes

As at 31 December 2024, the performing loans to customers of the BPER Banca Group, limited to the portion of loans measured at amortised cost, amounted to a gross exposure of Euro 89,747 million. Net of portfolio adjustments for Euro 622 million, the net exposure totalled Euro 89,125 million; the average coverage ratio is therefore 0.69%.

At the same date, non-performing loans to customers, limited to the portion measured at amortised cost, amounted to a gross exposure of Euro 2,212 million. Net of impairment losses for Euro 1,201 million, the net exposure totalled Euro 1,011 million; the average coverage ratio for this cluster of loans is therefore 54.27%.

The following is a summary of non-performing and performing credit exposures (amounts and adjustments) by economic distribution

	Non-performing assets				Performing assets		
	Gross exposure	Individual impairment provisions - analytical	Individual impairment provisions - automated	Net exposure	Gross exposure	Collective impairment provisions	Net exposure
On-balance sheet credit exposures to customers (loans and debt securities)	**2,577,655**	**718,112**	**492,816**	**1,366,729**	**105,131,886**	**629,344**	**104,502,540**
Governments and other public entities	6,013	2,639	285	3,090	16,733,392	5,404	16,727,987
- of which: foreign	3,786	2,358	-	1,428	4,321,156	198	4,320,958
Financial companies	397,235	17,741	7,624	371,870	6,361,086	64,618	6,296,467
- of which: foreign	1,824	949	80	795	901,899	3,064	898,834
Non-financial companies	1,341,617	584,675	204,754	552,188	39,046,695	316,728	38,729,967
- of which: foreign	7,696	2,343	213	5,141	1,257,827	2,118	1,255,708
Individuals and households	832,790	113,057	280,153	439,581	42,990,713	242,594	42,748,119
- of which: foreign	3,253	672	1,414	1,167	134,934	1,767	133,167

The loans measured at amortised cost, that constitute new liquidity granted through public guarantee mechanisms issued in response to the Covid-19 pandemic are reported below, when the stage of risk in which the exposures are found at the date of this disclosure is different from the stage in which the exposures were classified at the start of the period.

	Gross exposure					Total impairment provisions					Exposure Net
		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	
A. Bad loans	103,059	-	-	100,115	2,944	54,416	-	-	52,761	1,655	48,643
B. Unlikely to pay loans	152,361	-	-	148,173	4,188	31,055	-	-	29,542	1,513	121,306
C. Non-performing past due exposures	5,305	-	-	5,262	43	199	-	-	198	1	5,106
D. Performing loans	32,628	5,791	26,436	-	401	286	6	278	-	2	32,342
E. Other performing loans	3,286,097	2,728,293	551,334	-	6,470	4,837	1,453	3,357	-	27	3,281,260
TOTAL (A+B+C+D+E)	**3,579,450**	**2,734,084**	**577,770**	**253,550**	**14,046**	**90,793**	**1,459**	**3,635**	**82,501**	**3,198**	**3,488,657**

A.1.6 Prudential consolidation - On-balance sheet credit exposures to banks: change in gross non-performing exposures

There are no amounts in this Condensed Consolidated Half-Year Financial Report.

A.1.6bis Prudential consolidation - On-balance sheet credit exposures to banks: change in gross forborne exposures broken down by credit quality

There are no amounts in this Condensed Consolidated Half-Year Financial Report.

A.1.7 Prudential consolidation – On-balance sheet credit exposures to customers: change in gross non-performing exposures

Reasons/Category	Bad loans	Unlikely-To-Pay loans	Non-performing past due exposures
A. Opening balance (gross amount)	**632,013**	**1,355,196**	**211,522**
- of which: sold but not derecognised	-	-	-
B. Increases	**720,876**	**1,448,999**	**177,462**
B.1 inflows from performing exposures	63,402	1,065,494	134,606
B.2 inflows from purchased or originated credit impaired financial assets	-	-	-
B.3 transfers from other non-performing exposures	222,646	111,864	354
B.4 contractual modifications without derecognition	-	-	-
B.5 other increases	434,828	271,641	42,502
C. Decreases	**836,366**	**865,503**	**266,544**
C.1 outflows to performing exposures	11	69,970	44,018
C.2 write-offs	73,443	36,518	250
C.3 recoveries	136,459	436,299	83,721
C.4 sales proceeds	129,911	52,276	-
C.5 losses on disposals	7,799	1,557	-
C.6 transfers to other categories of non performing exposures	78	197,326	137,460
C.7 contractual modifications without derecognition	-	-	-
C.8 other decreases	488,665	71,557	1,095
D. Closing balance (gross amounts)	**516,523**	**1,938,692**	**122,440**
- of which: sold but not derecognised	-	-	-

A.1.7bis Prudential Consolidation - On-balance sheet credit exposures to customers: changes in gross forborne exposures broken down by credit quality

Description/Quality	Forborne exposures: impaired	Forborne exposures: non impaired
A. Opening balance (gross amount)	**613,921**	**1,003,410**
- of which: sold but not derecognised	-	-
B. Increases	**356,700**	**824,858**
B.1 inflows from performing non-forborne exposures	79,875	398,190
B.2 inflows from performing forborne exposures	101,597	X
B.3 inflows from non-performing forborne exposures	X	58,336
B.4 inflows from non-performing non forborne exposure	-	417
B.5 other increases	175,228	367,915
C. Decreases	**367,767**	**947,033**
C.1 outflows to performing non-forborne exposures	X	355,863
C.2 outflows to performing forborne exposures	58,336	X
C.3 outflows to non-performing forborne exposures	X	101,597
C.4 write-offs	7,206	-
C.5 recoveries	158,509	489,204
C.6 sales proceeds	52,506	-
C.7 losses on disposals	8,171	-
C.8 other decreases	83,039	369
D. Closing balance (gross amounts)	**602,854**	**881,235**
- of which: sold but not derecognised	-	-

A.1.8 Prudential consolidation – On-balance sheet non-performing credit exposures to banks: change in total impairment provisions

There are no amounts to be disclosed in this Condensed Consolidated Half-Year Financial Report.

A.1.9 Prudential Consolidation - On-balance sheet non-performing credit exposures to customers: change in total impairment provisions

Reasons/Category	Bad loans		Unlikely-To-Pay loans		Non-performing past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening balance: total impairment provisions	**457,424**	**69,580**	**639,468**	**240,412**	**57,766**	**97**
- of which: sold but not derecognised	-	-	-	-	-	-
B. Increases	**644,812**	**83,483**	**470,218**	**106,136**	**44,931**	**59**
B.1 impairment losses on purchased or originated impaired financial assets	-	X	-	X	-	X
B.2 other value adjustments	225,342	42,240	362,268	80,610	39,498	59
B.3 losses on disposals	7,799	6,701	1,557	1,470	-	-
B.4 transfers from other non-performing exposures	75,367	11,748	28,466	112	132	-
B.5 contractual modifications without derecognition	-	-	-	-	-	-
B.6 other increases	336,304	22,794	77,927	23,944	5,301	-
C. Decreases	**710,608**	**89,406**	**331,582**	**82,625**	**61,501**	**112**
C.1 write-backs from assessments	36,659	4,397	113,652	27,355	26,164	-
C.2 write-backs from recoveries	61,749	9,199	44,948	19,979	1,455	-
C.3 gains on disposal	41,266	6,924	572	-	-	-
C.4 write-offs	73,443	1,686	36,518	5,520	250	-
C.5 transfers to other categories of non performing exposures	73	-	70,454	11,748	33,438	112
C.6 contractual modifications without derecognition	-	-	-	-	-	-
C.7 other decreases	497,418	67,200	65,438	18,023	194	-
D. Closing balance: total impairment provisions	**391,628**	**63,657**	**778,104**	**263,923**	**41,196**	**44**
- of which: sold but not derecognised	-	-	-	-	-	-

A.2 Classification of exposures based on external and internal ratings

A.2.1 Prudential consolidation - Breakdown of financial assets, commitments to disburse funds and financial guarantees granted by external rating classes (gross amounts)

Exposures	External rating classes						Unrated	Total
	class 1	class 2	class 3	class 4	class 5	class 6		
A. Financial assets measured at amortised cost	8,815,558	3,604,509	12,720,403	3,524,434	387,852	25,822	86,336,297	115,414,875
- Stage 1	8,618,074	3,491,100	12,686,101	3,205,933	246,371	9,524	75,580,718	103,837,821
- Stage 2	197,484	113,409	31,948	300,589	139,261	13,114	7,854,632	8,650,437
- Stage 3	-	-	12	13,628	1,665	2,523	2,248,915	2,266,743
- Purchased or originated credit impaired	-	-	2,342	4,284	555	661	652,032	659,874
B. Financial assets measured at fair value through other comprehensive income	1,511,191	329,307	2,391,199	20,437	-	-	792,806	5,044,940
- Stage 1	1,392,197	329,307	2,383,968	20,437	-	-	776,317	4,902,226
- Stage 2	118,994	-	7,231	-	-	-	16,489	142,714
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
C. Financial assets classified as held for sale	-	-	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
Total (A + B + C)	**10,326,749**	**3,933,816**	**15,111,602**	**3,544,871**	**387,852**	**25,822**	**87,129,103**	**120,459,815**
of which: purchased or originated credit impaired financial assets	**-**	**-**	**2,342**	**4,284**	**555**	**661**	**652,032**	**659,874**
D. Commitments to disburse funds and financial guarantees granted	366,590	4,401,802	4,512,934	2,589,017	201,911	3,716	30,242,059	42,318,029
- Stage 1	366,194	4,362,462	4,461,784	2,261,274	180,096	1,446	27,545,172	39,178,428
- Stage 2	396	39,340	51,150	321,134	21,815	2,045	2,346,719	2,782,599
- Stage 3	-	-	-	6,609	-	225	350,168	357,002
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
Total (D)	**366,590**	**4,401,802**	**4,512,934**	**2,589,017**	**201,911**	**3,716**	**30,242,059**	**42,318,029**
Total (A + B + C + D)	**10,693,339**	**8,335,618**	**19,624,536**	**6,133,888**	**589,763**	**29,538**	**117,371,162**	**162,777,844**

As at 31 December 2024, the BPER Banca Group avails itself of the external ratings provided by Moody's, Standard & Poor's and Fitch, for the calculation of the capital absorption for exposures to corporates, supervised intermediaries and covered bonds. Cerved is confirmed to be used for exposures to corporates, Fitch for financial instruments pledged as collateral and Standard & Poor's for exposures to securitisation.

In observance of the regulatory provisions, in the presence of three valuations, the second best one is used, while in the presence of two the most prudential one is adopted.

The rating agencies used by the BPER Banca Group are shown below, along with a table for the reconciliation between the external rating classes and the agencies' ratings.

Long-term rating for exposures to companies:

Class of creditworthiness	Risk weighting coefficients	ECAI Cerved Group	ECAI Fitch Ratings	ECAI Moody's Ratings	ECAI S&P Ratings
1	20%	A1.1, A1.2, A1.3	from AAA to AA-	from Aaa to Aa3	from AAA to AA-
2	50%	A2.1, A2.2, A3.1	from A+ to A-	from A1 to A3	from A+ to A-
3	100%	B1.1, B1.2	from BBB+ to BBB-	from Baa1 to Baa3	from BBB+ to BBB-
4	100%	B2.1, B2.2	from BB+ to BB-	from Ba1 to Ba3	from BB+ to BB-
5	150%	C1.1	from B+ to B-	from B1 to B3	from B+ to B-
6	150%	C1.2, C2.1	lower than CCC+	lower than Caa1	lower than CC+

Long-term rating for exposures to Banks and Supervised Intermediaries:

Class of creditworthiness	Risk weighting coefficients	ECAI Fitch Ratings	ECAI Moody's Ratings	ECAI S&P Ratings
1	20%	from AAA to AA-	from Aaa to Aa3	from AAA to AA-
2	50%	from A+ to A-	from A1 to A3	from A+ to A-
3	50%	from BBB+ to BBB-	from Baa1 to Baa3	from BBB+ to BBB-
4	100%	from BB+ to BB-	from Ba1 to Ba3	from BB+ to BB-
5	100%	from B+ to B-	from B1 to B3	from B+ to B-
6	150%	lower than CCC+	lower than Caa1	lower than CC+

Long-term rating for exposures to Covered Bonds:

Class of creditworthiness	Risk weighting coefficients	ECAI Fitch Ratings	ECAI Moody's Ratings	ECAI S&P Ratings
1	10%	from AAA to AA-	from Aaa to Aa3	from AAA to AA-
2	20%	from A+ to A-	from A1 to A3	from A+ to A-
3	20%	from BBB+ to BBB-	from Baa1 to Baa3	from BBB+ to BBB-
4	50%	from BB+ to BB-	from Ba1 to Ba3	from BB+ to BB-
5	50%	from B+ to B-	from B1 to B3	from B+ to B-
6	100%	lower than CCC+	lower than Caa1	lower than CC+

Long-term rating for exposures to securitisations:

Class of creditworthiness	Risk weighting coefficients	ECAI Fitch Ratings	ECAI S&P Ratings
1	20%	from AAA to AA-	from AAA to AA-
2	50%	from A+ to A-	from A+ to A-
3	100%	from BBB+ to BBB-	from BBB+ to BBB-
4	350%	from BB+ to BB-	from BB+ to BB-
5	1250%	lower than BB-	lower than BB-

Long-term rating for exposures to Public Administrations:

Class of creditworthiness	Risk weighting coefficients	ECAI Scope Ratings
1	0%	from AAA to AA-
2	20%	from A+ to A-
3	50%	from BBB+ to BBB-
4	100%	from BB+ to BB-
5	100%	from B+ to B-
6	150%	from CCC to D

A.2.2 Prudential consolidation - Breakdown of financial assets, commitments to disburse funds and financial guarantees granted by internal rating classes (gross amounts)

Exposures	Internal rating classes							
	1	2	3	4	5	6	7	8
A. Financial assets measured at amortised cost	18,382,070	13,994,832	13,985,799	14,952,294	11,744,416	10,672,854	5,065,256	2,632,668
- Stage 1	18,328,024	13,764,029	13,554,066	14,074,338	10,603,291	8,895,531	4,162,335	1,739,578
- Stage 2	47,655	213,183	409,222	841,164	1,090,836	1,725,068	845,226	849,951
- Stage 3	-	-	-	-	-	-	2,277	12,026
- Purchased or originated credit impaired	6,391	17,620	22,511	36,792	50,289	52,255	55,418	31,113
B. Financial assets measured at fair value through other comprehensive income	621,710	133,099	36,973	521,709	155,157	708,797	437,686	162,466
- Stage 1	621,710	133,099	36,973	521,709	150,087	589,803	419,036	162,466
- Stage 2	-	-	-	-	5,070	118,994	18,650	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
C. Financial assets classified as held for sale	-	-	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
Total (A + B + C)	**19,003,780**	**14,127,931**	**14,022,772**	**15,474,003**	**11,899,573**	**11,381,651**	**5,502,942**	**2,795,134**
D. Commitments to disburse funds and financial guarantees granted	15,457,553	9,331,867	4,755,746	3,594,772	1,775,306	1,553,974	634,554	476,541
- Stage 1	15,403,745	9,071,599	4,497,596	2,891,088	1,471,777	1,050,737	452,384	267,657
- Stage 2	53,808	260,268	258,150	703,684	303,529	503,237	182,170	208,884
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
Total (D)	**15,457,553**	**9,331,867**	**4,755,746**	**3,594,772**	**1,775,306**	**1,553,974**	**634,554**	**476,541**
Total (A + B + C + D)	**34,461,333**	**23,459,798**	**18,778,518**	**19,068,775**	**13,674,879**	**12,935,625**	**6,137,496**	**3,271,675**

(cont.)

Exposures	Internal rating classes					Total
	9	10	11	12	13	
A. Financial assets measured at amortised cost	11,029,871	895,837	1,411,637	195,980	311,384	105,274,898
- Stage 1	10,513,169	140,622	402,560	-	454	96,177,997
- Stage 2	497,591	745,976	610,523	193,583	300,600	8,370,578
- Stage 3	-	232	365,721	-	-	380,256
- Purchased or originated credit impaired	19,111	9,007	32,833	2,397	10,330	346,067
B. Financial assets measured at fair value through other comprehensive income	1,974,790	96,396	135,589	-	-	4,984,372
- Stage 1	1,974,790	96,396	135,589	-	-	4,841,658
- Stage 2	-	-	-	-	-	142,714
- Stage 3	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-
C. Financial assets classified as held for sale	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-
Total (A + B + C)	**13,004,661**	**992,233**	**1,547,226**	**195,980**	**311,384**	**110,259,270**
D. Commitments to disburse funds and financial guarantees granted	126,294	88,319	58,641	14,722	51,163	37,919,452
- Stage 1	64,584	342	330	-	64	35,171,903
- Stage 2	60,731	87,970	58,311	14,722	51,099	2,746,563
- Stage 3	979	7	-	-	-	986
- Purchased or originated credit impaired	-	-	-	-	-	-
Total (D)	**126,294**	**88,319**	**58,641**	**14,722**	**51,163**	**37,919,452**
Total (A + B + C + D)	**13,130,955**	**1,080,552**	**1,605,867**	**210,702**	**362,547**	**148,178,722**

	With internal rating	Unrated	Total
On-balance-sheet exposures	110,259,270	10,200,545	120,459,815
Off-balance-sheet exposures	37,919,452	4,398,577	42,318,029
Total	**148,178,722**	**14,599,122**	**162,777,844**

On 24 June 2016, the ECB authorised the Group to use the IRB Advanced Method (PD, LGD, EAD parameters) for the quantification of the capital requirement for customers' credit risk.

The internal rating classes are shown as they are used in the management of credit risk. The Group's rating system for the valuation of counterparties is divided into a Large Corporate model, a Corporate model and an Individuals model. Creditworthiness classifications are represented by 13 rating classes regarding performing counterparties, differentiated by risk segment, and by a class relating to default (for the Large Corporate segment, the rating classes are 9). In turn, the 13 rating classes have been grouped into 5 operational classes, which indicate aggregate risk levels:

Operational classes (of risk)	Rating classes
High	10 - 11 - 12 - 13
Significant	8 -9
Average	5 - 6 - 7
Low	3 - 4
Very low	1 - 2

On-balance sheet exposures include all the credit exposures of the "Financial assets measured at fair value through other comprehensive income" portfolio, and the "Financial assets measured at amortised cost" portfolio; "off-balance sheet" exposures include all financial transactions other than on-balance sheet transactions (guarantees granted, commitments, derivatives) that involve the assumption of a credit risk, whatever the purpose of such transactions is (trading, hedging, etc.).

A.3 Breakdown of guaranteed credit exposures by type of guarantee

A.3.1 Prudential consolidation - Guaranteed on and off-balance sheet credit exposures to banks

	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)	
							Credit derivatives	
			Property - mortgages	Property - finance leases	Debt Securities	Other collateral	CLN	Other derivatives
								Central counterparties
1. Guaranteed on-balance sheet credit exposures:	**899,986**	**899,954**	**-**	**-**	**341,642**	**-**	**-**	**-**
1.1 fully guaranteed	899,986	899,954	-	-	341,642	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-
1.2 partially guaranteed	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-
2. Guaranteed off-balance sheet credit exposures:	**29,006**	**29,005**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 fully guaranteed	14,150	14,150	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-
2.2 partially guaranteed	14,856	14,855	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-

A.3.1 Prudential consolidation - Guaranteed on- and off-balance sheet credit exposures to banks

(cont.)

	Personal guarantees (2)							Total (1)+(2)
	Credit derivatives			Endorsement loans				
	Other derivatives							
	Banks	Other financial companies	Other entities	Public Administrations	Banks	Other financial companies	Other entities	
1. Guaranteed on-balance sheet credit exposures:	**-**	**-**	**-**	**556,550**	**-**	**-**	**-**	**898,192**
1.1 fully guaranteed	-	-	-	556,550	-	-	-	898,192
- of which non-performing	-	-	-	-	-	-	-	-
1.2 partially guaranteed	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-
2. Guaranteed off-balance sheet credit exposures:	**-**	**-**	**-**	**21,661**	**-**	**-**	**2,742**	**24,403**
2.1 fully guaranteed	-	-	-	11,408	-	-	2,742	14,150
- of which non-performing	-	-	-	-	-	-	-	-
2.2 partially guaranteed	-	-	-	10,253	-	-	-	10,253
- of which non-performing	-	-	-	-	-	-	-	-

A.3.2 Prudential consolidation - Guaranteed on- and off-balance sheet credit exposures to customers

	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)	
							Credit derivatives	
			Property - mortgages	Property - finance leases	Debt Securities	Other collateral	CLN	Other derivatives
								Central counterparties
1. Guaranteed on-balance sheet credit exposures:	**65,438,113**	**64,089,651**	**41,345,819**	**1,819,149**	**1,034,193**	**2,841,379**	**-**	**-**
1.1 fully guaranteed	57,170,712	56,054,314	40,958,853	1,819,149	818,589	2,632,943	-	-
- of which non-performing	1,406,081	702,408	430,948	36,425	7,169	18,987	-	-
1.2 partially guaranteed	8,267,401	8,035,337	386,966	-	215,604	208,436	-	-
- of which non-performing	300,634	158,552	17,755	-	2,635	9,788	-	-
2. Guaranteed off-balance sheet credit exposures:	**5,503,954**	**5,496,833**	**33,236**	**-**	**321,777**	**181,125**	**-**	**-**
2.1 fully guaranteed	4,418,260	4,411,874	31,469	-	254,764	71,483	-	-
- of which non-performing	58,439	53,939	-	-	2,396	511	-	-
2.2 partially guaranteed	1,085,694	1,084,959	1,767	-	67,013	109,642	-	-
- of which non-performing	29,935	29,671	-	-	847	536	-	-

A.3.2 Prudential consolidation - Guaranteed on- and off-balance sheet credit exposures to customers

(cont.)

	Personal guarantees (2)							Total (1)+(2)
	Credit derivatives			Endorsement loans				
	Other derivatives			Public Administrations	Banks	Other financial companies	Other entities	
	Banks	Other financial companies	Other entities					
1. Guaranteed on-balance sheet credit exposures:	**-**	**-**	**-**	**7,260,982**	**260,704**	**179,169**	**6,011,115**	**60,752,510**
1.1 fully guaranteed	-	-	-	3,921,018	189,223	146,918	5,545,980	56,032,673
- of which non-performing	-	-	-	138,251	91	2,412	68,124	702,407
1.2 partially guaranteed	-	-	-	3,339,964	71,481	32,251	465,135	4,719,837
- of which non-performing	-	-	-	79,188	2	679	17,380	127,427
2. Guaranteed off-balance sheet credit exposures:	**-**	**-**	**-**	**317,700**	**14,552**	**151,496**	**3,916,907**	**4,936,793**
2.1 fully guaranteed	-	-	-	155,430	11,732	148,511	3,738,190	4,411,579
- of which non-performing	-	-	-	1,826	6,559	121	42,526	53,939
2.2 partially guaranteed	-	-	-	162,270	2,820	2,985	178,717	525,214
- of which non-performing	-	-	-	11,731	-	-	4,727	17,841

A.4 Prudential consolidation - Financial and non-financial assets deriving from the enforcement of guarantees

	Derecognised credit exposure	Gross value	Total impairment provisions	Book Value	
					of which obtained during the year
A. Property, plant and equipment	**155,708**	**176,918**	**65,211**	**111,707**	**824**
A.1. Used in operations	-	-	-	-	-
A.2. Held for investment	43,614	46,316	22,675	23,641	824
A.3. Inventories	112,094	130,602	42,536	88,066	-
B. Equity instruments and debt securities	**-**	**-**	**-**	**-**	**-**
C. Other assets	**-**	**-**	**-**	**-**	**-**
D. Non-current assets and disposal groups classified as held for sale	**1,134**	**2,624**	**846**	**1,778**	**-**
D.1. Property, plant and equipment	1,134	2,624	846	1,778	-
D.2. Other assets	-	-	-	-	-
Total 31.12.2024	**156,842**	**179,542**	**66,057**	**113,485**	**824**
Total 31.12.2023	**194,300**	**215,993**	**70,393**	**145,600**	**9,039**

B. Distribution and concentration of credit exposures

B.1 Prudential consolidation - Breakdown by sector of on- and off-balance sheet credit exposures to customers

Exposures/Counterparties	Public Administrations		Financial companies		Financial companies (of which: insurance companies)	
	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions
A. On-balance-sheet exposures						
A.1 Bad loans	-	231	451	1,663	-	-
- of which: forborne exposures	-	-	82	340	-	-
A.2 Unlikely-To-Pay exposures	1,554	2,540	371,138	23,508	-	-
- of which: forborne exposures	-	-	1,995	2,941	-	-
A.3 Non-performing past due exposures	1,535	152	283	195	-	-
- of which: forborne exposures	-	-	-	-	-	-
A.4 Performing exposures	19,248,592	6,131	6,861,196	64,902	193,226	399
- of which: forborne exposures	14,353	144	1,475	483	-	-
Total (A)	**19,251,681**	**9,054**	**7,233,068**	**90,268**	**193,226**	**399**
B. Off-balance sheet credit exposures						
B.1 Non-performing exposures	668	137	357	69	-	-
B.2 Performing exposures	227,800	79	1,798,103	636	272,773	-
Total (B)	**228,468**	**216**	**1,798,460**	**705**	**272,773**	**-**
Total (A+B) 31.12.2024	**19,480,149**	**9,270**	**9,031,528**	**90,973**	**465,999**	**399**
Total (A+B) 31.12.2023	**17,473,055**	**9,087**	**8,438,211**	**63,909**	**477,226**	**73**

B.1 Prudential consolidation - Breakdown by sector of on- and off-balance sheet credit exposures to customers

Exposures/Counterparties	Non-financial companies		Households	
	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions
A. On-balance-sheet exposures				
A.1 Bad loans	93,281	299,921	31,163	89,813
- of which: forborne exposures	14,987	48,384	5,005	14,933
A.2 Unlikely-To-Pay loans	438,647	479,280	349,249	272,776
- of which: forborne exposures	157,922	187,608	95,062	73,374
A.3 Non-performing past due exposures	20,259	10,229	59,167	30,620
- of which: forborne exposures	122	23	55	21
A.4 Performing exposures	39,569,549	317,056	42,748,360	242,594
- of which: forborne exposures	565,164	54,035	231,868	13,713
Total (A)	**40,121,736**	**1,106,486**	**43,187,939**	**635,803**
B. Off-balance sheet credit exposures				
B.1 Non-performing exposures	295,358	53,222	9,120	1,824
B.2 Performing exposures	34,898,291	40,017	2,158,236	8,865
Total (B)	**35,193,649**	**93,239**	**2,167,356**	**10,689**
Total (A+B) 31.12.2024	**75,315,385**	**1,199,725**	**45,355,295**	**646,492**
Total (A+B) 31.12.2023	**75,379,015**	**1,305,169**	**43,715,976**	**573,291**

B.2 Prudential consolidation - Breakdown by geographical area of on- and off-balance sheet credit exposures to customers

Exposures/Geographical areas	Italy		Other European countries		America
	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure
A. On-balance-sheet exposures					
A.1 Bad loans	124,698	389,477	114	1,212	83
A.2 Unlikely-To-Pay loans	1,157,107	772,804	1,836	2,723	208
A.3 Non-performing past due exposures	76,379	40,630	4,194	499	669
A.4 Performing exposures	100,063,300	623,070	5,326,036	6,429	1,545,511
Total (A)	**101,421,484**	**1,825,981**	**5,332,180**	**10,863**	**1,546,471**
B. Off-balance sheet credit exposures					
B.1 Non-performing exposures	304,665	55,251	838	1	-
B.2 Performing exposures	38,740,372	49,507	234,987	90	64,386
Total (B)	**39,045,037**	**104,758**	**235,825**	**91**	**64,386**
Total (A+B) 31.12.2024	**140,466,521**	**1,930,739**	**5,568,005**	**10,954**	**1,610,857**
Total (A+B) 31.12.2023	**136,197,287**	**1,935,513**	**6,163,084**	**10,835**	**1,804,817**

B.2 Prudential consolidation - Breakdown by geographical area of on- and off-balance sheet credit exposures to customers

(cont.)

Exposures/Geographical areas	United States	Asia		Rest of the world	
	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions
A. On-balance-sheet exposures					
A.1 Bad loans	930	-	9	-	-
A.2 Unlikely-To-Pay exposures	143	5	40	1,432	2,394
A.3 Non-performing past due exposures	57	1	4	1	6
A.4 Performing exposures	796	254,150	273	1,238,700	115
Total (A)	**1,926**	**254,156**	**326**	**1,240,133**	**2,515**
B. Off-balance sheet credit exposures					
B.1 Non-performing exposures	-	-	-	-	-
B.2 Performing exposures	-	36,709	-	5,976	-
Total (B)	**-**	**36,709**	**-**	**5,976**	**-**
Total (A+B) 31.12.2024	**1,926**	**290,865**	**326**	**1,246,109**	**2,515**
Total (A+B) 31.12.2023	**2,357**	**306,903**	**262**	**534,166**	**2,489**

The territorial distribution of exposures to customers is presented below, considering just the component of loans and distinguishing between Stage classifications:

Exposures/ Geographical areas	Italy			Other European countries			United States		
	Gross exposure	Total impairment provisions	Net exposure	Gross exposure	Total impairment provisions	Net exposure	Gross exposure	Total impairment provisions	Net exposure
Total	**90,734,249**	**(1,808,324)**	**88,925,925**	**848,998**	**(10,105)**	**838,893**	**262,639**	**(1,758)**	**260,881**
Stage 1	80,032,188	(211,103)	79,821,085	760,853	(2,793)	758,060	259,447	(539)	258,908
Stage 2	8,159,091	(384,772)	7,774,319	76,212	(2,845)	73,367	1,105	(92)	1,013
Stage 3	1,885,412	(982,356)	903,056	10,057	(4,192)	5,865	1,655	(824)	831
Purchased or originated credit-impaired financial assets	*657,558*	(230,093)	*427,465*	*1,876*	(275)	*1,601*	*432*	(303)	*129*

(cont.)

Exposures/Geographical areas	Asia			Rest of the world		
	Gross exposure	Total impairment provisions	Net exposure	Gross exposure	Total impairment provisions	Net exposure
Total	**93,223**	**(309)**	**92,914**	**20,248**	**(2,472)**	**17,776**
Stage 1	92,003	(169)	91,834	15,850	(30)	15,820
Stage 2	1,162	(87)	1,075	550	(30)	520
Stage 3	56	(51)	5	3,842	(2,407)	1,435
Purchased or originated credit-impaired financial assets	*2*	(2)	-	6	(5)	*1*

B.2 Prudential consolidation - Breakdown by geographical area of on- and off-balance sheet credit exposures to customers

Exposures/Geographical areas	North West Italy		North East Italy		Centre Italy		South Italy and islands	
	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions
A. On-balance-sheet exposures								
A.1 Bad loans	43,695	126,655	21,468	78,032	24,959	61,668	34,576	123,122
A.2 Unlikely-To-Pay loans	284,757	264,861	535,545	190,986	131,887	132,762	204,918	184,195
A.3 Non-performing past due exposures	18,658	9,428	9,659	5,310	12,135	7,812	35,927	18,080
A.4 Performing exposures	32,262,494	241,857	20,974,406	88,702	27,923,999	139,263	18,902,401	153,248
Total (A)	**32,609,604**	**642,801**	**21,541,078**	**363,030**	**28,092,980**	**341,505**	**19,177,822**	**478,645**
B. Off-balance sheet credit exposures								
B.1 Non-performing exposures	97,690	16,981	128,211	22,097	52,792	9,665	25,972	6,508
B.2 Performing exposures	16,841,304	33,532	10,977,701	8,552	7,222,008	2,705	3,699,359	4,718
Total (B)	**16,938,994**	**50,513**	**11,105,912**	**30,649**	**7,274,800**	**12,370**	**3,725,331**	**11,226**
Total (A+B) 31.12.2024	**49,548,598**	**693,314**	**32,646,990**	**393,679**	**35,367,780**	**353,875**	**22,903,153**	**489,871**
Total (A+B) 31.12.2023	**49,197,310**	**684,704**	**32,499,261**	**416,055**	**30,646,386**	**361,720**	**23,854,330**	**473,034**

B.3 Prudential consolidation – Breakdown by geographical area of on- and off-balance sheet credit exposures to banks

Exposures/Geographical areas	Italy		Other European countries		America
	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure
A. On-balance-sheet exposures					
A.1 Bad loans	-	-	-	-	-
A.2 Unlikely-To-Pay exposures	-	-	-	-	-
A.3 Non-performing past due exposures	-	-	-	-	-
A.4 Performing exposures	8,792,696	1,761	5,985,037	23,799	24,387
Total (A)	**8,792,696**	**1,761**	**5,985,037**	**23,799**	**24,387**
B. Off-balance sheet credit exposures					
B.1 Non-performing exposures	-	-	-	-	-
B.2 Performing exposures	694,039	4	1,020,503	17	123,657
Total (B)	**694,039**	**4**	**1,020,503**	**17**	**123,657**
Total (A+B) 31.12.2024	**9,486,735**	**1,765**	**7,005,540**	**23,816**	**148,044**
Total (A+B) 31.12.2023	**12,775,956**	**2,694**	**8,464,889**	**29,558**	**183,380**

B.3 Prudential consolidation – Breakdown by geographical area of on- and off-balance sheet credit exposures to banks

(cont.)

Exposures/Geographical areas	United States	Asia		Rest of the world	
	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions
A. On-balance-sheet exposures					
A.1 Bad loans	-	-	-	-	-
A.2 Unlikely-To-Pay exposures	-	-	-	-	-
A.3 Non-performing past due exposures	-	-	-	-	-
A.4 Performing exposures	13	86,583	39	1,214,315	54
Total (A)	**13**	**86,583**	**39**	**1,214,315**	**54**
B. Off-balance sheet credit exposures					
B.1 Non-performing exposures	-	-	-	-	-
B.2 Performing exposures	3	832,600	24	152,516	9
Total (B)	**3**	**832,600**	**24**	**152,516**	**9**
Total (A+B) 31.12.2024	**16**	**919,183**	**63**	**1,366,831**	**63**
Total (A+B) 31.12.2023	**32**	**934,608**	**60**	**1,327,651**	**67**

B.3 Prudential consolidation – Breakdown by geographical area of on- and off-balance sheet credit exposures to banks

Exposures/Geographical areas	North West Italy		North East Italy		Centre Italy		South Italy and islands	
	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions
A. On-balance-sheet exposures								
A.1 Bad loans	-	-	-	-	-	-	-	-
A.2 Unlikely-To-Pay exposures	-	-	-	-	-	-	-	-
A.3 Non-performing past due exposures	-	-	-	-	-	-	-	-
A.4 Performing exposures	861,868	608	215,951	185	7,711,864	968	3,013	-
Total (A)	**861,868**	**608**	**215,951**	**185**	**7,711,864**	**968**	**3,013**	**-**
B. Off-balance sheet credit exposures								
B.1 Non-performing exposures	-	-	-	-	-	-	-	-
B.2 Performing exposures	575,412	2	88,358	2	30,245	-	24	-
Total (B)	**575,412**	**2**	**88,358**	**2**	**30,245**	**-**	**24**	**-**
Total (A+B) 31.12.2024	**1,437,280**	**610**	**304,309**	**187**	**7,742,109**	**968**	**3,037**	**-**
Total (A+B) 31.12.2023	**3,087,199**	**1,137**	**342,237**	**276**	**9,343,483**	**1,281**	**3,037**	**-**

B.4 Large exposures

	31.12.2024	31.12.2023
a) Book value	23,801,355	28,935,225
b) Weighted value	3,675,079	5,659,964
c) Number	7	13

This measurement was made on the basis of the updates to Circular 285 which regulate "large exposures".
The rules define as a "large exposure" the amount of on-balance-sheet assets at risk and off-balance sheet transactions of a single customer or group of related customers that come to 10% or more of eligible capital.
Note that repurchase agreements are included in the amount of risk activities. These transactions contribute to the value of the counterparty exposure for the amount of "securities to be received", while they contribute to the exposure after CRM and exemptions under art. 400 CRR only for the difference between the amount of "securities to be received" and the cash deposit received.
At 31 December 2024, there are 7 "large exposures" for an overall amount of Euro 23,801 million, corresponding to Euro 3,675 million after CRM and exemptions under art. 400 CRR. Of these, repurchase agreements account for Euro 3,782 million and Euro 378 million respectively.
For an amount of over 82% of the total, the positions shown include government counterparties for a total exposure of Euro 19,375 million and Euro 1,207 million after CRMs and exemptions.
The rest is made up of leading European and world companies/banks (for Euro 4,426 million - Euro 2,468 million after CRM and exemptions) and an associated/related company.

To facilitate an understanding of the degree of concentration of loans, the nominal value of major exposures has been provided.

Risk concentration:

Reference date: 31.12.2024	Amount of the exposure	Amount of the exposure after CRM and exemptions under art. 400 CRR
First 5 exposures	21,672,820	2,319,503
First 10 exposures	26,508,700	3,809,155
First 20 exposures	33,100,160	7,233,212

Reference date: 31.12.2023	Amount of the exposure	Amount of the exposure after CRM and exemptions under art. 400 CRR
First 5 exposures	21,317,880	3,014,606
First 10 exposures	26,422,033	4,636,299
First 20 exposures	33,630,755	7,901,317

C. Securitisation transactions

Qualitative Information

The primary objectives of the securitisation transactions arranged by the Group in relation to non-performing loans are:
- to improve the asset structure of the banks concerned;
- to facilitate loan recovery strategies and make them more efficient (by centralising work with one group of lawyers);
- to exercise rigorous, direct control over higher risk loans, without modifying the overall risk profile.

Transactions involving performing contracts are, on the other hand, arranged in order to optimise sources of funding.

The following BPER Banca Group transactions, other than self-securitisation transactions[150] are outstanding at 31 December 2024:
- Italian Credit Recycle
- Restart
- 4 Mori Sardegna
- AQUI SPV
- Spring SPV
- Summer SPV
- Grogu SPV (execution of the “Skywalker” sale project)
- Loira SPV
- Pillarstone
- Sestante no. 2
- Sestante no. 3
- Brisca Securitisation
- Riviera NPL
- Lanterna Mortgage
- Lanterna Finance 4

The “own” transactions also include those originated by the Banks absorbed by BPER Banca s.p.a. In particular, they include:
- the securities issued by Sestante Finance SPV s.r.l. deriving from transactions originated by Meliorbanca s.p.a., which was absorbed by BPER Banca in 2012.

150 The information report provided on the so-called “Self-securitisations” is provided in paragraph 1.4 – Liquidity risk, below.

Italian Credit Recycle (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	20 June 2017
Seller:	Nuova Cassa di Risparmio di Ferrara s.p.a.
Special purpose vehicle:	Italian Credit Recycle s.r.l., based in Rome
Servicer:	Master Gardant s.p.a., acting as Servicer, Corporate Servicer, Calculation and Paying Agent.
Issue date of securities	28 June 2017
Type of transaction	Traditional
Organisational structure	Master Gardant s.p.a. prepares a quarterly report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 252 million.
Disposal price of securitised assets	The disposal price was Euro 41 million.
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	None

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024
IT0005274565	Senior	Dec-37	22,400	-
IT0005274573	Junior	Dec-37	18,600	1
Total			**41,000**	**1**

The securities were placed with institutional investors on issue and, for a residual part, were subscribed by BPER Banca (Euro 2.2 million).

Restart (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	20 June 2017
Seller:	Nuova Cassa di Risparmio di Ferrara s.p.a.
Special purpose vehicle:	Restart SPV s.r.l., based in Rome
Servicer:	Master Gardant s.p.a., acting as Servicer, Corporate Servicer, Calculation and Paying Agent.
Issue date of securities	20 June 2017
Type of transaction	Traditional
Organisational structure	Master Gardant s.p.a. prepares a quarterly report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 343 million.
Disposal price of securitised assets	The disposal price was Euro 22 million.
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	None

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024
IT0005274532	Senior	Dec-37	18,200	-
IT0005274540	Junior	Dec-37	14,800	679
Total			**33,000**	**679**

The securities were placed with institutional investors on issue and, for a residual part, were subscribed by BPER Banca (Euro 1.8 million).

4 Mori Sardegna s.r.l. (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	07 June 2018
Seller:	Banco di Sardegna s.p.a.
Special purpose vehicle:	4 Mori Sardegna s.r.l., based in Conegliano (Treviso)
Servicer:	Prelios Credit Servicing s.p.a., as Servicer.
Issue date of securities	22 June 2018
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee).
Organisational structure	Prelios Credit Servicing s.p.a. prepares a half-year report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 1,045 million.
Disposal price of securitised assets	The disposal price was Euro 253 million.
Guarantees and credit lines granted by the bank	Subordinated loan of Euro 12 million.
Guarantees and credit lines granted by third parties	Cap Agreement to hedge interest rates on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024	*DBRS rating*	*Rating Scope*
IT0005337446	Senior	Jan-37	232,000	91,220	B(sf)	BB-(sf)
IT0005337479	Mezzanine	Jan-37	13,000	650	CCC (sf)	CC (sf)
IT0005337487	Junior	Jan-37	8,000	400	n.r.	n.r.
Total			**253,000**	**92,270**		

The securities were fully subscribed by Banco di Sardegna s.p.a. on issue. The Mezzanine and Junior notes were subsequently placed with institutional investors net of a residual part equal to 5% (Euro 1.05 million), kept by Banco di Sardegna s.p.a. in compliance with the retention obligations prescribed by the CRR (Capital Requirements Regulation).

AQUI SPV S.R.L. (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	02 October 2018
Seller:	BPER Banca s.p.a.; Cassa di Risparmio di Bra s.p.a.; Cassa di Risparmio di Saluzzo s.p.a.
Special purpose vehicle:	AQUI SPV s.r.l., based in Conegliano (TV)
Servicer:	Prelios Credit Servicing s.p.a., as Servicer.
Issue date of securities	07 November 2018
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee).
Organisational structure	Prelios Credit Servicing s.p.a. prepares a half-year report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 2,082 million.
Disposal price of securitised assets	The disposal price was Euro 618 million.
Guarantees and credit lines granted by the bank	Subordinated loan of Euro 27.235 million.
Guarantees and credit lines granted by third parties	Cap Agreement to hedge interest rates on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024	*Rating Scope*	*Rating Moody's*
IT0005351330	Senior	Oct-38	544,700	228,253	B-(sf)	B2 (sf)
IT0005351348	Mezzanine	Oct-38	62,900	3,145	n.r.	n.r.
IT0005351355	Junior	Oct-38	10,852	543	n.r.	n.r.
Total			**618,452**	**231,941**		

The notes were fully subscribed by BPER Banca s.p.a. on issue. The Mezzanine and Junior notes were subsequently placed with institutional investors net of a residual part equal to 5% (Euro 3.7 million), kept by BPER Banca in compliance with the retention obligations prescribed by the CRR (Capital Requirements Regulation).

Spring (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	01 June 2020
Seller:	BPER Banca s.p.a.; Banco di Sardegna s.p.a.; Cassa di Risparmio di Bra s.p.a.
Special purpose vehicle:	SPRING SPV s.r.l., based in Conegliano (Treviso)
Servicer:	Prelios Credit Servicing s.p.a., as Servicer.
Issue date of securities	18 June 2020
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee).
Organisational structure	Prelios Credit Servicing s.p.a. prepares a half-year report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 1,377 million.
Disposal price of securitised assets	The disposal price was Euro 341 million.
Guarantees and credit lines granted by the bank	Subordinated loan of Euro 16.450 million.
Guarantees and credit lines granted by third parties	Cap Agreement to hedge interest rates on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024	*Rating Scope*	*Rating Moody's*
IT0005413197	Senior	Sep-40	320,000	77,174	BBB+ (sf)	Baa1 (sf)
IT0005413213	Mezzanine	Sep-40	20,000	1,000	n.r.	n.r.
IT0005413221	Junior	Sep-40	3,400	170	n.r.	n.r.
Total			**343,400**	**78,344**		

The securities were fully subscribed by BPER Banca s.p.a. and Banco di Sardegna s.p.a. on issue. The Mezzanine and Junior notes were subsequently placed with institutional investors net of a residual part equal to 5% (Euro 1.2 million), kept by BPER Banca s.p.a. in compliance with the retention obligations prescribed by the CRR (Capital Requirements Regulation).

Summer (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	18 December 2020
Seller:	BPER Banca s.p.a.; Banco di Sardegna s.p.a.
Special purpose vehicle:	SUMMER SPV s.r.l., based in Conegliano (TV)
Servicer:	Fire s.p.a. as Special Servicer and Banca Finint s.p.a. as Master Servicer.
Issue date of securities	30 December 2020
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee).
Organisational structure	Banca Finint s.p.a. prepares a half-year report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 322 million.
Disposal price of securitised assets	The disposal price was Euro 86 million.
Guarantees and credit lines granted by the bank	Subordinated loan of Euro 3.666 million.
Guarantees and credit lines granted by third parties	Cap Agreement to hedge interest rates on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024	*Rating Scope*	*Rating Moody's*
IT0005432445	Senior	Oct-40	85,400	37,243	BBB (sf)	Baa1 (sf)
IT0005432452	Mezzanine	Oct-40	10,000	500	n.r.	n.r.
IT0005432460	Junior	Oct-40	1,000	50	n.r.	n.r.
Total			**96,400**	**37,793**		

The Senior notes were fully subscribed by BPER Banca s.p.a. and Banco di Sardegna s.p.a. The Mezzanine and Junior notes were placed with an institutional investor and for a residual part equal to 5% (Euro 550 thousand), they were subscribed by BPER Banca s.p.a. in compliance with the retention obligations prescribed by the CRR (Capital Requirements Regulation).

Grogu (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	28 July 2021
Seller:	BPER Banca s.p.a.; Banca Intesa San Paolo s.p.a.
Special purpose vehicle:	GROGU SPV s.r.l., based in Conegliano (TV)
Servicer:	Prelios Credit Servicing s.p.a. as Special Servicer and Banca Finint s.p.a. as Master Servicer
Issue date of securities	15 December 2021
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee).
Organisational structure	Banca Finint s.p.a. prepares a quarterly report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The amount of receivables from the portfolios sold is Euro 3,077 million, of which Euro 914 million relating to the Bper portfolio and Euro 2,163 million relating to the Intesa San Paolo portfolio.
Disposal price of securitised assets	The disposal price was Euro 500 million.
Guarantees and credit lines granted by the bank	Subordinated loan of Euro 8.4 million.
Guarantees and credit lines granted by third parties	Subordinated Loan of Euro 12.2 million granted by Intesa San Paolo. Cap Agreement to hedge the rates on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	***Seniority***	**Maturity**	**Issue amount**	**Subscribed amount**	**Residual balance at 31.12.2024**	***Rating Scope***	***Rating Moody's***	***DBRS rating***
IT0005473852	Senior	Jan-42	460,000	187,680	47,515	BBB+ (sf)	A3 (sf)	A (high)
IT0005473860	Mezzanine	Jan-42	37,000	4,757	550	n.r.	n.r.	n.r.
IT0005473878	Junior	Jan-42	3,000	386	45	n.r.	n.r.	n.r.
Total			**500,000**	**192,823**	**48,110**			

The Senior securities were subscribed to in proportion to the price of sale by BPER Banca and Intesa San Paolo. The Mezzanine and Junior notes were placed with an institutional investor and for a residual part equal to 5% (Euro 550 thousand), they were subscribed by BPER Banca s.p.a. in compliance with the retention obligations prescribed by the CRR (Capital Requirements Regulation).

Loira (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	14 April 2023
Seller:	BPER Banca s.p.a.; Banco di Sardegna s.p.a.
Special purpose vehicle:	Loira SPV s.r.l., based in Via Curtatone 3, 00185 Rome
Servicer:	MASTER GARDANT s.p.a. as Master Servicer, Corporate Servicer, Calculation Agent and Paying Agent, Special GARDANT as Special Servicer, INTESA SAN PAOLO s.p.a. as Account Bank.
Issue date of securities	27 April 2023
Type of transaction	Traditional
Organisational structure	Master Gardant s.p.a. prepares a quarterly report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	UTPs
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 466 million.
Disposal price of securitised assets	The disposal price was Euro 155.9 million.
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	None

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Subscribed amount	*Residual balance at 31.12.2024*
IT0005543738	Senior	Dec-42	84,588	84,588	45,118
IT0005543746	Mezzanine	Dec-42	18,126	907	558
IT0005543761	Mezzanine	Dec-42	9,063	454	454
IT0005543787	Junior	Dec-42	14,063	704	504
Total			**125,840**	**86,653**	**46,634**

The Senior notes were fully subscribed by BPER Banca s.p.a. The Mezzanine and Junior notes were placed with an institutional investor and for a residual part equal to 5%, they were subscribed by BPER Banca s.p.a. in compliance with the retention obligations prescribed by the CRR (Capital Requirements Regulation).

Pillarstone

During 2017, BPER Banca securitised a loan of 21 million US dollars granted to Premuda s.p.a., through the vehicle Pillarstone Italy SPV s.r.l. (established under Law 130/99).
The transaction, carried out jointly with other important Italian banks, was carried out in order to allow a restructuring of the receivables from Premuda s.p.a., with the aim of facilitating and increasing the recoveries of the securitised exposures.
The sale was finalised with the issue by the vehicle of Super Senior class securities (subscribed by third parties), of Senior and Junior class securities (fully subscribed by the bank).
The transaction also involves the transfer of all the loans purchased by the vehicle (Pillarstone Italy SPV s.r.l.) to a company (Pillarstone Italy Holding s.p.a.) which, through separate assets established pursuant to art. 2447-bis letter a) of the Italian Civil Code, provides for the restructuring of the loans due from the Premuda group.
BPER Banca does not hold any interest in the companies indicated above.
None of the securities issued by the SPV have a rating.
To match the derecognition of the loan, the Parent Company has recognised the securities subscribed as an asset.
The carrying value of the securities of US dollar 81,575 thousand and Euro 25,645 thousand includes the securities previously pertaining to the acquiree Banca Carige s.p.a. and is equal to the amount of the restructured loan entered into between Pillarstone Italy Holding s.p.a. and the Premuda group.

Sestante no. 2

Disposal date:	03 December 2004
Seller:	Meliorbanca s.p.a.
Special purpose vehicle:	Sestante Finance s.r.l., based in Via Mario Carucci 131, Rome
Servicer:	Italfondiario s.p.a.
Issue date of securities	03 December 2004
Type of transaction	Traditional
Organisational structure	Italfondiario s.p.a. provides a quarterly report on the collections in which it comments on the activity carried out with indications relating to collections, providing specific details about interest and principal payments.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out by the Servicer.

The operational aspects are summarised below:

Assets sold	ABS securities with mortgage loans on residential and commercial properties as underlying.
Quality of assets securitised	Performing loans
Amount of securitised assets	The nominal value of ABS securities issued by Sestante W s.r.l. was Euro 625 million.
Disposal price of securitised assets	The disposal price was Euro 653 million.
Guarantees and credit lines granted by the bank	Contingency liquidity
Guarantees and credit lines granted by third parties	None
Analysis by business sector	Mortgage agreements stipulated with both individuals and legal entities excluding Public Administrations.
Analysis by geographical area	Securitised loans are concentrated in Italy.

The special purpose vehicle has issued the following bonds:

ISIN code	Seniority	Maturity	Issue amount	Residual balance at 31.12.2024
IT0003760136	Senior	Jul-42	575,300	26
IT0003760193	Mezzanine	Jul-42	34,400	
IT0003760227	Mezzanine	Jul-42	15,600	
IT0003760243	Mezzanine	Jul-42	21,900	
IT0003760284	Junior	Jul-42	6,253	
Total			**653,453**	**26**

The Senior and Mezzanine securities were placed with institutional investors on issue, while the Junior securities were subscribed by the merged company Meliorbanca s.p.a. and subsequently sold on the secondary market.

Sestante no.3

Disposal date:	16 December 2005
Seller:	Meliorbanca s.p.a.
Special purpose vehicle:	Sestante Finance s.r.l., based in Via Mario Carucci 131, Rome
Servicer:	Italfondiario s.p.a.
Issue date of securities	16 December 2005
Type of transaction	Traditional
Organisational structure	Italfondiario s.p.a. provides a quarterly report on the collections in which it comments on the activity carried out with indications relating to collections, providing specific details about interest and principal payments.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out by the Servicer.

The operational aspects are summarised below:

Assets sold	ABS securities with mortgage loans on residential and commercial properties as underlying
Quality of assets securitised	Performing loans
Amount of securitised assets	The nominal value of ABS securities issued by Sestante W s.r.l. was Euro 858 million.
Disposal price of securitised assets	The disposal price was Euro 900 million.
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	Contingency liquidity
Analysis by business sector	Mortgage agreements stipulated with both individuals and legal entities excluding Public Administrations.
Analysis by geographical area	Securitised loans are concentrated in Italy.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024
IT0003937452	Senior	Jul-45	791,900	193
IT0003937486	Mezzanine	Jul-45	47,350	237
IT0003937510	Mezzanine	Jul-45	21,500	
IT0003937569	Mezzanine	Jul-45	30,150	
IT0003937551	Junior	Jul-45	8,610	
Total			**899,510**	**430**

The Senior and Mezzanine securities were placed with institutional investors on issue, while the Junior securities were subscribed by the merged company Meliorbanca s.p.a. and subsequently sold on the secondary market.

Brisca Securitisation s.r.l.

Disposal date:	16 June 2017
Seller:	Banca Carige s.p.a.; Banca Cesare Ponti s.p.a.; Banca del Monte di Lucca s.p.a.
Special purpose vehicle:	Brisca Securitisation s.r.l.
Servicer:	Prelios Credit Servicing s.p.a., as Servicer; Zenith Service s.p.a. as Monitoring Agent.
Issue date of securities	05 July 2017
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee).
Organisational structure	Banca Finint s.p.a. as Representative of the Noteholders, Calculation Agent, BUS and Corporate Services Provider; BNP Paribas S.S. as Agent Bank, Account Bank Cash Manager and Principal Paying Agent
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 961 million.
Disposal price of securitised assets	The disposal price was Euro 309.7 million.
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	Cap Agreement to hedge interest rates on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Subscribed amount	Residual balance at 31.12.2024	*DBRS rating*	*Rating Moody's*
IT0005274599	Senior	Dec-37	267,400	267,400	97,864	CC (sf)	Caa2 (sf)
IT0005274607	Mezzanine	Dec-37	30,500	-	-	C (sf)	Ca (sf)
IT0005274615	Junior	Dec-37	11,800	-	-	n.r.	n.r.
Total			**309,700**	**267,400**	**97,864**		

Riviera NPL s.r.l.

Disposal date:	04 December 2018
Seller:	Banca Carige s.p.a.; Banca del Monte di Lucca s.p.a.
Special purpose vehicle:	Riviera NPL s.r.l.
Servicer:	Credito Fondiario s.p.a. as Master Servicer; Credito Fondiario s.p.a. as Special Servicer A and Italfondiario s.p.a. as Special Servicer B; Zenit Service s.p.a. as Monitoring Agent
Issue date of securities	17 December 2018
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee).
Organisational structure	Banca Finint s.p.a. as Representative of the Noteholders, Calculation Agent, BUS and Corporate Services Provider; BNP Paribas S.S. as Agent Bank, Account Bank Cash Manager and Principal Paying Agent.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 963 million.
Disposal price of securitised assets	The disposal price was Euro 215 million.
Guarantees and credit lines granted by the bank	During the loan disposal phase, Banca Carige s.p.a. disbursed a subordinated loan facility of Euro 7 million
Guarantees and credit lines granted by third parties	Cap Agreement to hedge interest rate risk on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Subscribed amount	Residual balance at 31.12.2024	*Rating Scope*	*Rating Moody's*
IT0005356040	Senior	Jul-36	175,000	175,000	50,797	BB+ (sf)	Ba1 (sf)
IT0005356057	Mezzanine	Jul-36	30,000	1,500	1,500	CCC (sf)	Ca (sf)
IT0005356065	Junior	Jul-36	10,000	500	500	n.r.	n.r.
Total			**215,000**	**177,000**	**52,797**		

Lanterna Mortgage s.r.l.

Disposal date:	16 July 2020
Seller:	Banca Carige s.p.a.; Banca del Monte di Lucca s.p.a.
Special purpose vehicle:	Lanterna Mortgage s.r.l., with registered office in Via della Cassa di Risparmio 15, Genoa
Servicer:	BPER Banca s.p.a. (former Banca Carige s.p.a.), in the role of Servicer - Corporate Servicer and Cash Manager.
Issue date of securities	31 July 2020
Type of transaction	Traditional - STS compliant
Organisation	BNY Mellon in the role of Account Bank and Paying Agent; Zenith Services as Representative of the Noteholders and BUS; Prime Collateralised Securities EU SAS as Third Party Verifying STS compliance
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out by the Originator. This activity has been delegated to the Servicer since the absorption date of Banca Carige into BPER Banca.

The operational aspects are summarised below:

Assets sold	Mortgage loans on residential properties
Quality of assets securitised	Performing loans
Amount of securitised assets	The total claimed principal amount of the loan portfolio sold is Euro 248.4 million.
Disposal price of securitised assets	The disposal price was Euro 249.4 million.
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	None
Analysis by business sector	Mortgage agreements stipulated with both individuals and legal entities excluding Public Administrations.
Analysis by geographical area	Securitised loans are concentrated in Italy.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Subscribed amount	Residual balance at 31.12.2024	*DBRS rating*	*S&P rating*
IT0005417990	A1	Jan-65	173,891	-	-	AAA (sf)	AA
IT0005418006	A2	Jan-65	11,179	11,179	11,179	AAA (sf)	AA
IT0005418014	Junior	Jan-65	69,034	69,034	69,034	n.r.	n.r.
Total			**254,104**	**80,213**	**80,213**		

Lanterna Finance 4

Disposal date:	08 June 2021
Seller:	Banca Carige s.p.a.; Banca del Monte di Lucca s.p.a.
Special purpose vehicle:	Lanterna Finance s.r.l., with registered office in Via della Cassa di Risparmio 15, 16123 - Genoa
Servicer:	BPER Banca s.p.a. (former Banca Carige s.p.a.), in the role of Servicer - Corporate Servicer and Cash Manager.
Issue date of securities	30 June 2021
Type of transaction	Traditional - STS compliant
Organisation	BNY Mellon in the role of Account Bank, Calculation Agent and Paying Agent; Zenith Services as Representative of the Noteholders and BUS; Prime Collateralised Securities EU SAS as Third Party Verifying STS compliance
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out by the Originator. This activity has been delegated to the Servicer since the absorption date of Banca Carige into BPER Banca.

The operational aspects are summarised below:

Assets sold	Mortgages granted to SMEs assisted by the specific Guarantee Provision
Quality of assets securitised	Performing loans
Amount of securitised assets	The total claimed principal amount of the loan portfolio sold is Euro 384 million.
Disposal price of securitised assets	The disposal price was Euro 384 million.
Guarantees and credit lines granted by the bank	Subordinated loan for Euro 3.275 million disbursed pro rata by Banca Carige s.p.a. and Banca del Monte di Lucca s.p.a.
Guarantees and credit lines granted by third parties	None
Analysis by business sector	Mortgage agreements stipulated with legal entities with SME status pursuant to Law 662/96.
Analysis by geographical area	Securitised loans refer to borrowers based in Italy.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Subscribed amount	Residual balance at 31.12.2024	*Moody's*	*S&P rating*
IT0005450710	Senior	Apr-50	320,000	-	-	Aa3 (sf)	A+
IT0005450728	Junior	Apr-50	62,700	62,700	62,700	n.r.	n.r.
Total			**382,700**	**62,700**	**62,700**		

Quantitative information

C.1 Prudential consolidation - Breakdown of exposures deriving from the main “own” securitisations by type of securitised asset and type of exposure

Type of securitised assets/Exposure	On-balance-sheet exposures					
	Senior		*Mezzanine*		*Junior*	
	Book Value	Net impairment losses/write-backs	Book Value	Net impairment losses/write-backs	Book Value	Net impairment losses/write-backs
A. Fully derecognised	**654,265**	**13,046**	**6,063**	**-**	**504**	**-**
- performing residential mortgages	1,015	36	409	-	-	-
- non-performing residential mortgages	116,594	1,588	670	-	175	-
- performing non-residential mortgages						
- non-performing non-residential mortgages	300,784	6,944	754	-	151	-
- performing leases						
- non-performing leases	-	-	680	-	-	-
- other performing loans						
- other non-performing loans	235,872	4,478	3,550	-	178	-
- performing securities						
- non performing securities						
B. Partially derecognised						
C. Not derecognised	**-**	**-**	**-**	**-**	**45,716**	**-**
- performing residential mortgages						
- non-performing residential mortgages						
- performing non-residential mortgages						
- non-performing non-residential mortgages						
- performing leases						
- non-performing leases						
- other performing loans					45,716	
- other non-performing loans						
- performing securities						
- non performing securities						

(cont.)

Type of securitised assets/Exposure	Guarantees granted					
	Senior		*Mezzanine*		*Junior*	
	Net exposure	Net impairment losses/write-backs	Net exposure	Net impairment losses/write-backs	Net exposure	Net impairment losses/write-backs
A. Fully derecognised	**1,637**	**61**	-	-	-	-
- performing residential mortgages	1,637	61				
- non-performing residential mortgages						
- performing non-residential mortgages						
- non-performing non-residential mortgages						
- performing leases						
- non-performing leases						
- other performing loans						
- other non-performing loans						
- performing securities						
- non performing securities						
B. Partially derecognised						
C. Not derecognised	-	-	-	-	-	-
- performing residential mortgages						
- non-performing residential mortgages						
- performing non-residential mortgages						
- non-performing non-residential mortgages						
- performing leases						
- non-performing leases						
- other performing loans						
- other non-performing loans						
- performing securities						
- non performing securities						

The table shows the on-balance-sheet exposures assumed by the Group in connection with its own securitisations Sestante, Pillarstone, Restart, Italian Credit Recycle, Brisca, 4Mori, Aqui, Riviera, Spring, Summer, Grogu, Loira. "Net impairment losses" show the annual flow of impairment losses and write-backs as required by the Bank of Italy's Circular 262/2005. The parts of the table relating to "Credit Lines" have not been shown as there is nothing to report.

C.2 Prudential consolidation - Breakdown of exposures deriving from the main "third-party" securitisations by type of securitised asset and type of exposure

Type of underlying asset/Exposures	On-balance-sheet exposures					
	Senior		*Mezzanine*		*Junior*	
	Book Value	Net impairment losses/write-backs	Book Value	Net impairment losses/write-backs	Book Value	Net impairment losses/write-backs
- performing residential mortgages	9,457	2	369	-		
- non-performing residential mortgages						
- performing non-residential mortgages						
- non-performing non-residential mortgages						
- performing leases						
- non-performing leases						
- other performing loans	20,598					
- other non-performing loans						
- performing securities						
- non performing securities						

(cont.)

Type of underlying asset/Exposures	Credit lines					
	Senior		*Mezzanine*		*Junior*	
	Net exposure	Net impairment losses/write-backs	Net exposure	Net impairment losses/write-backs	Net exposure	Net impairment losses/write-backs
- performing residential mortgages						
- non-performing residential mortgages						
- performing non-residential mortgages						
- non-performing non-residential mortgages						
- performing leases						
- non-performing leases						
- other performing loans	2,100					
- other non-performing loans						
- performing securities						
- non performing securities						

The parts of the table relating to "Guarantees granted" have not been shown as there is nothing to report.

C.3 Prudential consolidation - Interests in securitisation vehicles

There are no amounts to be disclosed in this consolidated report.

C.4 Prudential consolidation - Non-consolidated securitisation vehicles

Securitisation name/ Securitisation vehicle name	Registered head office	% Interest	Assets			Liabilities		
			Loans	Debt securities	Other	*Senior*	*Mezzanine*	*Junior*
Sardegna Re Finance s.r.l.	Via Statuto 13 – 20121 Milano		869,415	-	16,580	422,075	-	453,477
Lanterna Finance 4 - Pmi 100	Via Cassa di Risparmio, 15, 16123, Genoa		126,406		17,463	73,505	-	63,040
Lanterna Mortgage	Via Cassa di Risparmio, 15, 16123, Genoa		154,001		9,405	74,982		69,408

C.5 Prudential consolidation - Servicer activities - "own" securitisation: collection of securitised loans and reimbursement of securities issued by securitisation vehicle

There are no amounts to be disclosed in this consolidated report.

C.6 Prudential consolidation – Consolidated securitisation vehicles

There are no amounts to be disclosed in this consolidated report.

D. Disposal transactions

A. Financial assets sold but not fully derecognised

Qualitative Information

The business reflected in the following table mainly relates to the use of investment securities for short/medium/long-term repo transactions and to the disposal of loans to customers in the context of securitisation transactions.

Quantitative information

D.1 Prudential consolidation - Financial assets sold and fully recognised and associated financial liabilities: book value

	Financial assets sold and fully recognised				Related financial liabilities		
	Book Value	o.w. subject to securitisation transactions	o.w. subject to sale contracts with repurchase agreement	of which non-performing	Book Value	o.w. subject to securitisation transactions	o.w. subject to sale contracts with repurchase agreement
A. Financial assets held for trading	**-**	**-**	**-**	**X**	**-**	**-**	**-**
1. Debt securities	-	-	-	X	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
B. Other financial assets mandatorily measured at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets measured at fair value through other comprehensive income	**608,635**	**-**	**608,635**	**-**	**588,186**	**-**	**588,186**
1. Debt securities	608,635	-	608,635	-	588,186	-	588,186
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets measured at amortised cost	**4,728,455**	**266,962**	**4,461,493**	**6,186**	**4,253,944**	**135,014**	**4,118,930**
1. Debt securities	4,370,736	-	4,370,736	-	4,028,987	-	4,028,987
2. Loans	357,719	266,962	90,757	6,186	224,957	135,014	89,943
Total 31.12.2024	**5,337,090**	**266,962**	**5,070,128**	**6,186**	**4,842,130**	**135,014**	**4,707,116**
Total 31.12.2023	**5,955,411**	**363,706**	**5,591,705**	**13,582**	**5,501,746**	**236,809**	**5,264,937**

D.2 Prudential consolidation - Financial assets sold partially recognised and related financial liabilities: book value

There are no amounts to be disclosed in this consolidated report.

D.3 Prudential Consolidation – Sale transactions with liabilities having recourse exclusively on the assets sold and not fully derecognised: fair value

There are no amounts to be disclosed in this consolidated report.

B. Financial assets sold and not fully derecognised with recognition of continuing involvement

The Group did not make any disposal for which it would have to provide information in accordance with IFRS 7 § 7, 42D letters a), b), c) and § 42H.

C. Financial assets sold and fully derecognised

The instrument of the assignment of loans to mutual investment funds aims to assign the management of exposures classified as high risk to specialised and independent professional operators (represented by asset management companies, hereinafter also "SGR") which, through managerial discontinuity actions, should allow a more effective turnaround of Target debtor Companies in a state of financial tension and/or distress with respect to the amount that can be pursued by the creditor bank through own management of its exposure. The strategies pursued by the SGR that manages the fund, in fact, leverage management tools such as, for example, the conversion of debt to equity, the entry of Target debtor Companies in the management bodies in order to achieve an effective operational turnaround, the development of distressed M&A transactions aimed at protecting the value of companies through business partnerships, the direct purchase of property in the case of real estate operators and, lastly, the contribution of new finance from third party investors aimed at the relaunch of companies through tools that enable a greater degree of priority in reimbursements with respect to already existing financial debt (Debtor-in-Possession Financing).

From said perspective, the intervention of an SGR guarantees adequate mechanisms for protecting the rights of investing banks, through the powers attributed to the appropriate investor committees. In addition, in order to align the interests of the SGR with those of the investing banks, the fee and commission structure in favour of the SGR includes not only management fees, proportional to the net assets of the fund, but also performance fees or a carried interest in the extra return on the transaction.

Starting from 2018 until the current year 2024, the BPER Banca Group carried out various assignment transactions attributable to the scheme of the transfer to a mutual investment fund, which involved the derecognition of the assets transferred, following the verification that the originator transferred substantially the risks and rewards of the assets transferred and, also did not retain any substantial control over said assets which was instead assumed by the fund management company.

In replacement of the derecognised assets, under item 20 c) "Financial assets measured at fair value through profit and loss - other financial assets mandatorily measured at fair value", of Balance sheet assets, the BPER Banca Group recognised units of the Funds received in respect of said transfers. The risks and rewards that the Group may achieve on the units held in exchange for the transfer of assets depend on the general performance of the fund managed by the SGR. In compliance with Part A4 - Information on fair value, for the initial recognition and subsequent recognitions in the financial statements, in view of the characteristics of the instruments - units in mutual closed-end unlisted (illiquid) funds, the fair value was determined using a mark-to-model approach as level 3 fair value. A type of Discounted Cash Flow (DCF) model was used.

As at 31 December 2024, therefore, the BPER Banca Group holds units of 8 mutual investment funds in its portfolio, summarised hereunder:
- Clessidra Restructuring Fund – CRF
- IDeA Corporate Credit Recovery II – CCR II
- RSCT Fund
- Efesto
- Illimity Credit and Corporate Turnaround Fund - iCCT
- Illimity Real Estate Credit Found - iRECF
- Back2Bonis
- KEYstone.

In relation to the provisions contained in the Communication of the Bank of Italy of 23 December 2019, acknowledged in the 8th update of Circular 262, the quali-quantitative information for each transaction in place as at 31 December 2024 is reported below.

Sale of non-performing loans to Clessidra Restructuring Fund

Seller:	BPER Banca s.p.a.	
Acquiring investment fund:	Clessidra Restructuring Fund ("CRF")	
SGR that manages the investment fund:	Clessidra SGR s.p.a.	
Disposal date:	25.09.2019	05.05.2021
Assets sold:	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	27.7	4.1
NBV of assets transferred (in millions of Euro):	11.5	1.0
Units of Fund assigned:		
ISIN:	IT0005362659	IT0005362659
No. of units assigned at signing:	18,317,941	813,967
Book value of the units at signing (in millions of Euro):	12.0	0.8
No. of units outstanding at year-end:	19,131,908	
Book value of the units at year-end (in millions of Euro)	10.9	

Sale of non-performing loans to IDeA Corporate Credit Recovery II

Seller:	BPER Banca s.p.a.	
Acquiring investment fund:	IDeA Corporate Credit Recovery II or "IDeA CCR II"	
SGR that manages the investment fund:	Dea Capital Alternative Funds SGR s.p.a.	
Disposal date:	26.06.2018	24.01.2020
Assets sold:	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	6.1	8.7
NBV of assets transferred (in millions of Euro):	1.9	3.4
Units of Fund assigned:		
ISIN:	IT0005276065	IT0005276065
No. of units assigned at signing:	87	144
Book value of the units at signing (in millions of Euro):	4.3	2.5
No. of units outstanding at year-end:	231	
Book value of the units at year-end (in millions of Euro)	3.5	

Sale of non-performing loans to RSCT Fund

Seller:	BPER Banca s.p.a.
Acquiring investment fund:	RSCT Fund
SGR that manages the investment fund:	Davy Global Fund Management Limited, part of the company Pillarstone Italia s.p.a.
Disposal date:	13.05.2020
Assets sold:	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans
GBV of assets transferred(*) (in millions of Euro):	42.2
NBV of assets transferred(*) (in millions of Euro):	17.6
Units of Fund assigned:	
ISIN:	IT0005407975
No. of units assigned at signing(*) (in millions of Euro):	25,126,391
Book value of the units at signing (*) (in millions of Euro):	17.4
No. of units outstanding at year-end:	25,126,391
Book value of the units at year-end (in millions of Euro)	21.7

(*) The value stated is considered net of the value of the position repurchased in 2021 which, upon transfer, had a GBV of Euro 3.2 and a NBV of Euro 1.5. The repurchase by the transferor involved a reduction in the units initially acquired of 1,397,653 for a value of Euro 1.1 million.

Sale of non-performing loans to Efesto

Seller:	BPER Banca s.p.a.	
Acquiring investment fund:	EFESTO Fund	
SGR that manages the investment fund:	Finanziaria Internazionale Investments SGR s.p.a.	
Disposal date:	27.10.2020	11.03.2021
Assets sold:	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	25.1	112.5
NBV of assets transferred (in millions of Euro):	9.7	52.7

Units of Fund assigned:		
ISIN:	IT0005419491	IT0005419491
No. of units assigned at signing:	13,814,877	55,405,549
Book value of the units at signing (in millions of Euro):	10.0	51.5
No. of units outstanding at year-end:	69,220,426	
Book value of the units at year-end (in millions of Euro)	35.6	

Seller:	Banco di Sardegna s.p.a.						
Acquiring investment fund:	EFESTO Fund						
SGR that manages the investment fund:	Finanziaria Internazionale Investments SGR s.p.a.						
Disposal date:	27.10.2020	29.12.2020	07.01.2021	03.08.2021	09.12.2021	23.06.2022	16.11.2022
Assets sold:	Corporate Loans	Corporate Loans	Corporate Loans	Corporate Loans	Corporate Loans	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	18.0	10.9	1.3	5.7	8.0	2.8	30.5
NBV of assets transferred (in millions of Euro):	9.8	7.2	0.5	3.7	5.2	0.8	14.4

Units of Fund assigned:							
ISIN:	IT0005419491	IT0005419491	IT0005419491	IT0005419491	IT0005419491	IT0005419491	IT0005419491
No. of units assigned at signing:	11,113,744	7,210,793	718,646	3,939,261	5,842,094	2,166,806	22,804,542
Book value of the units at signing (in millions of Euro):	10.0	7.2	0.5	3.7	4.8	0.8	14.4
No. of units outstanding at year-end:	53,795,887						
Book value of the units at year-end (in millions of Euro)	27.6						

Seller:	Sardaleasing s.p.a.
Acquiring investment fund:	EFESTO Fund
SGR that manages the investment fund:	Finanziaria Internazionale Investments SGR s.p.a.
Disposal date:	30.12.2024
Assets sold:	Property lease contracts
Quality of assets sold:	UTPs, bad loans
GBV of assets transferred (in millions of Euro):	78.8
NBV of assets transferred (in millions of Euro):	18.8

Units of Fund assigned:	
ISIN:	IT0005419491
No. of units assigned at signing:	39,829,147
Book value of the units at signing (in millions of Euro):	22.9
No. of units outstanding at year-end:	39,829,147
Book value of the units at year-end (in millions of Euro)	18.8

The price of the positions transferred as at December 2024 was Euro 18.8 million. With respect to the gross value of the assets transferred, 28% refers to companies operating in the sector of rental and management of owned or leased properties, 17% to companies operating in the sector of buying and selling of own properties, 11% to companies operating in the sector of construction of residential and non-residential buildings, 10% to companies operating in the manufacture of ceramic tiles for floors and walls sector, the remaining part is variously distributed; 60% refers to companies operating in Northern Italy, 30% to companies operating in Central Italy.

Sale of non-performing loans to Illimity Credit and Corporate Turnaround Fund - iCCT

Seller:	BPER Banca s.p.a.			
Acquiring investment fund:	Illimity Credit and Corporate Turnaround Fund ("iCCT")			
SGR that manages the investment fund:	Illimity SGR s.p.a.			
Disposal date:	31.03.2021	26.11.2021	23.02.2023	14.12.2023
Assets sold:	Corporate Loans	Corporate Loans	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	37.8	5.5	22.0	7.6
NBV of assets transferred (in millions of Euro):	23.9	2.5	12.3	7.0

Units of Fund assigned:				
ISIN:	IT0005416653	IT0005416653	IT0005416653	IT0005416653
No. of units assigned at signing:	30,357,527	3,230,166	12,247,369	5,457,745
Book value of the units at signing (in millions of Euro):	25.0	3.3	12.2	1.7
No. of units outstanding at year-end:	51,292,807			
Book value of the units at year-end (in millions of Euro)	37.3			

Seller:	Sardaleasing s.p.a.			
Acquiring investment fund:	Illimity Credit and Corporate Turnaround Fund ("iCCT")			
SGR that manages the investment fund:	Illimity SGR s.p.a.			
Disposal period:	01.04.2021	06.12.2021	27.06.2022	21.12.2023
Assets sold:	Corporate Loans	Corporate Loans	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	1.8	8.9	7.8	9.7
NBV of assets transferred (in millions of Euro):	1.1	7.3	4.9	3.0

Units of Fund assigned:				
ISIN:	IT0005416653	IT0005416653	IT0005416653	IT0005416653
No. of units assigned at signing:	1,308,994	6,836,908	4,786,862	6,156,317
Book value of the units at signing (in millions of Euro):	1.1	4.4	4.8	4.4
No. of units outstanding at year-end:	19,089,081			
Book value of the units at year-end (in millions of Euro)	13.6			

Disposal of non-performing loans to Illimity Real Estate Credit Fund - iRECF

Seller:	BPER Banca s.p.a.
Acquiring investment fund:	Illimity Real Estate Credit Fund or “iRECF”
SGR that manages the investment fund:	Illimity SGR s.p.a.
Disposal date:	24.10.2023
Assets sold:	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	30.2
NBV of assets transferred (in millions of Euro):	20.9

Units of Fund assigned:	
ISIN:	IT0005493371
No. of units assigned at signing:	28,827,038
Book value of the units at signing (in millions of Euro):	16.3
No. of units outstanding at year-end:	28,827,038
Book value of the units at year-end (in millions of Euro)	17.7

Sale of non-performing loans to Back2Bonis

Seller:	BPER Banca s.p.a.	
Acquiring investment fund:	Back2Bonis	
SGR that manages the investment fund:	SGR Prelios s.p.a.	
Disposal date:	21.05.2021	26.06.2023
Assets sold:	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	51.6	23.4
NBV of assets transferred (in millions of Euro):	25.6	19.4
Units of Fund assigned:		
ISIN:	IT0005396327	IT0005396327
No. of units assigned at signing:	50	45
Book value of the units at signing (in millions of Euro):	24.4	13.5
No. of units outstanding at year-end:	95	
Book value of the units at year-end (in millions of Euro)	36	

Sale of non-performing loans to KEYstone

Seller:		BPER Banca s.p.a.	
Acquiring investment fund:		KEYstone Fund	
SGR that manages the investment fund:		KRYALOS SGR s.p.a.	
Disposal date:	08.02.2022	20.12.2022	17.12.2024
Assets sold:	Corporate Loans	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	37.1	34.8	26.8
NBV of assets transferred (in millions of Euro):	16.7	7.6	14.5
Units of Fund assigned:			
ISIN:	IT0005474462	IT0005474462	IT0005474462
No. of units assigned at signing:	31,914,369	11,320,122	21,367,446
Book value of the units at signing (in millions of Euro):	20.4	7.7	14.6
No. of units outstanding at year-end:		64,601,937	
Book value of the units at year-end (in millions of Euro)		42.5	

The price of the positions transferred as at December 2024 was Euro 14.1 million. With respect to the gross value of the assets transferred, 40% relates to companies operating in the sector of rental of own or leased real estate, 15% to companies operating in the sector of processing and preservation of meat (excluding poultry), 9% to companies operating in the sector of buying and selling of own properties, 8% to companies operating in the sector of manufacture of plastic products, 6% to companies operating in the sector of construction of residential and non-residential buildings, and 6% to companies operating in the sector of retail trade in non-specialised stores of computers, peripherals, telecommunications equipment, consumer electronics (audio and video), and household appliances. The remaining portion is distributed across various sectors; 76% relates to companies operating in Northern Italy, and 20% to companies operating in Southern Italy.

D. Covered bond transactions

Introduction

Covered Bond (OBG) issues are foreseen by BPER Banca Group's strategic plan as a means to diversify funding sources, reduce funding costs and extend the maturities of liabilities. In particular, OBG issues are extremely appealing at a time when market yields are lower than traditional bonds.

The Board of Directors:
- on 8 February 2011, by means of a specific programme resolution, it launched the structuring of a First OBG issue programme ("OBG1"), based on a portfolio secured by residential mortgages, pursuant to Law no. 130 of 30 April 1999 (the "Law 130/99") and the related implementing regulations in force at the time;
- on 3 March 2015, launched the structuring of a second programme for the issue of Covered Bonds ("OBG2"), based on a collateralised portfolio of residential and commercial mortgage loans;
- following the merger by absorption of the subsidiary Banca Carige s.p.a. on 24 November 2022, with economic effect from 28 November 2022, BPER Banca became the issuer of a third covered bond issuing programme ("OBG3"), based on a collateralised portfolio of residential and commercial mortgages.

The basic structure of a covered bond issue

Covered Bonds may be issued under an operating scheme that includes:
- the sale by a bank, which may differ from the bond issuer, to a special purpose vehicle of high credit quality assets and which constitute segregated assets pursuant to the applicable provisions of Law 130/99;
- the selling bank or another bank of the same banking group granting a subordinated loan to the assignee vehicle company to provide the assignee with the funding required to purchase the assets;
- the assignee company providing a guarantee, within the limits of its segregated assets, in favour of holders of bonds issued by the selling bank or another bank in the same group.

High credit quality assets are intended to mean loans that meet the selection criteria defined by the Regulations and related contracts (the "Eligible Assets").

Key elements of the BPER Banca Group's Programmes for the issue of Covered Bonds

The BPER Banca's Covered Bond Programmes (the "OBG Programmes") have been structured as follows:
- the sale without recourse of high credit quality assets, which constitute segregated assets pursuant to Law 130/99, respectively to the special purpose vehicles Estense Covered Bond s.r.l. for OBG1, Estense CPT Covered Bond s.r.l. for OBG2 and Carige Covered Bond s.r.l. for OBG3, initially just by BPER Banca or by the respective originator banks and then, during the Programmes, also by other Group Banks;
- the provision to the assignee vehicle companies, by BPER Banca and other Group Banks that will eventually join the Programmes as selling banks, of subordinated loans to provide the assignees with the funding required to purchase the assets sold;
- the issue by the assignee SPVs, up to the amount of the segregated assets, of guarantees in favour of the holders of the Covered Bonds issued by BPER Banca.

Although they are presented "as Group Programmes", the initial and subsequent transactions only involved BPER Banca or the respective originator bank as the selling bank, the understanding being that BPER Banca always takes on the role of issuing bank. Only at a later stage, after an expert assessment of the risks and opportunities, it is expected that other Group Banks will join the Programmes as selling banks of additional Eligible Assets.
The portfolios of Eligible Assets are composed of loans originating from residential mortgage loans for OBG1 and of residential and commercial mortgage loans for OBG2 and OBG3, which meet the requirements of the regulations in force. These portfolios were identified based on general and specific criteria indicated in the sale agreements. The additional portfolios of Eligible Assets may include loans deriving from mortgages that meet the requirements of the Regulations.
The sale price of the portfolios is determined, as laid down in the *Supervisory Provisions for Banks*, with reference to their book values in the latest Financial Reports approved by BPER Banca with a view to specific sale dates or by having the sale price certified by the Independent Auditors. The sale prices so determined are subject to adjustment to take account of movements on the loans between the financial year end and the date of sale. More specifically, the sale prices shall be adjusted to consider the collection of the capital element of the loans in the intervening period and the payment of contractually agreed interest in the same period.

The sale of the portfolios - without recourse and under the combined provisions of articles 1 and 4 of Law 130/99 and art. 58 of the Consolidated Law on Finance - is communicated to the mortgage holders by publishing a notice of sale with the above selection criteria in the Official Journal and by filing the same notice of sale with the Companies' Register. Further formalities are also carried out for privacy legislation purposes (Legislative Decree 196/2003 and Regulation (EU) 679/2016, as later amended and supplemented).

The mortgage holders maintain a direct operational relationship with BPER Banca since the three SPVs have given BPER Banca responsibility for managing and administering the loans sold and the related collection and payment services ("servicing activities"), with BPER Banca having the power to grant a sub-proxy to the pertinent selling banks to perform servicing activities for the portfolios sold.

This, in accordance with the regulations in force, is in order to minimise the commercial impact with the mortgage holders and, at the same time, to optimise the operational management of each portfolio which, in fact, remains in the hands of the assignors.

At predetermined dates and based on specific operational and market situations, BPER Banca, in the role of Calculation Agent, will perform assessment tests to compare the portfolios sold with the bonds issued, aimed at verifying the adequacy of the guarantees issued with reference to specific legal parameters and the parameters set by the related OBG Programmes' documentation based on indications provided by rating agencies, on which the credit rating assigned to these OBGs depends.

In the case of non-compliance with one or more of the required parameters, it will be necessary to add to the portfolios sold by selling further Eligible Assets. The portfolios can be supplemented through the use of the vehicle companies' liquid funds or further disbursements of the subordinated loans granted by BPER Banca (or, by the other selling banks, as the case may be).

Other initiatives are required in the case of violation of contractual conditions, up to the extreme consequences of enforcement of the guarantees provided by the vehicle companies in the case of an Event of Default by the issuer (for example, default in repayment of principal or non-payment of interest on the Covered Bonds).

Moreover, on predetermined dates, the functions responsible for supervising the Bank's risk management verify the quality and integrity of the Eligible Assets.

The structure of the OBG Programmes, as outlined, permits the creation of segregated assets (consisting of the Eligible Assets assigned), to serve as a preferred guarantee for the Covered Bond holders, for the counterparties to derivative contracts entered into under the Programmes to hedge the risks inherent in the portfolio of transferred Eligible Assets and for the payment of other transaction costs.

Normally, the charges for payment and redemption of the OBG remain with the Issuer and, only when there is an Event of Default by the Issuer, will automatic protection mechanisms be activated to protect the investors.

To further support the financial structure, provision has been made for swaps with one or more external counterparties selected on the market and with an appropriate credit standing in line with the eligibility criteria required by rating agencies. The purpose of these contracts is to transform the interest flow produced by the loan portfolios sold so as to make them consistent with that incurred on the bonds issued.

In particular, among the various options available, it is normally envisaged that two separate swap derivative contracts will be entered into:

- asset swap: under this contract, the SPV will pay the swap counterparty the flow received as interest on a notional amount represented by a portion of segregated assets and determined by taking into account the outstanding amount of the liability represented by the Covered Bonds issued and will collect from it a flow corresponding to Euribor for the period plus or minus a Spread applied to the same notional amount;
- liability swap: under this derivative the SPV will receive from the swap counterparty a fixed rate equal to the coupon of the related series of OBGs and will pay thereto a flow corresponding to Euribor plus or minus (as appropriate) a Spread applied to an amount equal to the nominal value of the corresponding series of Covered Bonds.

These contracts can be linked to back-to-back swap agreements between the swap counterparties and BPER Banca, a situation that currently exists in the case of the ninth issue of the OBG1 Programme. No swap currently exists for the remaining issues.

The financial back-to-back mechanism allows, on the one hand, BPER Banca, as selling bank, to maintain a financial position as desired and consistent with its Asset & Liability Management strategies and, on the other hand, the SPV, as guarantor, in the Event of the occurrence of an Event of Default of the Issuer, to cover the costs of the Covered Bonds by trading them for the expected return on portfolio of loans sold.

The OBG1 Programme

The OBG1 Programme provides for the issue of Covered Bonds up to a maximum of Euro 7 billion, to take place in a number of issues over time, by the term of legal existence of the special purpose vehicle acting as guarantor (subject to the obligations for annual renewal of the prospectus prepared in compliance with EU Regulations).

OBG1 Programme issuances

Issue	Issue date	Nominal amount of the OBGs issued	Repayment date	Nominal amount repaid	OBG characteristics	Purpose
I	01/12/2011	750,000,000	22/01/2014	750,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
II	25/06/2012	300,000,000	22/04/2015(*)	300,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
III	15/10/2013	750,000,000	22/10/2018	750,000,000	Fixed rate	placed on the national and international market
III (**)	24/02/2014	250,000,000	22/10/2018	250,000,000	Fixed rate	placed on the national and international market
IV	22/01/2015	750,000,000	22/01/2022	750,000,000	Fixed rate	placed on the national and international market
V	29/07/2015	750,000,000	22/07/2020	750,000,000	Fixed rate	placed on the national and international market
VI	31/05/2016	500,000,000	22/07/2020	500,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
VII	03/02/2017	540,000,000	22/04/2021	540,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
VIII	19/07/2018	500,000,000	22/07/2023	500,000,000	Fixed rate	placed on the national and international market
IX	19/03/2019	600,000,000	22/04/2026	-	Fixed rate	placed on the national and international market
X	18/09/2020	1,150,000,000	22/10/2024	1,150,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
XI	18/05/2021	600,000,000	22/04/2025	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
XII	16/11/2021	400,000,000	22/10/2025	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
XIII	29/06/2022	1,000,000,000	22/07/2026	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
XIV	28/11/2023	750,000,000	22/10/2028	-	Fixed rate	placed on the national and international market
XV	21/03/2024	500,000,000	22/01/2031	-	Fixed rate	placed on the national and international market
XVI	03/09/2024	500,000,000	22/07/2029	-	Fixed rate	placed on the national and international market
Total		**10,590,000,000**		**6,240,000,000**		

The residual debt of outstanding operations as at 31 December 2024 amounted to Euro 4,350 million.
(*) The II issue was early repaid on 12 January 2015.
(**) III series reopened in February 2014

In line with the operational chart described above, on 2 November 2011, BPER Banca sold to Estense Covered Bond s.r.l., the special purpose vehicle acting as guarantor, a first portfolio of assets complying with the eligibility requirements provided for under the law, selected in accordance with the criteria noted above and featuring the following main characteristics:
- residential mortgage loans provided in accordance with mortgage lending legislation;
- concluded by 31 December 2010;
- final instalment due after 31 December 2012;
- ratio of outstanding debt to the value of secured property, estimated at the payment date, not higher than 80%.

The table below shows the details of all subsequent disposals.

OBG1 Programme sale of receivables

(in million)

Disposals	Disposal date	Price of receivables assigned
I	02/11/2011	1,091
II	04/05/2012	546
III	10/07/2013	681
IV	23/07/2014	501
V	28/04/2015	1,074
VI	28/01/2016	1,086
VII	27/07/2016	310
VIII	25/01/2017	404
IX	23/10/2017	816
X	27/04/2018	652
XI	29/04/2019	570
XII	25/06/2020	515
XIII	24/09/2021	937
XIV	24/05/2022	991
XV	22/06/2023	648
XVI	07/11/2023	890
XVII	08/03/2024	928
XVIII	27/05/2024	909
Total		**13,549**

The credit facility granted by BPER Banca to Estense Covered Bond s.r.l. to finance the purchase of the transferred portfolios amounted to Euro 8 billion as at 31 December 2024. This is without prejudice to BPER Banca's right to increase the amount of said credit facility to finance the purchase of additional portfolios for the purpose of adding to the segregated assets. The relevant subordinated loan is remunerated so as to guarantee a return to the transferor of the yield on the segregated loans, albeit residual with respect to payment of the vehicle company's operating expenses, thus making the asset transfers essentially neutral from an economic standpoint.

Repayment of this loan is linked to the gradual reimbursement of the Covered Bonds that, in turn, will allow the release of the loan portfolio or the cash collections generated thereby.

Repayment of subordinated loan OBG1 Programme

(in million)

Disposal date	Amounts repaid
22/10/2014	250
22/10/2015	250
22/01/2016	120
22/04/2016	250
22/07/2016	250
23/10/2017	400
23/04/2018	100
23/07/2018	250
22/10/2018	500
22/01/2019	280
23/04/2019	150
22/07/2019	150
22/10/2019	147
22/07/2020	495
22/01/2021	50
22/04/2021	50
22/07/2021	50
22/10/2021	450
22/04/2022	540
24/10/2022	75
24/04/2023	350
24/07/2023	370
23/10/2023	145
22/01/2024	150
22/04/2024	160
22/07/2024	200
22/10/2024	180
Total	**6,362**

The liquidity generated by the portfolio can also be used - within the limits established by law - for suitable investments or deposits, based on BPER Banca's indications as Investment Agent. Cash generated from the portfolio of sold Eligible Assets - for which BPER Banca remains as Servicer - are transferred to current accounts with banks with appropriate rating.

Counterparties involved in the OBG1 Programme

Issuing Bank, initial Selling Bank, Servicer, Investment Agent, Principal Paying Agent, Subordinated Loan Provider and Calculation Agent: BPER Banca.

Any other seller bank that could join the Programme:
- Banco di Sardegna s.p.a.;
- Bibanca s.p.a.;
- Banca Cesare Ponti s.p.a.;
- BPER Banca Luxembourg s.a.

Arranger: NatWest Market N.V.
Guarantor: Estense Covered Bond s.r.l.
Representative of the Noteholders, Corporate Servicer, Guarantor Calculation Agent and Back-up Servicer Facilitator: Banca Finint s.p.a.
Italian Paying Agent, Cash Manager and Account Bank: BNP Paribas (both the Italian and London branches).
Liability Swap counterparty: for the ninth issue, BNP-Paribas.
Legal advisor to BPER Banca: Hogan Lovells Studio Legale.
Asset Monitor and Pool Auditor: PriceWaterhouseCoopers s.p.a.
Independent Auditors of the special purpose vehicle: Deloitte & Touche s.p.a.
Rating agencies: Moody's Italia s.r.l.

The OBG2 Programme

The OBG2 Programme provides for the issue of Covered Bonds up to a maximum of Euro 7 billion, to take place in a number of issues over time, by the term of legal existence of the special purpose vehicle acting as guarantor (subject to the obligations for annual renewal of the prospectus prepared in compliance with EU Regulations).

OBG2 Programme issuances

Issue	Date issue	Nominal amount of the OBGs issued	Repayment date	Nominal amount repaid	OBG characteristics	Purpose
I	16/12/2015	625,000,000	28/01/2018(*)	625,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
II	01/08/2016	200,000,000	28/10/2020	200,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
III	24/02/2017	240,000,000	28/04/2021	240,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
IV	25/01/2018	420,000,000	28/10/2021	420,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
V	17/10/2018	1,050,000,000	28/04/2022	1,050,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
VI	13/03/2019	200,000,000	28/04/2022	200,000,000	Fixed rate	self-subscribed for the purpose of ECB refinancing
VII	10/07/2019	250,000,000	28/07/2023	250,000,000	Fixed rate	self-subscribed for the purpose of ECB refinancing
VIII	30/01/2020	200,000,000	28/01/2024	200,000,000	Fixed rate	self-subscribed for the purpose of ECB refinancing
IX	30/04/2020	900,000,000	28/04/2024	900,000,000	Fixed rate	self-subscribed for the purpose of ECB refinancing
X	12/11/2020	550,000,000	28/10/2024	550,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
XI	12/11/2020	600,000,000	28/10/2024	600,000,000	Fixed rate	self-subscribed for the purpose of ECB refinancing
XII	14/05/2021	250,000,000	28/04/2025	-	Floating rate	self-subscribed for the purpose of ECB refinancing
XIII	11/11/2021	700,000,000	28/10/2025	-	Floating rate	self-subscribed for the purpose of ECB refinancing
XIV - I Tranche	11/11/2021	1,000,000,000	28/10/2025	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
XIV - II Tranche	23/09/2022	700,000,000	28/10/2025	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
XV	13/06/2024	250,000,000	28/10/2028	-	Floating rate	self-subscribed for the purpose of ECB refinancing
XVI	15/11/2024	250,000,000	28/01/2031	-	Floating rate	self-subscribed for the purpose of ECB refinancing
XVil	15/11/2024	1,000,000,000	28/01/2030	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
Total		**9,385,000,000**		**5,235,000,000**		

The residual debt of outstanding operations as at 31 December 2024 amounted to Euro 4,150 million.
(*) The first issue was early repaid on 27 September 2017 for Euro 150 million and on 22 January 2018 for the residual nominal amount.

In line with the operational chart described above, on 17 September 2015, BPER Banca sold to Estense CPT Covered Bond s.r.l., the special purpose vehicle acting as guarantor, a first portfolio of assets complying with the eligibility requirements provided for under the law, selected in accordance with the criteria noted above, featuring the following main characteristics:
- residential and commercial mortgage loans;
- granted by 31 December 2014;
- final instalment due after 31 December 2015;
- ratio of outstanding debt to the value of secured property, revalued close to the date of sale, not higher than 80% for residential mortgage loans and than 60% for commercial mortgage loans.

The table below shows the details of all subsequent disposals.

Asset disposals under the OBG2 Programme

(in million)

Disposals	Disposal date	Price of assets sold
I	17/09/2015	870
II	23/06/2016	478
III	21/11/2016	411
IV	22/05/2018	594
V	24/09/2018	732
VI	27/02/2019	276
VII	25/06/2019	593
VIII	26/11/2019	594
IX	25/03/2020	441
X	23/04/2020	1,123
XI	23/10/2020	840
XII	20/10/2021	1,443
XIII	24/06/2022	1,168
XIV	24/03/2023	481
Total		**10,044**

The credit facility granted by BPER Banca to Estense CPT Covered Bond s.r.l. to finance the purchase of the transferred portfolios amounted to Euro 8 billion as at 31 December 2024. This is without prejudice to BPER Banca's right to increase the amount of said credit facility to finance the purchase of additional portfolios for the purpose of adding to the segregated assets. The relevant subordinated loan is remunerated so as to guarantee a return to the transferor of the yield on the segregated loans, albeit residual with respect to payment of the vehicle company's operating expenses, thus making the asset transfers essentially neutral from an economic standpoint.

Repayment of this loan is linked to the gradual reimbursement of the Covered Bonds that, in turn, will allow the release of the loan portfolio or the cash collections generated thereby.

Repayment of subordinated loan OBG2 Programme

(in million)

Disposal date	Amounts repaid
28/07/2017	70
30/10/2017	200
30/04/2018	100
30/07/2018	150
28/01/2019	110
29/07/2019	200
28/10/2019	335
28/04/2020	235
28/07/2020	75
28/01/2021	50
28/04/2021	100
29/07/2021	50
28/10/2021	600
28/04/2022	250
28/10/2022	285
30/01/2023	250
28/04/2023	200
28/07/2023	330
29/01/2024	260
29/04/2024	300
29/07/2024	150
28/10/2024	160
Total	**4,460**

The liquidity generated by the portfolio can also be used - within the limits established by law - for suitable investments or deposits, based on BPER Banca's indications as Investment Agent. Cash collections generated by the portfolio of Eligible assets sold - on which BPER Banca retains the role of Servicer - are channelled into current accounts opened with BPER Banca.

The specific financial feature of the OBG2 Programme is a different structural technique which, in the event of the Parent Company's default and under other circumstances foreseen in the OBG2 Programme, makes it possible to adjust the repayment plan of the Covered Bonds according to the loan portfolio amortisation schedule pledged as collateral. This eliminates the financial risk associated with a forced and peremptory liquidation of this portfolio, thereby transforming the outstanding Covered Bonds into securities similar to pass-through securities issued as part of ordinary securitisation transactions. In this way, the risk profile of a default on the Covered Bonds is clearly attenuated, making it possible to obtain a higher rating.

Counterparties involved in the OBG2 Programme

Issuing Bank, initial Selling Bank, Servicer, Investment Agent, Primary Paying Agent, Account Bank, Subordinated Loan Provider and Calculation Agent: BPER Banca.

Any other seller bank that could join the Programme:
- Banco di Sardegna s.p.a.;
- Bibanca s.p.a.;
- Banca Cesare Ponti s.p.a.;
- BPER Banca Luxembourg s.a.

Arranger: UBS Europe SE.
Initial Dealer of the first series of bonds issued: Banca Finint s.p.a.
Guarantor: Estense CPT Covered Bond s.r.l.
Representative of the Noteholders, Corporate Servicer, Guarantor Calculation Agent and Back-up Servicer Facilitator: Banca Finint s.p.a.
Subsequent Paying Agent and Back-up Account Bank: Bank of New York Mellon SA/NV - Milan Branch.
Legal advisor to BPER Banca: Hogan Lovells Studio Legale.
Asset Monitor: PricewaterhouseCoopers s.p.a.
Independent Auditors of the special purpose vehicle: Deloitte & Touche s.p.a.
Rating agencies: Moody's Italia s.r.l.

The OBG3 Programme

The OBG3 Programme provides for the issue of Covered Bonds up to a maximum of Euro 5 billion.

Issues of OBG3 Programme outstanding as at 31 December 2024

issue	Issue date	Nominal amount of the OBGs issued	Repayment date	Nominal amount repaid	OBG characteristics	Purpose
I	20/09/2010	75,000,000	20/09/2030	-	Fixed rate	placed on the national and international market
II	25/11/2010	20,000,000	25/11/2030	-	Fixed rate	placed on the national and international market
III	27/12/2010	40,000,000	27/12/2030	-	Fixed rate	placed on the national and international market
IV	23/04/2012	30,000,000	23/04/2032	-	Fixed rate	placed on the national and international market
V	02/11/2012	17,000,000	02/11/2032	-	Fixed rate	placed on the national and international market
VI	05/11/2012	50,000,000	05/11/2032	-	Fixed rate	placed on the national and international market
VII	06/11/2012	10,000,000	26/10/2032	-	Fixed rate	placed on the national and international market
VIII	25/01/2013	5,000,000	25/01/2028	-	Fixed rate	placed on the national and international market
IX	29/08/2013	10,000,000	29/08/2033	-	Fixed rate	placed on the national and international market
X	05/06/2014	10,000,000	25/05/2029	-	Fixed rate	placed on the national and international market
XI	28/10/2021	750,000,000	28/10/2028	-	Fixed rate	placed on the national and international market
XII	06/09/2024	500,000,000	27/10/2028	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
Total		**1,517,000,000**		**-**		

In line with the operational scheme described above Banca Carige s.p.a. (now merged into BPER Banca, as stated) on 14 November 2008 sold to Carige Covered Bond s.r.l. a first portfolio of assets complying with the eligibility requirements provided for under the law, selected in accordance with the criteria noted above and featuring the following main characteristics:
- residential and commercial mortgage loans;
- concluded by 30 March 2007;
- final instalment due by 30 June 2045;
- ratio of outstanding debt to the value of secured property, estimated at origination, not exceeding 80% for residential mortgage loans and 60% for commercial mortgage loans.

The funds in the form of a line of credit granted by BPER Banca to Carige Covered Bond s.r.l. to pay the purchase price of the transferred portfolios, are remunerated so as to guarantee to the transferor a return consisting in the yield originating from the segregated loans, albeit marginal with respect to the payment of the SPV's operating expenses, and thus makes the asset disposals essentially neutral from an economic standpoint.

Repayment of this loan is linked to the gradual reimbursement of the Covered Bonds that, in turn, will allow the release of the loan portfolio or the cash collections generated thereby.

The liquidity generated by the portfolio can also be used - within the limits established by law - for suitable investments or deposits, based on BPER Banca's indications as Investment Agent. Cash generated from the portfolio of sold Eligible Assets - for which BPER Banca remains as Servicer - are transferred to current accounts with BNP Paribas, either in Italy or the UK, since this is a third party with appropriate rating.

Counterparties involved in the OBG3 Programme

Issuing Bank, Selling Bank, Servicer, Italian Account Bank, Investment Agent, Liquidity Facility Provider, Subordinated Loan Provider, and Calculation Agent: BPER Banca.
Joint Arrangers and Dealers: NatWest Markets N.V. and UBS Europe SE.
Guarantor: Carige Covered Bond s.r.l.
Representative of the Noteholders: Deutsche Trustee Company Limited.
Principal Paying Agent, Cash Manager and Transaction Bank: BNP Paribas.
Italian Paying Agent: Deutsche Bank s.p.a.
Corporate Servicer and Guarantor Calculation Agent: Banca Finint s.p.a.
Back-up Servicer Facilitator: Zenith Global s.p.a.
Legal advisor to BPER Banca: Hogan Lovells Studio Legale.
Asset Monitor: PricewaterhouseCoopers s.p.a.
Independent Auditors of the special purpose vehicle: Deloitte & Touche s.p.a.
Rating agencies: Moody's Italia s.r.l. and Morningstar DBRS Ratings Limited.

Organisational structure and procedures

The structuring process for the OBG Issue Programmes made it necessary to organise specific internal work teams. In this regard, a specific structure was set up, the Institutional Funding Office, which acts as coordinator of the work teams, taking care to involve all the structures involved in the management process of the Covered Bonds.
To supervise the structuring process and management of the OBG Programmes, a specific Regulation with Operating Instructions has been prepared.

Accounting, capital and tax impact

Through the issuance of Covered Bonds, the selling banks essentially retain all risks and rewards of the transferred assets, since repayment of the subordinated loan granted to the vehicle companies is conditional upon the performance of the transferred assets used as collateral.
The selling banks are required to reinstate, in line with several alternatives, the collateral sold should the eligible assets value deteriorate and their value fall below the thresholds set by contract.
The primary objective of creating a special purpose vehicle and the sale of eligible assets thereto is, in fact, to legally segregate, by means of a without recourse sale contract, the selling bank's assets within a separate legal entity. These assets, thus segregated, are subject to a collateral constraint under Law 130/99. Thus, the holders of Covered Bonds benefit, on the one hand, from the general guarantee represented by the issuer's capital and on the other, from the guarantee issued by the SPV in respect of the segregated portfolio. This structure of "dual protection" facilitates the creation of conditions for a potential reduction in the funding costs of the selling bank.
The overall risk profile of BPER Banca as initial selling bank is not altered in any way.
The same "Supervisory Provisions for banks" stipulate that the selling banks retain the same capital requirement that they are already required to comply with, in respect of the assets sold, prior to the sale. The transactions do not, therefore, result in a derecognition: the selling banks must continue to recognise the transferred assets in their entirety in the balance sheet and the considerations received from the sale must be accounted for as opposite entries to the financial liabilities due to the SPVs.
In turn, these liabilities must be shown net of the subordinated loans granted to the vehicles, due to the principle of substance over form: it is as if the purchases of loans by the SPVs have never taken place.
The subordinated loans are not taken into consideration for the purposes of counterparty risk; these loans must not, in fact, be considered, as the credit risk is already reflected in the valuation of the loans being sold.

As regards the impact at consolidation level, it should be noted that the aforementioned special purpose vehicle companies are BPER Banca Group's entities, as they are subsidiaries of the Parent Company. They are therefore consolidated.
Finally, regarding the tax implications, consistent with the dictates of art. 7 bis, Law 130/99, all taxes and dues are payable as though the sales of the loans had never taken place.
Again, to ensure that the operation was neutral for tax purposes, it was established, as foreseen in art. 7 bis, paragraph 7 of Law 130/99, that the sale price would be equal "*to the latest carrying amount of the loans*", or as certified by the Independent Auditors of the selling Bank.

Risks associated with the transaction

The Covered Bond Programmes involve some financial and non-financial risks, subject to analysis and monitoring by the Group's Risk Management and Compliance functions and, specifically with regard to the risks of fraud and unintentional errors in financial reporting, by the Manager responsible for preparing the company's financial reports.

In summary the main risk profiles can be summarised as follows:

- Interest rate risk. In the structure of a Covered Bond, the interest rate risk originates from the different characteristics of interest rates on Covered Bonds and on the portfolio of their collateral, eligible assets. These risks are mitigated by hedging derivatives, possibly put in place from time to time with market counterparties.
- Credit risk. In the structure of a covered bond, credit risk is attributable to the quality of loans sold by each Selling Bank. Given this risk, the rating agencies, in order to attribute to the Covered Bonds the maximum rating possible, require a level of over-collateralisation which is also linked to the quality of the Eligible Assets being disposed.
- Counterparty risk. The counterparty risk is the possibility that the creditworthiness of third parties involved in the transaction, in other words, the swap counterparties and any third-party bank, with which the SPV has its accounts, may worsen to the point of creating a liquidity problem, with the result that the funds of the portfolio of assets sold that flow into the accounts of the SPV or payments made in connection with the swaps are retained by the same counterparties. This risk is mitigated by the involvement of high rated counterparties and the existence of clauses, in the relevant ISDA and CSA contracts as well as in the "Cash Management and Agency Agreement", according to which, in the case of downgrading of the counterparties, they will be immediately replaced.
- Liquidity risk. An issue of "bullet" Covered Bonds with a portfolio of eligible assets relating to loans with given repayment plans entails the need for the latter to be dynamically managed. The funds received from the collection of capital instalments on the loans sold may be, in fact, reinvested in new loans with similar characteristics. If the Banking Group does not have eligible loans available to be sold to supplement the loan portfolio sold (including to replace non-performing loans), it would be necessary to supplement the portfolio by paying cash or eligible securities, thereby impacting negatively on the counterbalancing capacity of the selling banks.
- Compliance risk. The articulate and accurate external legislation regulating Covered Bonds, together with management and internal operating rules, require a precise and formal structuring of activities under the OBG Programmes, both during the up front and on going phases. The analysis of compliance requirements is performed by the Compliance and Audit functions.
- Reputational risk. Reputational risk is the possibility that the failure by BPER Banca to fulfil certain obligations arising from its role in the OBG Programmes adversely affects the credibility and image of the banking Group on the market, resulting in a significant economic and financial impact.
- Risk of financial inadequacy. The Supervisory Instructions for banks, in the discipline of Covered Bonds, in relation to the complexity of the contractual profiles and the possible impact on the technical structure of the banks carrying out these transactions, require, among other things, a careful assessment of the impact on the financial stability of those banks. The analysis of the projects by BPER Banca's Board of Directors highlighted:
  - regarding the impact on results, the transactions would have led to, with reference to available market data, a lower cost of funding compared with equivalent senior unsecured transactions and this would have allowed start-up costs to be fully covered, already in the first year, as well as to cover ongoing costs for the period.
  - regarding the impact on the financial position, having considered the portfolio at Group level, of residential or commercial mortgage loans potentially suitable for disposal, a plan of multi-year issuances was hypothesised so as to have sufficient room to replenish the cover pool, if necessary, without affecting the financial position and/or commercial practices of the Group.

These findings have allowed BPER Banca's Board to determine that the transactions do not negatively affect the financial stability of the bank and of the Group as a whole.

Organisational and management aspects of special purpose vehicles

With regard to organisational and management aspects of special purpose vehicles (in order to assess their adequacy in relation to the role assigned to them) and the contracts entered into as part of the OBG Programmes, Reports were acquired with the support of external legal consultants, in order to ensure that the contracts entered into contain clauses that ensure the regular and efficient performance of the functions by the vehicle companies, as required by the Regulations.

Assessment of legal aspects of the Programmes for Issue of Covered Bonds

Reports were originally acquired from the law firms Linklaters and Allen & Overy, as well as from Orrick, Herrington & Sutcliffe on the Bank's OBG Programme so as to assess, in accordance with the existing rules and regulations, the legal aspects of the activities involved in the OBG Programmes. The reports contain a thorough assessment of legal structures and contractual arrangements used, with particular attention to the characteristics of the guarantees given by the assignee companies and the overall relationships between and among the participants in the OBG Programmes.

Annual assessment of the Programmes for Issue of Covered Bonds by Asset Monitor

It should be noted that, in accordance with the regulations in force, the Asset Monitors - in this case PricewaterhouseCoopers s.p.a. - carry out annual analyses on the status of the OBG programmes and report to the Board of Directors, the Board of Statutory Auditors, the Bank's Internal Audit Function and the Bank of Italy.
To date, the analyses conducted have not identified any findings.

E. Prudential consolidation – models for the measurement of credit risk

The BPER Banca Group does not have internal portfolio credit risk models (VAR methodology).

1.2 Market risk

1.2.1 Interest rate risk and price risk - Trading portfolio for regulatory purposes

The Group's organisation provides for centralisation of the market risk control function at the Parent Company; consequently, the qualitative information set out below also reflects the individual position of BPER Banca.

Qualitative information

A. General aspects

The Group's proprietary trading portfolio comprises all of the financial instruments acquired for trading purposes or for hedging a risk factor inherent to the portfolio or the banking book.

"For trading purposes" is understood as being the purchase of financial instruments with the following features:
- exposure to managed risk factors (interest rate risk and price risk, exchange rate risk, issuer risk, counterparty risk and liquidity risk);
- trading done prevalently on active markets;
- securities issued by operators of prime standing.

The trading portfolio is managed according to exposure to the interest rate risk deriving from the overall asset-liability structure and, as a rule, does not include complex or innovative derivatives.
The trading portfolio comprises all those financial instruments not purchased with the aim of achieving equilibrium of the asset-liability structure, but with a view to contributing to the results of the year, optimising the overall risk-yield profile.
The size of this portfolio is closely linked to the overall liquidity position of the Group.
Arbitrage and short-term speculative activity with regard to listed derivative instruments are marginal with respect to the management of the proprietary portofolio. The objective of the investment strategy underlying trading in these financial instruments is to maximise the overall risk/yield profile via appropriate diversification.

The Parent Company makes medium-term speculative investments in stock markets, in commodity derivatives, in mutual funds and, to a marginal extent, in hedge funds. However, this activity is just a small part of the transactions carried out in the bond markets.
The trading portfolio governance process is centralised in BPER Banca to respond to the needs of central oversight of market risk and greater efficiency of Group investment processes.
This process implies that the individual Group Banks remain responsible for optimisation of the return on liquidity through treasury transactions with BPER Banca or, alternatively, by investing in floating rate or fixed rate bonds issued by the Bank.
In this way, the governance of market risk has been centralised by the Parent Company on the basis of decisions taken by the Finance Committee, which is chaired by the Chief Executive Officer.

B. Management processes and measurement methods for interest rate and price risk

The BPER Banca Group's system of daily checking is consistent with market standards. Value at Risk (VaR) metrics are used to measure market risk.
VaR represents the estimated maximum potential loss, determined based on probabilities, that may be suffered by the aggregate concerned over a given time horizon at a pre-determined level of confidence.
The method adopted for calculating VaR belongs to the class of "historical simulation" models, according to which the overall risk is determined on the basis of the historical distribution of the returns on the risk factors to which the financial instruments held are sensitive. The methodologies used to monitor market risks also include sensitivity analyses based on parallel shifts in the market rate curves and periodic stress testing analyses.
Currently, the daily calculation of VaR makes reference to two distinct time horizons of portfolio holding; in fact, an analysis is carried out with a time horizon of one month and with a confidence interval of 99% on the entire Group's proprietary portfolio (banking book and trading book), in line with the Group's Risk Appetite Framework. This is accompanied by further analysis with the same confidence interval, but with a one-day time horizon, in order to monitor day by day the market risk dynamics of the Bank's trading portfolio. This model is only used for internal management purposes and is not involved in the calculation of the capital adequacy requirements regarding market risk.
The process of controlling interest-rate risk and price risk is centralised at BPER Banca. Periodic information is assured by the distribution of specific reports prepared at different time intervals, starting from the one produced daily.
The monitoring and control of interest rate risk of the trading portfolio aims to mitigate the risk in question, by defining a system of operating limits for the portfolios managed by the appropriate Group structures, addressing the various risks to which they are exposed. The limits are checked on a daily basis.
The daily monitoring and control of the price risk associated with the trading portfolio for supervisory purposes is performed via Value-at-Risk (VaR) analyses, in accordance with the method indicated above.

Quantitative information

3. Interest rate risk - Trading portfolio for regulatory purposes: internal models and other methodologies for the sensitivity analysis

The VaR readings determined over time horizons of ten days and one day are set out below, in relation to the rate risk associated with the trading portfolio reported for regulatory purposes at 31 December 2024.

Descriptive data		VaR		VaR	
		Time horizon: 10 days		Time horizon: 1 day	
		Confidence interval: 99%		Confidence interval: 99%	
Type of transaction	**Present value**	**VaR**	**Var/Present Value**	**VaR**	**Var/Present Value**
BOT	19,875	10	0.05%	3	0.02%
BTP	27,459	409	1.49%	131	0.48%
CCT	-	-	0.00%	-	0.00%
Other government securities	821	89	10.84%	30	3.65%
Bonds	39,941	141	0.35%	45	0.11%
Equity instruments	-	-	0.00%	-	0.00%
Mutual funds and Sicavs	-	-	0.00%	-	0.00%
Derivatives/Transactions to be settled	58,305	1,433	2.46%	455	0.78%
Effect of diversification		(702)		(227)	
Total portfolio 2024	**146,401**	**1,380**	**0.94%**	**437**	**0.30%**
Total portfolio 2023	**45,452**	**21,227**	**46.70%**	**6,713**	**14.77%**

The value of the trading portfolio at 31 December 2024 given a parallel shift of +/- 100 bps (sensitivity analysis) is set out below.

	+100 bps	-100 bps
31 Dec 2024	**(211)**	**1,944**
31 Dec 2023	**(47,486)**	**49,842**

3. Price risk - Trading portfolio for regulatory purposes: internal models and other methodologies for the sensitivity analysis

The VaR determined over time horizons of ten days and one day is set out below, in relation to the price risk associated with the trading portfolio reported for regulatory purposes at 31 December 2024.

Descriptive data		VaR		VaR	
		Time horizon: 10 days		Time horizon: 1 day	
		Confidence interval: 99%		Confidence interval: 99%	
Type of transaction	**Present value**	**VaR**	**Var/Present Value**	**VaR**	**Var/Present Value**
Equity instruments	3,053	188	6.16%	59	1.93%
Mutual funds and Sicavs	-	-	0.00%	-	0.00%
Derivatives/Transactions to be settled	53	752	1418.87%	244	460.38%
Effect of diversification		(109)		(19)	
Total portfolio 2024	**3,106**	**831**	**26.76%**	**284**	**9.14%**
Total portfolio 2023	**51,636**	**2,829**	**5.48%**	**1,217**	**2.36%**

1.2.2 Interest rate risk and price risk - Banking book

Qualitative Information

A. General aspects, management processes and measurement methods for interest rate risk and price risk

Interest rate risk represents the potential impact of unexpected changes in market rates on current profits and the equity value of the Parent Company. This risk typically affects the positions included in the banking book.

The exposure to interest rate risk can be further analysed into:
- income risk;
- investment risk.

Income risk derives from the possibility that an unexpected change in interest rates may reduce net interest income, being the difference between interest received and interest paid. This risk is measured by maturity gap models and depends on:
- the mismatch in the maturity structures of lending and funding, in cases where the related assets and liabilities are remunerated at fixed rates until final maturity;
- the mismatch of the review periods for rate conditions, in the case of floating-rate assets and liabilities.

The timing mismatches mentioned above expose BPER Banca to:
- refinancing risk: the risk arising when the average maturity period (period until the next rate review) is shorter for funding than for lending. In this case, the Bank is exposed to possible increases in interest rates (the Bank is Liability Sensitive);
- reinvestment risk: the risk arising when the average maturity period (period until the next rate review) is shorter for lending than for funding. In this case, the Bank's net interest income will decline if interest rates fall (the Bank is Asset Sensitive).

Investment risk derives from the possibility that adverse changes in the value of all assets, liabilities and off-balance sheet instruments held by the Bank, following changes in interest rates, may destabilise the equilibrium of the balance sheet. This risk is measured by duration gap and sensitivity analysis techniques.
The following types of interest rate risk are identified:
- Gap Risk: risk associated with differences in the maturities (fixed rate) and the repricing dates (floating rate) of the assets and liabilities held in the portfolio.
- Yield Curve Risk: risk associated with changes in the gradient and shape of the yield curve.
- Basis Risk: risk arising from the imperfect correlation between the indexation parameters for lending and funding, or from unfavourable changes in the gradient of the curve.
- Option Risk: risk associated with "explicit" or "embedded" options embedded in the banking book's assets and liabilities (e.g. cap/floor/collar, loan prepayment options).

Every month, BPER Banca monitors at both consolidated and Group company level the impact that unexpected changes in market interest rates might have on the positions in the banking book, according to the following prospects:
- standpoint of current profits: the purchase of considering the impact on current profits is to evaluate interest risk with reference to the sensitivity of net interest income to rate changes over a given period of time. Adverse changes in net interest income potentially affect the financial stability of a bank by weakening its capital adequacy. The change in net interest income depends on the various types of risk;
- standpoint of economic value: changes in interest rates may affect the economic value of the Parent Company's assets and liabilities. The economic value of a bank is represented by the present value of its expected cash flows, defined as the sum of the present value of the cash flows to be generated by its assets, liabilities and positions in derivatives. By contrast with the standpoint of current profits, the standpoint of economic value identifies the risk generated by the repricing or maturity gap over a long time horizon.

The objectives to be pursued in support of the proper management of interest rate risk are:
- reduce the adverse effects of the volatility of net interest income (standpoint of current profits). The stability of net interest income is mainly influenced by the Yield Curve Risk, Gap Risk, Basis Risk and Option Risk;
- immunise the economic value, being the sum of the present values of all the expected cash flows, generated by both sides of the balance sheet. By contrast with the standpoint of current profits, the standpoint of economic value takes a medium/long-term view and is mainly associated with the Gap Risk;
- ensure compliance with the related organisational requirements envisaged by the domestic and international supervisory bodies.

The model for the governance of interest rate risk is based on the following principles:
- assignment to the Parent Company of guidance and coordination rights over the strategic planning and control processes, treasury and financial management, the commercial area and the governance of lending for the entire Group, in order to ensure the consistent management of interest-rate risk and compliance with regulatory requirements,
- segregation between governance processes and the management of interest rate risk.

The strategic decisions at Group level regarding the management of risk are made by the corporate bodies of the Parent Company. The decisions made take account of the operational specifics and related risk profiles of each Group company, in order to establish an integrated and consistent risk management policy.
Given the above, the BPER Group has adopted a centralised model for the governance and management of risk.
As the Parent Company, BPER Banca is responsible for defining guidance for the governance, acceptance and management of interest-rate risk at Group level.

The model for the management of interest rate risk focuses on the following measures of risk:
- sensitivity of net interest income;
- sensitivity of economic value.

The sensitivity analysis of net interest income identifies the impact of changes in interest rates as a result of parallel and other shocks.

The Bank calculates the sensitivity of net interest income holding volumes constant. According to this model, maturing amounts are reinvested in transactions of similar size and financial characteristics to those maturing during the analysis period.
The indicator is calculated at both Group and Legal Entity levels.

The sensitivity analysis of economic value identifies the impact of yield curve shocks on the value of shareholders' equity. This change is calculated by discounting all the cash flows using two different yield curves: the current curve at the analysis date and that following the shock, and comparing the two values.

$$\Delta VA = VA_{(Curve1)} - VA_{(Curve2)}$$

In order to include the prepayment phenomenon (early repayment, in whole or in part, of the residual debt by the borrower) when measuring the sensitivity, a statistical model has been adopted whereby the potential prepayment of loan principal is estimated using different variables, both of financial nature (such as market interest rates) and contractual (such as the original duration of the loan, the type of loan, the personal characteristics of the borrower, etc.).
For the calculation of sensitivity, demand balances outstanding with customers are simulated using an econometric model which identifies a portfolio that replicates them, by allocating demand funding (lending) to a portfolio of liabilities (assets) with an identified effective repricing profile.

In addition to the risk measures mentioned above, the capital absorbed in relation to interest rate risk is also calculated. Sensitivity analysis is applied in order to estimate the capital absorbed. Under this approach, the capital absorbed in relation to the banking book's interest rate risk is the change in the economic value (defined as the present value of expected cash flows) caused by an adverse interest-rate shock.

BPER Banca monitors, on a monthly and consolidated basis, the impact that unexpected changes in credit spreads may have on the positions in the banking book from both the current earnings and economic value perspectives. Credit spread risk arising from the banking book, CSRBB, captures the risk of changes in the credit spread of an instrument of the same credit quality, i.e. the trend of the credit spread within a given rating/probability of default range. The CSRBB is a combination of two elements:

- market credit spread: i.e. changes in the market price of credit risk (as opposed to the idiosyncratic credit spread), which represents the credit risk premium demanded by market operators for a given credit quality;
- market liquidity spread: i.e. changes in the market liquidity spread, which represents the liquidity premium that stimulates market appetite for investment and the presence of willing buyers and sellers

With regard to price risk, the banking book essentially includes transactions in equity instruments, mutual funds and SICAVs classified in the financial statements as measured at fair value through profit or loss and other comprehensive income.
The monitoring of the aforementioned portfolio takes place through the Value at Risk (VaR) methodology presented in detail in the section on qualitative information: "Interest rate risk and price risk - Trading portfolio reported for regulatory purposes".
The Financial Risks Service records and monitors on a daily basis the exposure to price risk through the production of specific reporting containing the main risk metrics (mainly expressed in terms of Value-at-Risk) and, where appropriate, the associated exposure limits for said type of risk.

Quantitative information

2. Banking book: Internal models and other methodologies for the analysis of sensitivity

Below are the year-end figures at 31 December 2024 and their trends (minimum, average, maximum) of the management reporting year relating to the banking book's net interest income, against a parallel shift of +100/-50 bps.

	+100 bps	-50 bps
31 December 2024	**61,798**	**(35,798)**
maximum change	91,456	(49,801)
minimum change	27,000	(16,908)
average change	61,656	(33,586)
31 December 2023	**32,286**	**(17,043)**

Below are the year-end figures at 31 December 2024 and their trends (minimum, average, maximum) of the management reporting year relating to the change in the value of the banking book, against a parallel shift of +/- 100 bps (sensitivity analysis).

	+100 bps	-100 bps
31 December 2024	**(498,954)**	**304,590**
maximum change	(498,954)	351,569
minimum change	(201,083)	138,069
average change	(295,629)	271,623
31 December 2023	**(174,739)**	**214,115**

In relation to the measurement of market risk, the VaR [151] of the overall securities portfolio (banking and trading) amounts to Euro 367 million (Euro 350 million at 31 December 2023) and is principally attributable to the Italian government securities held in the portfolio, which account for approximately 30% of the indicator, Euro 110 million (Euro 63 million at 31 December 2023).

151 VaR measured over a time horizon of one month with a confidence interval of 99%.

3. Price risk - Banking book: internal models and other methodologies for the sensitivity analysis

The VaR determined over time horizons of ten days and one day is set out below, in relation to the price risk associated with the banking book at 31 December 2024.

Descriptive data		VaR		VaR	
		Time horizon: 10 days		Time horizon: 1 day	
		Confidence interval: 99%		Confidence interval: 99%	
Type of transaction	**Present value**	**VaR**	**Var/Present Value**	**VaR**	**Var/Present Value**
Equity instruments	671,691	28,104	4.18%	8,823	1.31%
Mutual funds and Sicavs	756,540	15,810	2.09%	4,998	0.66%
Derivatives/Transactions to be settled	(8,036)	2,555	-31.79%	808	-10.06%
Effect of diversification		(5,497)		(1,672)	
Total portfolio 2024	**1,420,195**	**40,972**	**2.89%**	**12,957**	**0.91%**
Total portfolio 2023	**1,257,941**	**51,149**	**4.07%**	**16,175**	**1.29%**

1.2.3 Exchange risk

Qualitative Information

A. General aspects, management and measurement of exchange risk

The BPER Banca Group is exposed to exchange risk in connection with routine funding and lending activities and, to a marginal extent, in relation to speculative activities.
The Financial Risks Service of the Parent Company records and monitors on a daily basis the exposure to currency risk through the production of specific reporting containing the main risk metrics (mainly expressed in terms of Value-at-Risk) and, where appropriate, the associated exposure limits for said type of risk.

B. Hedging of exchange risk

The BPER Banca Group uses plain vanilla instruments for the operational hedging of exchange risk.

Quantitative information

1. Breakdown of assets, liabilities and derivatives by currency

Items	Currency					
	USD	GBP	CHF	CNY	JPY	OTHER CURRENCIES
A. Financial assets	**3,005,153**	**436,236**	**174,444**	**19,774**	**12,987**	**36,112**
A.1 Debt securities	2,428,423	394,161	-	-	-	-
A.2 Equity instruments	35,628	-	-	-	-	-
A.3 Loans to banks	54,460	33,226	3,951	16,152	8,641	30,924
A.4 Loans to customers	486,642	8,849	170,493	3,622	4,346	5,188
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**85,278**	**2,284**	**3,807**	**23**	**272**	**1,211**
C. Financial liabilities	**2,897,916**	**386,017**	**23,053**	**2,167**	**4,788**	**23,040**
C.1 Deposits from banks	2,220,486	352,788	32	-	1	14
C.2 Deposits from customers	677,430	33,229	23,021	2,167	4,787	23,026
C.3 Debt securities in issue	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**6,929**	**359**	**15**	**-**	**-**	**1,525**
E. Financial derivatives	**1,456,005**	**69,117**	**178,056**	**64,708**	**24,541**	**77,800**
- Options	-	-	-	-	-	-
+ Long positions	142,550	635	-	330	829	-
+ Short positions	147,822	207	-	30,987	3,077	3,629
- Other derivatives	-	-	-	-	-	-
+ Long positions	543,452	8,308	5,986	23,704	7,543	32,280
+ Short positions	622,181	59,967	172,070	9,687	13,092	41,891
Total assets	**3,776,433**	**447,463**	**184,237**	**43,831**	**21,631**	**69,603**
Total liabilities	**3,674,848**	**446,550**	**195,138**	**42,841**	**20,957**	**70,085**
Net balance (+/-)	**101,585**	**913**	**(10,901)**	**990**	**674**	**(482)**

2. Internal models and other methodologies for the analysis of sensitivity

The VaR determined over time horizons of ten days and one day is set out below, in relation to the risk faced by the BPER Banca Group at 31 December 2024.

	VaR Time horizon: 10 days Confidence interval: 99%	VaR Time horizon: 1 day Confidence interval: 99%
2024	**8,503**	**2,649**
2023	**24,028**	**7,403**

1.3 Derivative instruments and hedging policies

1.3.1 Trading derivative instruments

A. Financial derivatives

A.1 Trading financial derivatives: notional values at the end of the period

Underlying assets/Type of derivatives	Total 31.12.2024				Total 31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates	**-**	**12,192,270**	**4,844,081**	**-**	**-**	**10,393,233**	**4,314,544**	**-**
a) Options	-	1,500,105	326,694	-	-	1,084,286	345,939	-
b) Swaps	-	10,635,108	3,260,467	-	-	9,259,452	2,767,134	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	1,222,600	-	-	-	1,159,263	-
e) Other	-	57,057	34,320	-	-	49,495	42,208	-
2. Equities and stock indexes	**-**	**8,652,375**	**2,391**	**-**	**-**	**11,384,067**	**50,043**	**-**
a) Options	-	8,652,375	216	-	-	11,384,067	142	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	2,175	-	-	-	49,901	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**709,000**	**765,531**	**-**	**-**	**953,136**	**665,047**	**-**
a) Options	-	57,618	291,090	-	-	26,557	261,986	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	465,496	474,441	-	-	805,742	403,061	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	185,886	-	-	-	120,837	-	-
4. Commodities	**-**	**151**	**151**	**-**	**-**	**-**	**-**	**-**
5. Other	**-**	**84,003**	**82,265**	**-**	**-**	**47,523**	**49,596**	**-**
Total	**-**	**21,637,799**	**5,694,419**	**-**	**-**	**22,777,959**	**5,079,230**	**-**

A.2 Trading financial derivatives: positive and negative gross fair value - breakdown by product

Type of derivatives	Total 31.12.2024				Total 31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Positive Fair Value								
a) Options	-	304,938	6,620	-	-	289,600	5,089	-
b) Interest rate swaps	-	194,931	32,437	-	-	256,499	14,981	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	7,414	8,127	-	-	6,328	4,591	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	13,905	7,323	-	-	18,606	5,991	-
Total	**-**	**521,188**	**54,507**	**-**	**-**	**571,033**	**30,652**	**-**
2. Negative Fair Value								
a) Options	-	25,196	7,525	-	-	29,781	9,823	-
b) Interest rate swaps	-	112,134	57,124	-	-	122,440	109,407	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	2,864	8,436	-	-	8,691	4,134	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	3,027	7,894	-	-	2,465	14,213	-
Total	**-**	**143,221**	**80,979**	**-**	**-**	**163,377**	**137,577**	**-**

A.3 OTC trading financial derivatives - notional values, gross positive and negative fair value by counterparty

Underlying assets	Central counterparties	Banks	Other financial companies	Other entities
Contracts not included in netting agreements				
1) Debt securities and interest rates				
- notional value	X	1,222,600	187,987	3,433,494
- positive fair value	X	-	3,111	35,330
- negative fair value	X	-	63	65,037
2) Equities and stock indexes				
- notional value	X	2,175	101	115
- positive fair value	X	-	-	2
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	20,695	744,836
- positive fair value	X	-	491	12,679
- negative fair value	X	-	-	13,502
4) Commodities				
- notional value	X	-	-	151
- positive fair value	X	-	-	2
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	82,265
- positive fair value	X	-	-	2,892
- negative fair value	X	-	-	2,377
Contracts included in netting agreements				
1) Debt securities and interest rates				
- notional value	-	10,728,503	559,332	904,435
- positive fair value	-	201,385	1,717	15,355
- negative fair value	-	124,665	6,772	2,745
2) Equities and stock indexes				
- notional value	-	8,652,364	11	-
- positive fair value	-	289,821	6	-
- negative fair value	-	2,201	-	-
3) Currencies and gold				
- notional value	-	709,000	-	-
- positive fair value	-	10,351	-	-
- negative fair value	-	4,029	-	-
4) Commodities				
- notional value	-	151	-	-
- positive fair value	-	-	-	-
- negative fair value	-	2	-	-
5) Other				
- notional value	-	84,003	-	-
- positive fair value	-	2,553	-	-
- negative fair value	-	2,807	-	-

A.4 Residual life of OTC trading financial derivatives: notional values

Underlying assets/Residual life	Up to 1 year	Over 1 year up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	3,345,665	12,088,650	1,602,036	17,036,351
A.2 Financial derivatives on equity securities and stock indexes	2,858,921	5,795,736	109	8,654,766
A.3 Financial derivatives on currencies and gold	1,347,742	126,789	-	1,474,531
A.4 Financial derivatives on commodities	302	-	-	302
A.5 Other financial derivatives	165,393	875	-	166,268
Total 31.12.2024	**7,718,023**	**18,012,050**	**1,602,145**	**27,332,218**
Total 31.12.2023	**7,659,853**	**18,067,984**	**2,129,352**	**27,857,189**

B. Credit derivatives

B.1. Trading credit derivatives: end-of-period notional amounts

This Consolidated Financial Report does not include this type of derivatives.

B.2 Trading credit derivatives: positive and negative gross fair value - breakdown by product

This Consolidated Financial Report does not include this type of derivatives.

B.3 OTC trading credit derivatives: notional values, gross positive and negative fair value by counterparty

This Consolidated Financial Report does not include this type of derivatives.

B.4 Residual life of OTC trading credit derivatives: notional values

This Consolidated Financial Report does not include this type of derivatives.

B.5 Credit derivatives connected with the fair value option: annual changes

There are no amounts for this item in this Consolidated report.

1.3.2 Accounting hedges

Qualitative information

The BPER Banca Group applies Chapter 6 Hedge Accounting of IFRS 9. For more details on the choices applied, please refer to Part A.2 of the Explanatory Notes, paragraph 4. "Hedging transactions".

A. Fair value hedges

Hedged Risk - Rate Risk

As already mentioned previously and in other parts of the financial statements, the corporate strategies provide for specific interventions aimed at the best possible management of interest rate risk. Among the intervention levers, the Group has recourse to derivative contracts (classified from an accounting point of view both as "hedging" and "trading"), used to reduce the sensitivity of the proprietary securities portfolio, loans granted and own liabilities (bond issues and on demand items), compared with a movement in risk-free rates.

The derivatives used for this purpose are:

- Interest Rate Swaps (IRS), also in currencies other than the Euro, traded over the counter, that are specific for each asset or liability instrument to be hedged, or refer to several instruments with the same maturity;
- Futures, listed, generic with underlying bonds (typically German, Italian and US bonds).

Compared with what is shown, micro-hedge accounting relationships are qualified only for hedging the interest rate risk connected to bonds in the banking book, classified among Financial assets measured at fair value through other comprehensive income and Financial assets measured at amortised cost, using IRS-type derivatives for this purpose. Hedging relationships of fixed rate bond loans issued by the Group were treated similarly under the micro-hedging arrangement.
In addition, starting from 2022, the BPER Banca Group qualified macro hedging relations (macro-hedge accounting) for the hedging of interest rate risk connected with some liability items - Sight Items - modelled according to the results of the behavioural model adopted by the BPER Banca Group and therefore characterised by features of "inelastic core" funding, i.e. those that are substantially characterised by a trend-based fixed cost and a stable duration over time.

Hedged risk - Credit / Counterparty Risk

Given the unexpected increase in credit/counterparty risk, the BPER Banca Group may use derivative instruments to reduce the sensitivity of the investment portfolio to this type of risk.
The derivatives used for this purpose are:
- Credit Default Swaps – CDS, traded over-the-counter, generic and linked to sub-indexes;
- Futures, listed, generic with underlying bonds (typically German, Italian and US bonds).

Compared with what is shown, the credit risk is hedged only by management, as no Hedge Accounting relationship has been qualified.

Hedged risk – Price risk

The coverage of potential unwanted changes in fair value also includes transactions involving equity securities.
The derivatives used for this purpose are generally Total Return Swap (TRS), traded over the counter, specific for each individual exposure.

B. Cash flow hedges

Hedged Risk – Rate Risk

The objective pursued by the Group in this case is to stabilise the contribution made by the securities portfolio to the net interest income of the Bank should risk-free rates rise and fall.
Cash flow hedging generally requires the use of Interest Rate Swaps - IRS, traded over the counter, specific for each instrument to be hedged or for multiple instruments with the same maturity.

Hedged Risk – Exchange Rate Risk

The objective pursued by the Group in this case is to stabilise the contribution made by the foreign currency securities portfolio to the net interest income of the Bank should the exchange rate depreciate.
Also in this case, hedging tends to be very limited (at the end of 2024 there was just one currency hedge in place) and generally requires the use of Cross Currency Swaps - CCS, traded over the counter, specific for each issue to be hedged or for multiple issues with the same maturity.

C. Hedging of foreign investments

The BPER Banca Group does not have any foreign investment hedging relationships.

D. Hedging instruments

The hedge accounting implemented by the BPER Banca Group is therefore achieved by the use of OTC IRS derivative contracts, either plain vanilla or with cap & floor options, and CCS or TRS derivatives.

E. Hedged items

The BPER Banca Group currently has accounting micro-hedges on securities (bonds and equities) in the banking book, on loans (mortgages) granted and on its own bond issues. For these instruments, either just the Interest rate risk component or the Interest rate risk and Inflation rate risk components are hedged.
From 2022, in addition to previous hedges, some new accounting hedges were entered into on sight items, i.e. funding. In particular, Macro Fair Value Hedges were created, in order to hedge the core fixed-rate inelastic component.

Quantitative information

A. Hedging financial derivatives

A.1 Hedging financial derivatives: end-of-period notional amounts

Underlying assets/Type of derivatives	Total 31.12.2024				Total 31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates	**-**	**14,620,240**	**-**	**-**	**-**	**18,718,404**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	14,620,240	-	-	-	18,718,404	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equities and stock indexes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**57,753**	**-**	**-**	**-**	**54,299**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	57,753	-	-	-	54,299	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**14,677,993**	**-**	**-**	**-**	**18,772,703**	**-**	**-**

A.2 Hedging financial derivatives: gross positive and negative fair value - breakdown by product

Type of derivatives	Positive and negative fair value								Changes in the value used to calculate hedge effectiveness	
	Total 31.12.2024				Total 31.12.2023				Total 31.12.2024	Total 31.12.2023
	Over the counter			Organised markets	Over the counter			Organised markets		
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties				
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements			
1. Positive Fair Value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	649,437	-	-	-	1,122,566	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**-**	**649,437**	**-**	**-**	**-**	**1,122,566**	**-**	**-**	**-**	**-**
2. Negative Fair Value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	223,075	-	-	-	265,130	-	-	-	-
c) Cross currency swaps	-	3,249	-	-	-	1,428	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**-**	**226,324**	**-**	**-**	**-**	**266,558**	**-**	**-**	**-**	**-**

A.3 OTC hedging financial derivatives - notional values, gross positive and negative fair value by counterparty

Underlying assets	Central counterparties	Banks	Other financial companies	Other entities
Contracts not included in netting agreements				
1) Debt securities and interest rates				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
2) Equities and stock indexes				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreements				
1) Debt securities and interest rates				
- notional value	-	14,620,240	-	-
- positive fair value	-	649,437	-	-
- negative fair value	-	223,075	-	-
2) Equities and stock indexes				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	57,753	-	-
- positive fair value	-	-	-	-
- negative fair value	-	3,249	-	-
4) Commodities				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC hedging financial derivatives: notional values

Underlying assets/Residual life	Up to 1 year	Over 1 year up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	1,785,577	7,556,913	5,277,750	14,620,240
A.2 Financial derivatives on equity securities and stock indexes	-	-	-	-
A.3 Financial derivatives on currencies and gold	-	57,753	-	57,753
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 31.12.2024	**1,785,577**	**7,614,666**	**5,277,750**	**14,677,993**
Total 31.12.2023	**1,326,113**	**11,363,872**	**6,082,718**	**18,772,703**

B. Credit hedging derivatives

There are no amounts to be disclosed in this Consolidated Financial Report

C. Non-hedging derivatives

There are no amounts to be disclosed in this Consolidated Financial Report

D. Hedged instruments

D.1 Fair value hedges

	Micro-hedges: book value	Micro-hedges - net positions: book value of assets or liabilities (prior to netting)	Micro-hedges			Macro-hedges: Book Value
			Cumulative fair value changes (hedged instrument)	Termination of hedging: residual cumulative fair value changes	Change in value used to assess hedge ineffectiveness	
A. Assets						
1. Financial assets measured at fair value through other comprehensive income - hedging of:	**682,744**	**-**	**(45,840)**	**(6,116)**	**(45,840)**	**-**
1.1 Debt securities and interest rates	678,596	-	(55,278)	(6,116)	(55,278)	X
1.2 Equities and stock indexes	4,148	-	9,438	-	9,438	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Loans	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
2. Financial assets measured at amortised cost - hedging of:	**6,269,896**	**-**	**(455,154)**	**(233,175)**	**(455,154)**	**-**
1.1 Debt securities and interest rates	6,269,896	-	(455,154)	(233,175)	(455,154)	X
1.2 Equities and stock indexes	-	-	-	-	-	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Loans	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
Total 31.12.2024	**6,952,640**	**-**	**(500,994)**	**(239,291)**	**(500,994)**	**-**
Total 31.12.2023	**9,348,050**	**-**	**(1,100,249)**	**-**	**(1,100,249)**	**-**
B. Liabilities						
1. Financial liabilities measured at amortised cost - hedging of:	**5,452,074**	**-**	**69,868**	**25,464**	**69,868**	**2,127,778**
1.1 Debt securities and interest rates	5,452,074	-	69,868	25,464	69,868	X
1.2 Currencies and gold	-	-	-	-	-	X
1.3 Other	-	-	-	-	-	X
Total 31.12.2024	**5,452,074**	**-**	**69,868**	**25,464**	**69,868**	**2,127,778**
Total 31.12.2023	**5,946,419**	**-**	**133,615**	**-**	**133,615**	**-**

D.2 Hedging of cash flows and foreign investments

	Change in value used to calculate hedging ineffectiveness	Hedging reserves	Termination of hedging: residual value of hedging reserves
A. Cash flow hedges			
1. Assets	-	20	-
1.1 Debt securities and interest rates	-	-	-
1.2 Equities and stock indexes	-	-	-
1.3 Currencies and gold	-	20	-
1.4 Loans	-	-	-
1.5 Other	-	-	-
2. Liabilities	-	-	-
1.1 Debt securities and interest rates	-	-	-
1.2 Currencies and gold	-	-	-
1.3 Other	-	-	-
Total (A) 31.12.2024	**-**	**20**	**-**
Total (A) 31.12.2023	**-**	**(1,651)**	**-**
B. Hedges of foreign investments	**X**	**-**	**-**
Total (A+B) 31.12.2024	**-**	**20**	**-**
Total (A+B) 31.12.2023	**-**	**(1,651)**	**-**

E. Effects of hedging on shareholders' equity

E.1 Reconciliation of components of shareholders' equity

	Cash flow hedging reserve				
	Debt securities and interest rates	Equities and stock indexes	Currencies and gold	Loans	Other
Initial balance	**-**	**-**	**(1,651)**	**-**	**-**
Changes in Fair Value (effective portion)	-	-	1,671	-	-
Transfer to P&L	-	-	-	-	-
of which: future transactions not expected	-	-	-	-	-
Other	-	-	-	-	-
of which: transfer to initial book value	-	-	-	-	-
Closing balance	**-**	**-**	**20**	**-**	**-**

The parts of the table relating to hedging reserves for foreign investments and hedging instruments (non-designated elements) are not shown as they do not apply.

1.3.3 Other information on derivative instruments (trading and hedging)

At 31 December 2024, the BPER Banca Group does not have any derivatives that satisfy the criteria envisaged in IAS 32, para. 42 for offsetting financial assets and liabilities.

1.4 Liquidity risk

Qualitative Information

A. General aspects, management and measurement of liquidity risk

Liquidity risk typically crystallises in the form of failure to meet payment obligations; it may take various forms, depending on the circumstances in which the risk arises. With reference to the definitions adopted at international level, a distinction is made between funding liquidity risk and market liquidity risk.

Funding liquidity risk is the risk that the Group will not be able to make, in an efficient manner, expected and unexpected cash payments, both current and future, without an adverse effect on the Group's current operations or its financial position.

Market liquidity risk, on the other hand, is the risk that the Group is not able to sell a financial asset without incurring a capital loss due to low depth in the reference market or as a consequence of the time frame within which the assets need to be transferred.

In the context of funding liquidity risk, a distinction is also made between:
- mismatch liquidity risk, being the liquidity risk implicit in the structure of the Group's assets and liabilities due to the transformation of maturities typical of financial intermediaries, when the profile of cash outflows is not perfectly matched by the profile of cash inflows (with reference to contractual maturities and routine behaviour);
- contingency liquidity risk, being the risk that future events may require access to significantly more liquidity than previously planned by the Group; in other words, this is the risk of not being able to settle sudden and unexpected payment commitments in the short or very short term.

The BPER Banca Group, in line with the Group Guidelines on the Internal Control System, has a specific policy for the governance and management of liquidity and funding risk (Group Policy for Liquidity and Funding Risk Governance), which includes the plan covering the objectives, processes and strategies for action under contingency circumstances (Contingency Funding Plan).

The Policy, which forms an integral part of the Risk Appetite Framework – RAF of the BPER Group, defines the principles, objectives and methods of governance and monitoring of liquidity and funding risk at Group level. More specifically, it contains:
- the definition of the governance model in terms of the parties involved in risk governance and their roles and responsibilities;
- definition of limits and mitigating actions aimed at risk containment;
- the formalisation of risk management methods, through the establishment of rules, procedures and metrics for the measurement and monitoring of liquidity and funding risk and describing the stress test model adopted to evaluate the risk exposure in adverse scenarios.

In particular, the Group's model for the governance of liquidity and funding risk has the following objectives:
- guarantee solvency in the ordinary course of business and under crisis conditions;
- ensure enough liquidity to satisfy the contractual commitments of the Group at all times, while also optimising the cost of funding given both current and expected market conditions;
- apply the instructions issued by the Supervisory Authorities, while also taking account of the Group's own operating characteristics.
- development of processes for the governance and management of liquidity and funding risk, using a model that involves the appropriate corporate bodies and functions;
- ensuring conformity of the processes for the governance and management of liquidity and funding risk with the prudential supervision instructions.

The BPER Banca Group's model for the governance of liquidity and its risk is characterised by a centralised-type system, in which the Parent Company BPER Banca exercises management, coordination and control over each of the Group's Banks and Companies.

Internal assessment of liquidity adequacy is conducted periodically through the ILAAP (Internal Liquidity Adequacy Assessment Process), which allows the Group to identify, measure, manage, and monitor its liquidity and funding risk profile. Through the ILAAP, carried out at consolidated level, the Corporate Bodies and organisational Functions acquire the information and instruments necessary to define liquidity and funding strategies and to manage liquidity in a prudent and effective manner, maintaining on an ongoing basis the adequacy of the risk profile with respect to the objectives of the Risk Appetite Framework.

With regard to short-term liquidity (i.e., operational liquidity), the Parent Company manages funding and lending operations, defines and oversees the Funding Plan, and monitors the liquidity risk profile for each entity within the consolidated perimeter.

Similarly, for medium- to long-term liquidity (i.e., structural liquidity), the Parent Company:
- coordinates the commercial and credit policies of the Group's Banks and Companies to ensure consistency in the overall governance of funding risk and to ensure compliance with regulatory requirements ;
- ensures the clear attribution of responsibilities among the governance, control, and operational bodies within the Group, consistently developing the processes for managing and controlling funding risk.

The metrics that monitor short-term liquidity risk, aimed at maintaining the ability of the Group to meet both routine and unexpected payment obligations, while minimising the related cost, envisage:
- calculation of the exposure using the Liquidity Risk Mismatch Model, considering the eligible assets that are readily convertible into liquid funds, as well as any reserves held in the form of working capital;
- maintenance of the lending-funding due to mature in the various time bands within a cumulative limit; verification both daily for internal operational purposes and weekly in accordance with the frequency requirements specified by the Supervisory Authorities;

The metrics that monitor funding risk are designed to maintain suitable dynamics in the ratio of medium/long-term assets and liabilities, avoiding pressure on the sources of current and expected short-term liquidity while optimising the cost of funding. These metrics envisage:
- calculation of the liquidity mismatch which, in practical terms, means calculating the gap ratios between assets and liabilities in the time bands beyond one year;
- calculation of the funding gap, being the difference between lending and commercial funding as a percentage of total lending;
- the use of statistical/quantitative behavioural models for items without contractual maturities or which are subject to options;

The Group's liquidity position is monitored both in the ordinary course of business and under stress conditions. The Liquidity Stress Testing framework is aimed at assessing and monitoring the Group's ability to withstand severe but plausible liquidity stress situations, fulfilling its contractual and regulatory obligations without business interruption.

This framework is based on the simulation of scenarios characterised by adverse components of a Systemic (Market Driven) nature, Idiosyncratic (Bank Specific) nature, and a combination of systemic and idiosyncratic components, of sufficient intensity to negatively impact the Group's liquidity position.

In line with both external and internal regulatory frameworks, the Group has also implemented comprehensive organisational safeguards and internal control processes, set out in an emergency plan, or Contingency Funding Plan (CFP), to be activated in the event of anomalies identified through an appropriate system of early warning indicators.

The CFP is identified as a suitable tool for mitigating liquidity risk, with its primary purpose being to protect the Group's liquidity and funding position during periods of stress or liquidity crisis, through the provision of stress management strategies and procedures suitable for raising funds in the event of a contingency.

The CFP formalises the process of liquidity management under stress or crisis scenarios. The business functions responsible for monitoring and managing liquidity risk must be able to carry out their activities both under normal conditions and at times of stress and/or liquidity crises that are unlikely to occur, but which would have a significant impact.

In view of the governance model of the liquidity and funding risk previously illustrated, BPER Banca - as the lender of last resort for all Group subsidiaries - guarantees their short, medium and long-term solvency and is responsible for activating the Contingency Funding Plan, regardless of where in the Group the liquidity crisis arises.

The purpose of the CFP is to safeguard the net assets of the Bank and/or Group Company at the early stages of liquidity stress and to guarantee the Group's continuity in the event of a serious and/or prolonged liquidity crisis, by:
- defining a process for the identification and monitoring of risk indicators that signal and measure the stages in a liquidity crisis;
- identifying ex ante a system of predetermined but flexible actions to be implemented in the early stages of a crisis;
- determining the roles and responsibilities of each business function;
- identifying the internal regulations that may be invoked to justify the actions of the Group's management, which at a time of crisis must be authorised to modify on a timely and perhaps radical basis the structure of the assets and liabilities in the balance sheet.

The BPER Group's CFP identifies four reference operating scenarios:
- ordinary course of business;
- state of attention;
- state of stress;
- state of crisis.

Depending on the operational scenario of reference, identified by monitoring a system of quantitative alerts, the management process will be defined in terms of functions involved and actions to be adopted.

The Contingency Funding Plan and its revisions must be approved by the Board of Directors of the Parent Company.

B. Liquidity indicators

The harmonised rules for banks and investment companies contained in EU Regulation 575/2013 (CRR), as subsequent updates, introduced the following liquidity indicators, to be calculated at a consolidated level:
- Liquidity Coverage Ratio (LCR): this is an indicator of coverage of short-term liquidity whose purpose is to force banks to accumulate sufficient high-quality assets that are readily convertible into cash, in order to deal with a scenario of high stress on the funding side over a period of thirty days. At 31 December 2024 it was 166.9% calculated as a ratio of Euro 25,773 million of highly liquid assets and Euro 15,439 million of net cash outflows.
- Net Stable Funding Ratio (NSFR): a structural long-term indicator that is measured with a view to reporting any mismatches between assets and liabilities. As at 31 December 2024, the ratio stood at 137.7%, calculated as the ratio between Euro 104,901 million of available stable funding and Euro 76,190 million of required stable funding.
- The liquidity requirements are over 100%, so above the minimum requirements.

Alongside these indicators, the legislation also sets the Leverage Ratio which is highlighted in the Directors' Report on Operations under the heading "Key figures".

Quantitative information

1. Time breakdown of financial assets and liabilities by contractual residual maturity

EURO

Items/time bands	On demand	From 1 to 7 days	From 7 to 15 days	From 15 days to 1 month	From 1 to 3 months
On-balance-sheet assets	**16,015,166**	**474,032**	**1,784,483**	**2,980,534**	**4,885,042**
A.1 Government securities	2,741	-	4,032	35,450	578,195
A.2 Other debt securities	11,249	1,834	10,677	142,460	184,762
A.3 UCITS units	768,976	-	-	-	-
A.4 Loans	15,232,200	472,198	1,769,774	2,802,624	4,122,085
- Banks	7,065,591	526	44,120	6,782	4,675
- Customers	8,166,609	471,672	1,725,654	2,795,842	4,117,410
On-balance-sheet liabilities	**95,205,782**	**1,964,468**	**299,559**	**3,427,059**	**823,100**
B.1 Deposits and current accounts	93,438,485	49,070	248,049	269,516	356,585
- Banks	137,322	-	-	934	10,018
- Customers	93,301,163	49,070	248,049	268,582	346,567
B.2 Debt securities	10,687	30,755	43,927	112,842	182,125
B.3 Other liabilities	1,756,610	1,884,643	7,583	3,044,701	284,390
Off-balance sheet transactions					
C.1 Financial derivatives with exchange of principal					
- Long positions	41	35,098	118,483	85,966	211,991
- Short positions	593	41,934	37,104	58,629	129,337
C.2 Financial derivatives without exchange of principal					
- Long positions	253,204	-	-	-	-
- Short positions	194,993	-	-	-	-
C.3 Deposits and loans to be received					
- Long positions	-	4,777,637	-	-	-
- Short positions	-	4,777,637	-	-	-
C.4 Irrevocable commitments to disburse funds					
- Long positions	114,361	441	16,975	12,484	66,274
- Short positions	3,153,344	-	-	-	-
C.5 Financial guarantees granted	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Credit derivatives with exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.8 Credit derivatives without exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-

1. Time breakdown of financial assets and liabilities by contractual residual maturity

EURO

(cont.)

Items/time bands	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	Over 5 years	Undefined maturity
On-balance-sheet assets	**4,910,221**	**7,885,393**	**40,319,049**	**45,810,306**	**1,015,844**
A.1 Government securities	319,393	203,829	4,785,691	8,135,198	-
A.2 Other debt securities	286,603	662,295	6,265,251	4,114,238	200
A.3 UCITS units	-	-	-	-	-
A.4 Loans	4,304,225	7,019,269	29,268,107	33,560,870	1,015,644
- Banks	10,664	9,749	686	310,709	1,013,853
- Customers	4,293,561	7,009,520	29,267,421	33,250,161	1,791
On-balance-sheet liabilities	**2,034,160**	**2,155,782**	**8,953,637**	**6,392,341**	**-**
B.1 Deposits and current accounts	538,441	343,042	37	64	-
- Banks	3,104	8,394	-	-	-
- Customers	535,337	334,648	37	64	-
B.2 Debt securities	548,011	1,676,034	8,149,553	4,718,416	-
B.3 Other liabilities	947,708	136,706	804,047	1,673,861	-
Off-balance sheet transactions					
C.1 Financial derivatives with exchange of principal					
- Long positions	101,711	104,839	107,858	-	-
- Short positions	101,633	92,705	63,625	-	-
C.2 Financial derivatives without exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.3 Deposits and loans to be received					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds					
- Long positions	63,110	25,092	1,577,302	111,663	-
- Short positions	-	-	-	-	-
C.5 Financial guarantees granted	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Credit derivatives with exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.8 Credit derivatives without exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-

1. Time breakdown of financial assets and liabilities by contractual residual maturity

OTHER CURRENCIES

Items/time bands	On demand	From 1 to 7 days	From 7 to 15 days	From 15 days to 1 month	From 1 to 3 months
On-balance-sheet assets	**177,331**	**56,579**	**68,177**	**64,062**	**345,244**
A.1 Government securities	-	-	-	-	1
A.2 Other debt securities	-	-	55,347	82	108,352
A.3 UCITS units	-	-	-	-	-
A.4 Loans	177,331	56,579	12,830	63,980	236,891
- Banks	146,582	-	64	375	298
- Customers	30,749	56,579	12,766	63,605	236,593
On-balance-sheet liabilities	**708,148**	**120,638**	**391,364**	**238,640**	**1,838,204**
B.1 Deposits and current accounts	672,477	77	29,147	3,530	47,720
- Banks	5,697	-	-	-	-
- Customers	666,780	77	29,147	3,530	47,720
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	35,671	120,561	362,217	235,110	1,790,484
Off-balance sheet transactions					
C.1 Financial derivatives with exchange of principal					
- Long positions	-	50,369	39,118	94,471	265,340
- Short positions	-	74,812	120,558	120,976	345,900
C.2 Financial derivatives without exchange of principal					
- Long positions	224	-	-	-	-
- Short positions	222	-	-	-	-
C.3 Deposits and loans to be received					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds					
- Long positions	40	64	296	159	1,065
- Short positions	239	9	-	-	-
C.5 Financial guarantees granted	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Credit derivatives with exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.8 Credit derivatives without exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-

1. Time breakdown of financial assets and liabilities by contractual residual maturity

OTHER CURRENCIES

(cont.)

Items/time bands	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	Over 5 years	Undefined maturity
On-balance-sheet assets	**104,721**	**389,668**	**1,431,529**	**1,113,617**	**-**
A.1 Government securities	19,251	60,755	156,897	818,173	-
A.2 Other debt securities	39,921	299,145	1,221,866	197,665	-
A.3 UCITS units	-	-	-	-	-
A.4 Loans	45,549	29,768	52,766	97,779	-
- Banks	134	-	-	-	-
- Customers	45,415	29,768	52,766	97,779	-
On-balance-sheet liabilities	**7,022**	**8,314**	**6,738**	**93**	**-**
B.1 Deposits and current accounts	7,022	8,314	-	-	-
- Banks	-	-	-	-	-
- Customers	7,022	8,314	-	-	-
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	-	-	6,738	93	-
Off-balance sheet transactions					
C.1 Financial derivatives with exchange of principal					
- Long positions	127,755	97,218	66,929	-	-
- Short positions	125,849	109,602	113,693	-	-
C.2 Financial derivatives without exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.3 Deposits and loans to be received					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds					
- Long positions	34	-	-	-	-
- Short positions	-	-	-	-	-
C.5 Financial guarantees granted	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Credit derivatives with exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.8 Credit derivatives without exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-

As required by the regulations, liquidity risk includes the self-securitisations carried out by the BPER Banca Group and outstanding as at 31 December 2024.

Sardegna Re-Finance self-securitisation

During 2017, the subsidiary Banco di Sardegna completed a securitisation of performing residential mortgage loans pursuant to Law 130 dated 30 April 1999 to strengthen the funding available - through the Parent Company BPER Banca - to control liquidity risk.
This transaction involved the without-recourse bulk sale of 19,494 performing loans, comprising residential mortgage loans granted to developers and residential mortgage loans granted to home owners, totalling Euro 1,494,858,369, to Sardegna Re-Finance s.r.l., a company formed pursuant to Law 130. The vehicle company financed the transaction via issue of the asset-backed bonds described in the following table, all of which were taken up by Banco di Sardegna.
The objective of this transaction, which did not involve the market, was to create a reserve of liquidity via the issue of securities eligible for refinancing with the ECB - through the Parent Company BPER Banca - and for use as collateral for other funding transactions. It represents one aspect of the liquidity management activities arranged by the BPER Banca Group.
The securities have been rated by Moody's and DBRS.
As structured, the sale does not transfer to third parties, with respect to the originator bank, the real credit risk associated with the underlying loans. Based on the provisions of IAS 39 regarding derecognition (replaced by IFRS 9 starting from 1 January 2018, maintaining the same approach for the derecognition of assets), the transactions subject to securitisation remain on the books of Banco di Sardegna (and therefore of the BPER Banca Group) and are discussed in the Explanatory Notes.
Since the possibility of subsequent sales of loan portfolios was envisaged - within 24 months from the December 2017 closing date - to be followed by an adjustment of the securities issued due to an increase in their respective pool factor values, there were two further sales of mortgages, selected with criteria similar to those used for the first sale, of Euro 443 million and Euro 175 million, respectively, in June and December 2018. The portfolio has therefore reached its maximum capacity already after 12 months and the transaction has been consolidated as follows.

Classes	A	J
Issue amount	1,668,800,000	531,200,000
Current Pool Factor	0.25292135	0.85368328
Currency	Euro	Euro
Maturity	22.12.2060	22.12.2060
Listing	Dublin Stock Exchange	Unlisted
ISIN code	IT0005317034	IT0005317042
Depreciation	Pass Through	Pass Through
Indexation	Euribor 3m	Unindexed
Spread	0.80%	Residual
Issue Moody's Rating	Aa2	Unrated
Issue DBRS Rating	AA (low)	Unrated
Current Moody's Rating	Aa3	Unrated
Current DBRS Rating	AAA (sf)	Unrated

Diamantino RMBS

On 9 May 2023, BPER Banca signed a contract for the sale of loans relating to residential mortgages and property loans of Euro 3.7 billion in favour of the Diamantino RMBS special purpose vehicle that, on 22 June 2023, issued securities for a total of Euro 3,648,422,000 (of which Euro 2,645,100,000 in class A and Euro 1,003,322,000 in class J), which were fully subscribed for by BPER Banca s.p.a. in order to optimise the counterbalancing capacity with securities highly rated by the refinancing market.

Disposal date:	09 May 2023
Seller:	BPER Banca s.p.a.
Special purpose vehicle:	DIAMANTINO RMBS s.r.l., Via Vittorio Emanuele II 24/28, 20122 Milan
Servicer:	BPER Banca s.p.a., as Servicer, Account Bank and Paying Agent, Zenith Services as Calculation Agent and Corporate Servicer
Issue date of securities	22 June 2023
Type of transaction	Traditional
Organisational structure	BPER Banca s.p.a. provides a quarterly report on the collections in which it comments on the activity carried out with indications relating to collections, providing specific details about interest and principal payments. The Corporate Servicer activities has been delegated to Zenith Service s.p.a.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out by the Originator.

The operational aspects are summarised below:

Assets sold	Property loans and residential mortgage loans
Quality of assets securitised	Performing loans
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 3.7 billion
Disposal price of securitised assets	The disposal price is Euro 3.7 billion
Guarantees and credit lines granted by the bank	None.
Guarantees and credit lines granted by third parties	None.
Analysis by business sector	Mortgage agreements entered into with both natural and legal persons, excluding Public Administrations.
Analysis by geographical area	Securitised loans are concentrated in Italy.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024
IT0005549594	Senior	Dec-75	2,645,100	1,970,824
IT0005549602	Junior	Dec-75	1,003,322	1,003,322
Total			**3,648,422**	**2,974,146**

During the 2024 financial year, the “Lanterna Finance 5” transaction, originated by Banca Carige s.p.a. together with Banca del Monte di Lucca s.p.a., and incorporated into BPER Banca following the 2022 merger, was completed through the repurchase of receivables, which took place on 14 June 2024, and the cancellation of the remaining securities.

Multi Lease AS self-securitisation

The “MultiLease 4” transaction (abbreviated as “ML4”), completed in the third quarter of 2021 and effective for legal purposes from 1 July 2021, with underlying portfolio of performing lease receivables for a total amount of Euro 1,796,045,000.00, met the expected cash collection levels in 2024. There are no customers in default and reminders were promptly sent for past due receivables to ensure the immediate collection in observance of the provisions of the Servicing Agreement.

Under the Servicing Agreement, the credit collection and monitoring service was carried out regularly; the Corporate Servicer (Zenith s.r.l.) punctually issued monthly reports on the performance of the transaction.

It should be noted that, in February 2024, the Audit Function of the Parent Company concluded an annual audit on the Servicing process carried out by BPER Leasing; said audit was conducted in application of the provisions of the Bank of Italy which, - under Circular no. 288/2015 Supervisory provisions for financial intermediaries” - sets forth that of a financial company exercises the role of Servicer in a securitisation, the internal audit function must verify, at least annually, the adequacy and the functionality of the process of managing and monitoring the performance of securitised assets, and monitor compliance of the transaction with the law and the Prospectus.

The objective of the audit was to assess: i) the involvement of the Governance Bodies in monitoring the transaction, ii) the overall effectiveness of the servicing process, structured to manage the securitised assets (segregation of credit assets, management, recording and transfer of collections to the Special Purpose Vehicle, and controls on threshold values defined by the servicing and transfer contracts), and iii) the execution of controls required by supervisory regulations, by the Risk Management Function.

The audit ended with a positive result (Low residual risk and no findings and/or recommendations).

It is noted that on 19 June 2024, following a review of the transaction conducted by the agency Morningstar DBRS, the AAA rating of the Class A notes (Senior notes) was confirmed.

It should be noted that during the second quarter of 2024, BPER’s Finance Department confirmed the decision not to proceed with the early termination of the current securitisation transaction “Multilease IV” in favour of a new securitisation transaction “Multilease V”.

The total amount of these Notes after the repayment on the payment date (27 December 2024) – repayment of principal Euro 23,403,100.20 and interest Euro 589,562.30 - is Euro 630,616,660.10 made up as follows:
- Class A Notes – Senior Euro 155,571,660.10;
- Class B Notes – Junior Euro 475,045,000.00.

The residual balance of the portfolio at 31 December 2024 amounted to Euro 791,219,503.95 for a total of 3,756 contracts, including Euro 6,862,382.29 of Unpaid Principal Instalments.

1.5 Operational risk

Qualitative Information

A. General aspects, governance and measurement of operational risk

Operational risk is "the risk of losses due to inadequate or dysfunctional procedures, human resources or internal systems, or to exogenous events, including the legal risk[152]".
The BPER Banca Group adopts the Traditional Standardised Approach (TSA) to calculate the capital requirement for operational risk. The Own Funds requirement is calculated using the standardised approach by determining the three-year average of the sum of the annual Own Funds requirement for the lines of business in which the relevant indicator was classified[153].
Note that, on the basis of the principles of organisational separation and independence of functions exercising second and third level control activities, it is envisaged that there is:
- a first level control of operational risk;
- a function that performs second level controls of operational risk within the Risk Management Department, part of the Operational, ICT and Reputational Risk Unit;
- a function for third-level controls that is attributed to the Internal Audit Department, in accordance with the Group's internal control system.

Operational risk management is based on the following principles:
- identification: operational risks are identified, highlighted and reported to senior management;
- measurement and assessment: the risk is quantified by determining the impact on business processes, inclusive of the financial impact thereon;
- monitoring: monitoring of operational risk and of exposure to significant losses is ensured, generating information flows that favour active risk management;
- mitigation: appropriate measures have been taken to mitigate operational risk;
- reporting: a reporting system has been set up to report on operational risk management.

The collection and storage of data relating to loss events is done by means of the Group's Loss Data Collection process.
The process of Loss Data Collection is supported by special IT tools, which are under constant development, to ensure the integrity and quality of data.
The assessment of operational risk exposure, which is performed by means of risk self assessment, is aimed at determining, with an annual time horizon and for significant operating segments:
- the extent of exposure to operational risk;
- an assessment of the adequacy of line processes and controls.

The management of operational risk also includes assessment of the risks associated with the approval of new products and services, the start-up of new activities, the entry into new markets and the third party management process.

As of 2015, the Group has implemented an analytical framework for ICT and Security risk, in compliance with Circular 285 of 17 December 2013, with the aim of providing an overview of the current risk situation and the remedy plan needed to avoid exceeding the threshold set for the Group's risk appetite.
Following the new regulatory provisions (Directive (EU) 2015/2366 implemented in the 28th update of Circular 285 of July 2019), every year the Group carries out an in-depth assessment of the operational and security risks related to the payment services provided and the adequacy of the mitigation measures and control mechanisms put in place to address them.

The Parent Company prepares a quarterly report for Senior Management and the managers of central organisational units on the operational losses incurred during the period, as well as an annual report that analyses the forward-looking assessments of operational risk, based on the risk self assessments carried out, and describes the various risk mitigation actions planned. Specific reporting is also provided for the ICT and Security risk management framework and the third-party risk management framework.

152 See (EU) Regulation 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment companies (CRR) – Part one, Title I, art. 4. Legal risk is the risk of losses resulting from violations of laws or regulations, from contractual or extra-contractual liability or from other disputes.

153 See CRR – Part three, Title III, Chapter 3, art. 317.

Membership by the BPER Banca Group of the DIPO consortium[154] allows the Bank to obtain feedback about the operational losses reported by the other Italian banks that are members. The Parent Company currently uses this feedback to analyse the positioning of the Group with respect to the system as a whole, to update the map of operational risks and to support the estimates made during the Risk Self Assessment process.
Operational risk management includes the various steps involved in the process of Business Continuity Management. This process is designed to maintain an appropriate level of attention regarding operational continuity and to avoid the progressive obsolescence of organisational measures (rules, impact assessment, scenarios, emergency measures, operating plans etc.) taken to ensure the continuity of critical business processes.

Quantitative information

The following is the distribution of the number of events and operating losses recorded in 2024, divided into the following risk categories:

- internal fraud: losses due to fraud, embezzlement or circumvention of regulations, laws or company policies, excluding incidents of discrimination or failure to apply equal treatment, which involves at least one internal resource of the entity;
- external fraud: losses due to fraud, embezzlement or violation/circumvention of laws, by a third party;
- employment and safety at work: losses arising from acts not in compliance with laws or agreements in respect of employment, health and safety at work, from the payment of compensation for personal injuries or incidents of discrimination or failure to apply equal treatment;
- customers, products and business practices: losses arising from unintentional or negligent non-performance relating to professional obligations to specific clients (including fiduciary and suitability requirements), or from the nature or characteristics of the product;
- damage to fixed assets: losses resulting from loss or damage to assets from natural disasters or other events;
- business interruption and system failures: losses arising from business interruption or system failures;
- performance, delivery and management of processes: losses due to weaknesses in the handling of transactions or management of processes, as well as losses due to relations with business partners and suppliers.

154 Database Italiano Perdite Operative (Italian Database of Operational Losses) which the BPER Banca Group has participated in since 2003. The DIPO observatory is a service provided by the Italian Banking Association designed to support the development of Operational Risk Management and to create a methodology for gathering and exchanging information on operational losses suffered by members.

FIGURE 1: BREAKDOWN BY FREQUENCY

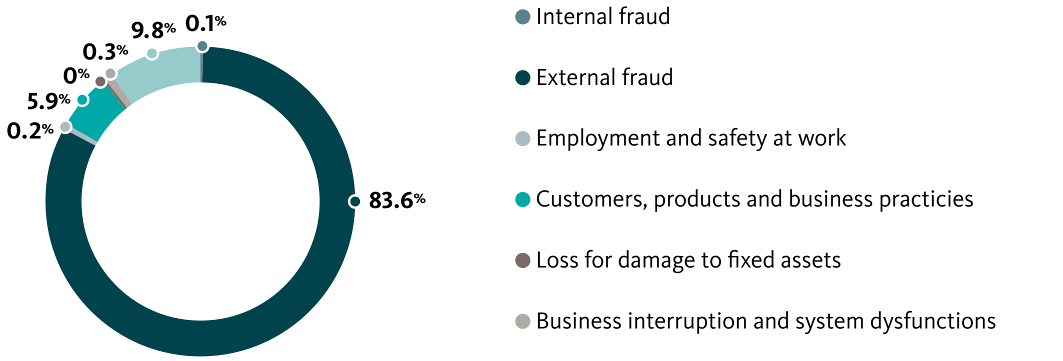
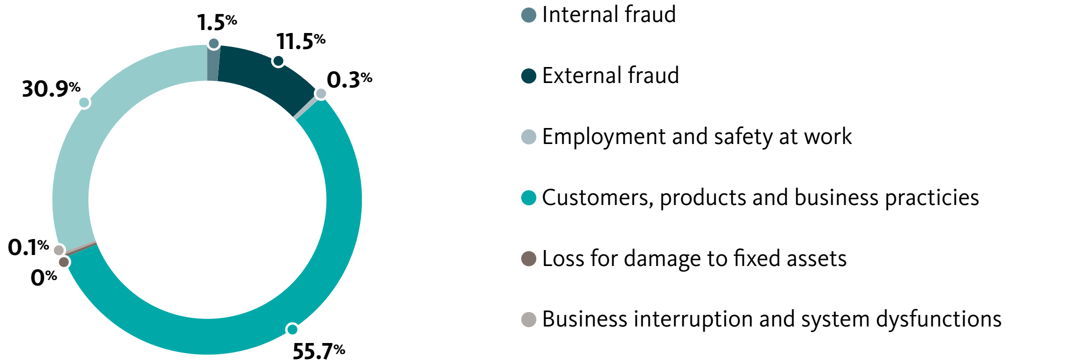


FIGURE 2: BREAKDOWN BY GROSS ACTUAL LOSS



An analysis of the graphs shows that the most relevant type of event in terms of frequency is:

- "External fraud" with 83.6% of the total frequency of new events in 2024;
- "Performance, delivery and management of processes", with 9.8% of the total frequency of new 2024 events.

In terms of economic impact the most significant events related to:

- "Customers, products and business practices", with 55.7% of the total gross loss recognised in 2024.
- "Performance, delivery and management of processes", with 30.9% of the total gross loss recognised in 2024.

Reputational risk

Qualitative Information

A. General aspects, management and methods to measure reputational risk

Reputational risk is "the current or prospective risk of a decline in earnings or capital arising from an adverse perception of the Group by customers, employees, counterparties, shareholders, investors or Supervisory Authorities".

The framework for the management of reputational risk is supervised by the Reputational & Other non Financial Risk office within the Risk Management Function, with support from the organisational units involved (Reputational Risk Owner) in managing risk and monitoring the corrective actions needed to mitigate any vulnerabilities identified.

The system of reputational risk management adopted by the BPER Group has the following components:
- identification and assessment of risk based on Reputational Data Collection and Reputational Self-Assessment;
- monitoring of the Group's exposure to reputational risk using a series of specific Key Risk Indicators;
- management of critical reputational events (escalation): management of particularly critical reputational events, by means of a functional escalation process and the determination of short and long term responses and mitigation;
- reporting: preparation of suitable reports, based on the various processes/sub-processes comprising the framework, in order to present in summary form the outcome of the risk management activities to all bodies and functions concerned.

With reference to the reputational risk management process, the following results are reported (specifying that the analyses relating to the monitoring of Reputational Risk Indicators and the Reputational Risk Self-Assessments are to date carried out only at Group level):
- in 2024, 2 reputational events were recorded with high risk, 21 with medium risk and 158 with low risk on a rating scale with 3 levels (low, medium, high);
- no reputational critical issues identified in the monitoring of the Parent company's KRIs;
- no reputational critical issues identified as part of the RSA campaign of the Parent company;
- presence of some previous events in 2024 (mainly ongoing criminal proceedings) potential future reputational impacts.

No internal capital is allocated to cover reputational risk (since it is included in other risk categories).

Section 3 – Risks of insurance companies

This section is not applicable as the BPER Banca Group does not include insurance companies.

Section 4 – Risks of other companies

This section is not applicable because, as already explained in part A of these Explanatory Notes, the BPER Banca Group has decided to align the scope of consolidation with that used for regulatory purposes.

PART F
Information on Consolidated Shareholders' Equity

Section 1 – Consolidated shareholders' equity

Qualitative Information

Equity management and its continuous monitoring in terms of size and quality compared with the risks assumed is an activity that the BPER Banca Group carries on constantly to ensure an adequate level of capitalisation in compliance with the prudential rules.

As Parent Company, BPER Banca performs the role of coordination and guidance of Group banks and companies, coordinating the management of capital in each individual entity and providing appropriate guidelines.

By means of active capital management, a suitable combination of different capitalisation instruments and continuous monitoring, the Parent Company has managed to combine projects for capital growth and optimisation that have enabled the Group to maintain a strong capital profile.

The size of the Group's consolidated capital resources and those of the individual Group companies are verified and periodically brought to the attention of Top Management and of the Corporate Bodies. The capital position is monitored within the RAF (Risk Appetite Framework) and further examined during the managerial Risk Committee, the Board Control and Risk Committee, and the Board of Directors through periodic reports related to capital situations and in impact simulations related to most significant transactions.

The capital management and planning activities are aimed at governing and improving the current and prospective financial strength of the Group. such as conservative pay-out policies, strategic finance operations (capital increases, convertible loans, subordinated bonds) and levers connected to the containment of risks, such as insurance coverage, management of loans as a function of counterparty risk, technical form and guarantees assumed.

The Parent Company is subject to the capital adequacy requirements established by the Basel Committee, in accordance with the rules defined by EU Regulation 575/2013 (CRR). In regulatory terms, BPER Banca, Banco di Sardegna and Bibanca were authorised from 30 June 2016 to use the AIRB approach for measuring credit risk for the Corporate and Retail segments. Authorisation later extended to former Cassa di Risparmio di BRA credit exposures (starting from the Supervisory Reporting of March 2019) and to the credit exposures acquired through the business units deriving from Intesa Sanpaolo (starting from Supervisory Reporting as at 31 December 2021). Furthermore, following the Final decision of the latest Internal Model Investigation and subsequent Follow-Up letter from the ECB, starting from the Supervisory Reports as at 31 March 2023, the calculation of the credit risk capital requirements using the AIRB method was extended to former Cassa di Risparmio di Saluzzo and former UBI Banca credit exposures, and starting from the Supervisory Reports as at 30 June 2023 to former Unipol Banca exposures. Other BPER Banca Group companies apply the Standardised Approach (SA) for the measurement of credit risk while, at the same time, continuing preparations to extend the use of advanced methodologies to other Group entities whose IT systems have already been aligned through a specific gradual extension plan.

Quantitative information

B.1 Consolidated Shareholders' equity: breakdown by business type

Items	Prudential consolidation	Insurance companies	Other companies	Consolidation adjustments and eliminations	Total
1. Share capital	2,973,846	-	-	(828,294)	2,145,552
2. Share premium reserve	1,560,556	-	-	(314,209)	1,246,347
3. Reserves	6,391,429	-	-	(960,428)	5,431,001
4. Equity instruments	1,115,596	-	-	-	1,115,596
5. (Treasury shares)	(32,035)	-	-	-	(32,035)
6. Valuation reserves:	208,374	-	-	10,935	219,309
- Equity instruments measured at fair value through other comprehensive income	181,003	-	-	1,024	182,027
- Hedging of equity instruments measured at fair value through other comprehensive income	(8,875)	-	-	(109)	(8,984)
- Financial assets (no equity instruments) measured at fair value through other comprehensive income	(93,228)	-	-	3,008	(90,220)
- Property, plant and equipment	139,879	-	-	-	139,879
- Intangible assets	-	-	-	-	-
- Foreign investment hedges	-	-	-	-	-
- Cash flow hedges	13	-	-	-	13
- Hedging instruments [non-designated elements]	-	-	-	-	-
- Foreign exchange differences	-	-	-	-	-
- Non-current assets and disposal groups held for sale	-	-	-	-	-
- Financial liabilities designated at fair value through profit or loss (variation due to changes in creditworthiness)	(44,293)	-	-	-	(44,293)
- Actuarial gains (losses) on defined benefit plans	(145,744)	-	-	-	(145,744)
- Share of valuation reserves of equity investments valued at equity	-	-	-	7,012	7,012
- Financial revenues or costs relating to insurance contracts issued	-	-	-	-	-
- Financial revenues or costs relating to outwards reinsurance	-	-	-	-	-
- Special revaluation laws	179,619	-	-	-	179,619
7. Profit (loss) for the year (+/-) of the Group and minority interests	1,715,103	-	-	(276,593)	1,438,510
Total	**13,932,869**	**-**	**-**	**(2,368,589)**	**11,564,280**

B.2 Valuation reserves of financial assets measured at fair value through other comprehensive income: breakdown

Assets / Amounts	Prudential consolidation		Insurance companies		Other companies		Consolidation adjustments and eliminations		Total	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	4,532	97,760	-	-	-	-	3,998	990	8,530	98,750
2. Equity instruments	199,566	18,563	-	-	-	-	1,024	-	200,590	18,563
3. Loans	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**204,098**	**116,323**	**-**	**-**	**-**	**-**	**5,022**	**990**	**209,120**	**117,313**
Total 31.12.2023	**158,610**	**164,931**	**-**	**-**	**-**	**-**	**2,705**	**990**	**161,315**	**165,921**

B.3 Valuation reserves of financial assets measured at fair value through other comprehensive income: annual changes

	Debt securities	Equity instruments	Loans
1. Opening balance	**(140,844)**	**136,238**	**-**
2. Increases	101,504	62,869	-
2.1 Fair value increases	71,634	59,855	-
2.2 Impairment losses for credit risk	1,555	X	-
2.3 Reclassification to profit and loss of negative reserves following disposal	21,901	X	-
2.4 Transfer to other components of shareholders' equity (equity instruments)	-	647	-
2.5 Other increases	6,414	2,367	-
3. Decreases	50,880	17,080	-
3.1 Fair value decreases	11,077	7,165	-
3.2 Write-backs for credit risk	1,346	-	-
3.3 Reclassification to profit or loss of positive reserves: -from disposal	7,329	X	-
3.4 Transfer to other components of shareholders' equity (equity instruments)	-	5,299	-
3.5 Other decreases	31,128	4,616	-
4. Closing balance	**(90,220)**	**182,027**	**-**

B.4 Valuation reserves about actuarial gains (losses) on defined benefit plans: annual changes

	31.12.2024	31.12.2023
1. Opening balance	**(145,321)**	**(134,093)**
2. Increases	**1,204**	**3,385**
2.1 Actuarial gains	949	598
2.2 Other increases	255	2,787
3. Decreases	**1,627**	**14,613**
3.1 Actuarial losses	1,519	14,528
3.2 Other decreases	108	85
4. Closing balance	**(145,744)**	**(145,321)**

Section 2 – Own funds and capital adequacy ratios

The disclosures about own funds and capital adequacy are provided in the document entitled “Public Disclosure as at 31 December 2024 – Pillar 3”, prepared in accordance with the regulatory framework consisting of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 (the Capital Requirements Regulation or CRR) as later amended.

The disclosure is published on the Parent Company’s corporate website https://group.bper.it on the same date as or as soon as possible after the Consolidated Financial Report of the BPER Banca Group as at 31 December 2024.

PART G

Business combinations

Section 1 – Transactions carried out during the year

1.1. Business combinations

No business combinations pursuant to IFRS 3 were carried out during the period to 31 December 2024.

1.2 Transactions between entities under common control

On 8 February 2024, BPER Banca s.p.a. (the Transferor Company) signed the deed of transfer to Banca Cesare Ponti s.p.a. ("Transferee Company") of the "Private Banking" business unit, specialised in Wealth Management and Asset Management, against an increase in share capital approved on the same date by the Extraordinary Shareholders' Meeting of Banca Cesare Ponti and offered for subscription to BPER Banca, the sole shareholder of Banca Cesare Ponti.

BPER Banca's contribution of the business unit to Banca Cesare Ponti to service the increase in share capital is part of a broader and more extensive initiative, in line with the BPER Banca Group's 2022 - 2024 Business Plan, aimed at centralising the wealth management activities of the Group within Banca Cesare Ponti.

For more details on the strategic rationale behind the transaction, please refer to the Directors' Report on Group Operations.

The deed of merger was signed on 19 June 2024 between BPER Real Estate s.p.a. and BPER REOCO s.p.a., effective for legal accounting and tax purposes from 1 July 2024.

Section 2 – Transactions carried out after the end of the reporting period

2.1. Business combinations

No business combinations falling within the scope of IFRS 3 have occurred after 31 December 2024 and before the date of approval of the Consolidated Financial Report by the Board of Directors of the Parent Company.

2.2 Transactions between entities under common control

On 16 January 2025, the demerger deed relating to the transfer of payment services from Bibanca s.p.a. to BPER Banca s.p.a. was executed, determining its accounting effectiveness. The project had been launched on 6 and 7 August 2024 by resolutions approving the transaction adopted by the Boards of Directors of BPER Banca and Bibanca; it was authorised by the European Supervisory Authority with a measure dated 30 October 2024. Subsequently, the transaction was approved by the extraordinary Shareholders' Meetings of BPER and Bibanca, both held on 19 December 2024. The transfer of activities to a single entity will enable the BPER Banca Group to align monitoring of the business and its pricing with market best practice, to optimise relations with payment circuits and simplify the internal governance model.

For more details on the strategic rationale behind the transaction, please refer to the Directors' Report on Group Operations.

Section 3 – Retrospective adjustments

No retrospective adjustments to business combinations performed in previous years were necessary.

PART H
Related-party transactions

1. Information on the remuneration of Managers with strategic responsibilities

	Board of Directors	Statutory Auditors	Other managers with strategic responsibilities
Short-term benefits (1)	4,527	328	8,774
Post-employment benefits (2)	-	-	542
Other long-term benefits (3)	874	-	1,552
Indemnities for termination of employment (4)	-	-	2,960
Share-based payments (5)	1,380	-	2,268
Total 31.12.2024	**6,781**	**328**	**16,096**
Short-term benefits (1)	3,591	350	6,456
Post-employment benefits (2)	-	-	480
Other long-term benefits (3)	618	-	1,592
Indemnities for termination of employment (4)	-	-	810
Share-based payments (5)	947	-	1,824
Total 31.12.2023	**5,156**	**350**	**11,162**

The information provided is consistent with that required by IAS 24.

The amounts shown for the Directors (including the emoluments of the Chief Executive Officer), the Statutory Auditors and other Managers with strategic responsibilities, represent their emoluments for the year, regardless of when they are paid.

(1) The item includes salaries, indemnities in lieu of untaken vacation, paid leave of absence and any fringe benefits, such as insurance, housing and car, in addition to social security contributions.
As regards the Directors, note that the amount shown (Euro 4,527 thousand) consists of their emoluments for the period in accordance with art. 11 of the Articles of Association. More specifically:

- Euro 2,058 thousand (Euro 1,872 thousand at 31 December 2023), comprising the fees payable to the Directors (Euro 1,267 thousand), the additional emoluments due to members of the Board committees (Euro 504 thousand), as well as the attendance fees payable to the Directors for participating in meetings of the Board of Directors (Euro 136 thousand) and amounts earned for positions held in subsidiaries not paid directly to the Parent Company (Euro 151 thousand as at 31 December 2024);
- Euro 475 thousand (Euro 365 thousand as at 31 December 2023) of additional emoluments payable to Directors appointed to particular positions in compliance with the Articles of Association (specifically Chair and Deputy Chair); in fact, this remuneration has to be set by the Board of Directors, after having sought the opinion of the Board of Statutory Auditors;
- Euro 1,411 thousand (Euro 1,200 thousand as at 31 December 2023) as additional emoluments, again with reference to the same clause of the Articles of Association mentioned above, for the office of Chief Executive Officer, plus Euro 583 thousand of variable remuneration.
The amounts shown for other Key Management Personnel belong to the types of costs detailed above. They are disclosed in the Report on Remuneration (art. 123-ter of Legislative Decree no. 58/1998) in accordance with Consob's instructions.

(2) The item includes payments to the supplementary pension funds and provisions for termination indemnities.
(3) The item includes deferred variable remuneration relating to annual variable incentive plans, as specified in the Remuneration Report.
(4) The item includes termination indemnities.
(5) The item includes the costs accrued for the Long-Term Incentive Plan during the year.

2. Information on related-party transactions

The BPER Banca Group has adopted a series of regulations that include the "Group policy governing non-compliance risk in relation to conflicts of interest with related parties and risk activities with associated persons". This regulatory framework complies with the Bank of Italy's requirements in terms of "Risk activities and conflict of interest with related parties and associated persons" as contained in Circular 285 dated 17 December 2013 and subsequent updates. The Policy describes the prudential limits placed on risk activities involving related parties and associated persons, the continuous monitoring of limits, the management of situations where the limits have been exceeded. An "internal threshold of attention" establishes an individual limit on the weighted consolidated exposure that is lower than the regulatory threshold. This threshold is set at such a level as to constitute an adequate precaution against accepting particularly significant exposures to related parties and persons associated with them.

The following shows the transactions with related parties, identified in application of IAS 24.

	Assets	Liabilities	Guarantees and commitments	Revenues	Costs
Subsidiaries (*)	49,309	7,213	4,530	498	360
Associates	810,341	24,463	165,347	34,920	50,683
Directors, Statutory Auditors and Managers	940	2,237	259	53	20
Other related parties	625,853	1,924,099	139,176	267,490	110,836
Total 31.12.2024	**1,486,443**	**1,958,012**	**309,312**	**302,961**	**161,899**
Subsidiaries (*)	48,169	7,206	20,700	6,602	661
Associates	896,820	58,732	236,763	34,887	2,349
Directors, Statutory Auditors and Managers	569	2,072	272	36	63
Other related parties	340,444	1,998,436	75,277	243,121	74,747
Total 31.12.2023	**1,286,002**	**2,066,446**	**333,012**	**284,646**	**77,820**

(*) not consolidated line-by-line.

Balances and transactions with related parties all relate to routine banking and other services and arose normally during the year, as a consequence of needs and requirements in the common interests of the parties or, where applicable, of the Group. The conditions applied to the individual accounts are in line with those currently applied in the market.
"Other related parties" are situations other than those set out in the table, such as entities controlled by associated companies of BPER Banca, entities which have a significant influence on the BPER Banca Group and their subsidiaries, entities subject to the control of Directors, Statutory Auditors or Managers, or by subjects that may have significant influence over them, as defined by IAS 24.
The total amount of cash and endorsement loans to Directors, Statutory Auditors, Managers and other related parties comes to Euro 766.2 million (Euro 416.6 million at 31 December 2023). The above amount accounts for 0.42% of total cash and endorsement loans.

	Assets	Liabilities	Guarantees and commitments	Revenues	Costs
Total reference amounts - 31.12.2024	**140,591,432**	**129,027,152**	**41,085,761**	**7,818,892**	**5,133,813**
Total reference amounts - 31.12.2023	142,128,359	132,562,882	41,142,926	7,453,657	5,089,626

The total reference amounts for revenues include interest income (item 10), commission income (item 40) and other operating income (detail of item 230); costs include interest expense (item 20), commission expense (item 50), other operating expenses (detail of item 230) and administrative expenses (item 190).

Related party transactions stated as a percentage of reference amounts (financial position and economic results)

	Assets	Liabilities	Guarantees and commitments	Revenues	Costs
Subsidiaries (*)	0.04%	0.01%	0.01%	0.01%	0.01%
Associates	0.58%	0.02%	0.40%	0.45%	0.99%
Directors, Statutory Auditors and Managers	0.00%	0.00%	0.00%	0.00%	0.00%
Other related parties	0.45%	1.49%	0.34%	3.42%	2.16%
Total 31.12.2024	**1.07%**	**1.52%**	**0.75%**	**3.88%**	**3.16%**
Subsidiaries (*)	0.03%	0.01%	0.05%	0.09%	0.01%
Associates	0.63%	0.04%	0.58%	0.47%	0.05%
Directors, Statutory Auditors and Managers	0.00%	0.00%	0.00%	0.00%	0.00%
Other related parties	0.24%	1.51%	0.18%	3.26%	1.47%
Total 31.12.2023	**0.90%**	**1.56%**	**0.81%**	**3.82%**	**1.53%**

(*) not consolidated line-by-line.

PART I

Equity-based payments

Qualitative Information

1. Description of equity-based payments

On 19 April 2024, the Shareholders' Meeting, based on a prior resolution of the Board of Directors of 20 March 2024, approved the Remuneration policies of the BPER Banca Group for the year 2024 containing guidelines on the use of remuneration plans based on equity (financial) instruments.

By resolution of the Board of Directors dated 30 May 2024, as disclosed to the market on the same date, the Strategic Plan "BPER e-volution 2022-2025", approved by the Board of Directors of BPER Banca on 9 June 2022 and disclosed to the market on 10 June 2022, was closed ahead of schedule on 31 December 2024.

The Long-Term Incentive Plan, approved by the Shareholders' Meeting on 5 November 2022 and originally approved on a four-year basis, was thus modified by the Board of Directors' Meeting of 30 May 2024 with a reduced duration and renamed "2022-2024 LTI Plan".

It was therefore necessary to amend the 2024 remuneration policies of the BPER Banca Group in relation to the Remuneration Policy approved by the Shareholders' Meeting on 19 April 2024. The amendments contained in the Update are aimed at (i) taking account of the ahead-of-time closure of the Business Pian and (ii) defining a competitive and attractive variable Remuneration Policy for 2024, acting as a key lever in supporting the Group's growth path while accelerating its orientation towards the strategic development guidelines that will be fully defined under the New Business Plan, in order to also further meet investors' interests.

In order to pursue the objective of encouraging alignment of the interests of management with those of shareholders, the "Supervisory Provisions for banks" regarding "Remuneration and incentive policies and practices (Bank of Italy Circular no. 285 of 17 December 2013 and subsequent updates) establish that at least 50% of variable remuneration provided to "key employees" (or "Material Risk Takers" or "MRT") should be paid in the form of shares or associated financial instruments (pursuant to article 114-bis of Legislative Decree no. 58 of 24 February 1998 and paid through upfront payment systems or deferred for a period of no less than 4-5 years. "Variable remuneration" refers to both variable performance-linked components or other parameters, and to amounts paid as incentives for the early termination of the employment relationship or for the early exit from office recognised to recipients ("severance").

In compliance with the aforementioned regulatory provisions, the BPER Banca Group has therefore made provision for:
- A short-term incentive plan on an annual basis - MBO 2024: the plan identifies the following beneficiaries: in addition to the Chief Executive Officer, the executives with strategic responsibilities of the BPER Banca Group and selected persons from other categories of employees or associates of the BPER Banca Group classified as "Material Risk Takers" pursuant to the applicable legislation. As far as the structure is concerned, the Plan envisages paying part of the incentive through the assignment of BPER Banca shares, subject to the fulfilment of the conditions for its activation ("entry gates") and based on the bonus amount accrued by each MRT. The period for implementing the Plan runs between 2025 (the period in which the results for the financial year 2024 are recognised) and the actual availability of the last deferred portion in BPER shares (2031). If the annual variable remuneration is ≤ Euro 50 thousand and ≤ 1/3 of total annual remuneration, the bonus will be paid up-front and 100% in cash.
- 2022-2025 Long-Term Incentive (LTI) Plan: the plan identifies the following beneficiaries: in addition to the Chief Executive Officer, some executives with strategic responsibilities of the BPER Banca Group and certain selected persons from managers of the BPER Banca Group included in the perimeter of "Material Risk Takers". As regards the structure, the Plan makes provision, subject to the achievement of specific long-term company performance targets in line with the Strategic Plan in force, for the assignment to beneficiaries of an individual bonus, to be paid solely in ordinary BPER Banca shares at the end of the four-year vesting period (1 January 2022 - 31 December 2025). The period for implementing the 2022-2025 LTI Plan runs between the year of the shareholders' meeting approval (2022) and the actual availability of the last deferred portion in BPER shares (2032).
- At its meeting on 30 May 2024, the Board of Directors of BPER Banca s.p.a. resolved to approve the proposed changes to the 2022-2025 Long-term Incentive Plan.
- The amendments are justified by the need to align this Incentive Plan with the amendments made to the 2022-2025 Business Plan and for which the Board of Directors, during the meeting of 30 May 2024, resolved upon the review of its duration, establishing its closure for 31 December 2024, bringing forward the verification of the achievement of the targets originally planned for 31 December 2025.

- The amendments to the LTI Plan consist in:
  - a reduction of the vesting period from four years (2022-2025) to three years (2022-2024), in line with the content of the aforementioned resolution of BPER Banca's Board of Directors of 30 May 2024 concerning the Business Plan;
  - as a result of point a), verification of the achievement of the targets concerning the Gates and KPIs associated with the LTI Plan (remaining unchanged compared to those originally planned for 31 December 2025) brought forward to 31 December 2024;
  - as a consequence of point a), pro-rated reduction of the number of shares to be granted to the Recipients.

The period for implementing the 2022-2024 LTI Plan therefore runs between the year of the first shareholders' meeting approval (2022) and the actual availability of the last deferred portion in shares (2031).

The amended Plan renamed "2022-2024 Long-Term Incentive Plan" will be submitted for approval to the ordinary Shareholders' Meeting to be held on 3 July 2024.

For detailed information, please refer to the document "2024 Report on remuneration policy and compensation paid", published on the Bank's website www.bper.it – Homepage > Governance > Documents.

Methods of implementation of the short-term incentive plan on an annual basis -MBO 2024

The assignment of variable remuneration is provided on the condition that the BPER Group achieves the economic-financial targets established on an ex-ante basis ("entry gates") tied to the following parameters targeted at ensuring the maintenance of adequate income and capital standards:
- Consolidated Common Equity Tier 1 Ratio (CET1);
- Consolidated Return On Risk-Weighted Assets (RORWA);
- Consolidated Liquidity Coverage Ratio (LCR).

After checking that the entry gates have been exceeded, the bonus allocation and the deriving extent of the variable remuneration are defined by evaluating individual performances using a process that includes an analysis of various qualitative and quantitative indicators.

If the variable remuneration determined for each individual beneficiary is greater than Euro 50 thousand or 1/3 of the total annual remuneration, this Plan is activated, which envisages payment (also through quotas with deferred vesting) of a part of the bonus through the free-of-charge, personal assignment of a given number of BPER shares. With regard to the share bonus component deferred over time, the Plan envisages its allocation in equal portions to the years subsequent to that of the bonus assignment (subject to a retention period of 1 year starting from the maturity date of each deferred portion), after having exceeded the entry gates set for the year prior to the year of disbursement of each deferred quota.

The deferred instalments are subject to malus rules that can reduce the instalment to zero in the event of failure to achieve the entry gates for the financial year preceding the year of payment of each deferred instalment. The malus mechanism, which can block payment of the deferred portions of the Bonus, also acts on activation of the clawback clauses.

The total number of BPER Banca shares derives from the size of the bonus assigned and the average price of the share established in the period prior to the date of the Board of Directors' meeting which approves the Group's consolidated results.

The Bank asks Beneficiaries - through specific individual agreements - not to make use of personal hedging or insurance strategies, in compliance with the regulatory framework in force.

Note that there are Compensation Plans still outstanding for the years 2018, 2019, 2020 (in phantom stocks), 2021, 2022 and 2023 in shares.

For detailed information on the contents of the Plan, please refer to the "2024 Information Document on the compensation plan based on financial instruments" prepared in accordance with article 114-bis of the Consolidated Law on Finance and article 84-bis of the Issuers' Regulation available to the public at the company's registered office, on the Bank's website www.bper.it – Homepage > Governance > Shareholders' Meeting.

Methods of implementation of the 2022-2025 Long-Term Incentive (LTI) Plan

In line with market practices, the entry gates defined for the LTI Plan are in line with those defined for the MBO Plan: consolidated Common Equity Tier 1 (CET1) ratio, consolidated Return On Risk-Weighted Assets (RORWA) and consolidated Liquidity Coverage Ratio (LCR) In particular, the assignment of variable remuneration (exclusively in BPER Banca shares) in the 2022-2024 LTI Plan is linked to the achievement, in 2025 with reference to 2024, of the entry gate objectives as defined. Failure to achieve even only one of the entry gates means not paying any bonus under this long-term incentive scheme.

If the entry gates are exceeded, the company performance to which to link the total bonus amount to be determined (bonus pool) is based on the measurement of the following metrics (KPIs):

- Return On Tangible Equity or also "ROTE" at 2024 (earnings objective);
- Cost/Income ratio at 2024 (operating efficiency target);
- Gross NPE Ratio at 2024 (credit quality objective);
- ESG at 2024: mix of objectives structured into "sustainable finance", "energy transition", "diversity and inclusion" and Project «Futuro».

2022-2025 LTI scorecard

KPIs	Weight
Rote at 31/12/2024	50%
Cost/Income at 31/12/2024	20%
Gross NPE Ratio at 31/12/2024	15%
ESG[1] as at 31/12/2024	15%

[1] Composed of 4 indicators of equal weight (25%): Sustainable Finance (Green loans), Energy Transition (Reduction of CO2 Emissions with respect to the 2030 Paris Objectives), Diversity and Inclusion (increase in the less represented gender among Managers and Executives), Project "Future", (social impact assessment as at 31/12/2024 of specific projects for young people activated through the "Future" credit amount).

Attainment of the above-mentioned KPIs is verified in 2025 in relation to the last year of the vesting period (2024). However, continuous monitoring of the indicators is required under the Plan to verify compliance with the objectives of the Strategic Plan. The target values of the KPIs of the 2022-2024 LTI Plan are indicated in the Remuneration Report approved by the Shareholders' Meeting on 3 July 2024.

The target amount of the individual bonus (on an annual basis and hence over the three-year vesting period) is determined[155] as a percentage of the individual gross annual remuneration: (i) 60% (180% on a three-year basis) for top management and C-Levels (including the Chief Executive Officer) and (ii) 40% (120% on a three-year basis) for senior management and (iii) 15% (45% on a three-year basis) for recipients identified from the selected key personnel for the pursuit of the strategic guidelines. Excluded from the Plan are the heads of the control and similar functions, whose variable remuneration is expected not to exceed 33% of their fixed remuneration, taking into account the specific regulatory restraints of the industry for usable indicators.

The manner in which bonuses are awarded is structured as an up-front portion, awarded at the end of the three-year vesting period, and as a portion deferred pro-rata in equal tranches, over a number of years (5 years). The payment structure for the shares provides for a retention period of one year for the up-front portion and for the deferred portions.

The exact identification of the number of ordinary BPER Banca shares to be assigned in each fiscal year of the Plan term is conditional on the opening of gates and the level of achievement of the specific performance indicators upon payment of the Bonus at 2024.

The Bank cannot assign shares to beneficiaries, in whole or in part, and also reserves the right to ask the beneficiaries to return the shares, in whole or in part, if malus and claw-back clauses are triggered.

The Bank asks beneficiaries - through specific individual agreements - not to make use of personal hedging or insurance strategies which may alter or nullify the effects of the alignment with the risk inherent in the Plan, in compliance with the regulatory framework in force.

155 In respect of the variable: fixed ratio defined by the relevant remuneration policies at the moment of participation and in compliance with the regulations in force from time to time.

For detailed information on the contents of the Plan, please refer to the "Information Document relating to the long-term incentive plan "2022-2024 LTI plan" prepared in accordance with article 114-bis of the Consolidated Law on Finance and article 84-bis of the Issuers' Regulation available to the public at the company's registered office, on the Bank's website www.bper.it – Homepage > Governance > Shareholders' Meeting.

Quantitative information

As regards the LTI Plan, the grant of shares without charge in execution of the Plan will take place using treasury shares that derive from purchases authorised at the Shareholders' Meeting, pursuant to articles 2357 and 2357-ter of the Italian Civil Code.

Please refer to the relevant chapter "Other information" of the Interim Report on Group Operations, paragraph 'Treasury shares in the portfolio' for a description of the authorisation obtained from the ECB.

The determination of the variable remuneration for 2024 is being finalised at the date of approval of this Consolidated Financial Report.

2. Other information

Determination of the fair value and accounting treatment

Short-term variable component

The determination of the variable remuneration for 2024 is being finalised at the date of approval of this Consolidated Financial Report.

In relation to 2023, the short-term variable remuneration involved the assignment of 1,016,210 BPER Banca s.p.a. shares.

Long-term variable component - Long-Term Incentive (2019-2021 LTI Plan)

The achievement of the entry gates and performance levels obtained have entailed the assignment of 1,714,223 BPER Banca shares, as of June 2022, according to the procedures set out in the Plan.

Long-term variable component - Long-Term Incentive (2022-2024 LTI Plan)

Currently being prepared.

PART L
Segment reporting

According to IAS/IFRS, financial reporting must include descriptive information or more detailed analysis of the figures shown in the financial statements.

In addition, the Conceptual Framework of Financial Information points out that financial statements can include additional information compared with what is specifically requested by the Standards, when, in the opinion of preparers of financial statements, this is likely to give a clearer explanation of the company's business.

In this sense, paragraph 1 of IFRS 8 states that the objective of the Standard is to disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business activities of an entity and the economic environments in which it operates.

Segmentation of the various items analysed is based on criteria consistent with the "behavioural model" adopted by the Group for the clustering of customers for commercial purposes.

The segments were identified on the basis of the following criteria:
- legal nature and risk profile of the counterparty;
- balance sheet and income statement parameters such as turnover, agreed lending facilities of the BPER Banca Group and total assets;
- behavioural variables.

Segments

Income statement and balance sheet information is presented for the following segments:

Retail

This segment comprises the income statement and balance sheet items deriving from relations with the following types of customers:
- natural persons with assets at Bank level of less than Euro 50,000 (identified as "Family" customers);
- natural persons with assets at Bank level higher than Euro 50,000 and lower than Euro 500,000 (identified as "Personal" customers);
- sole proprietorships or legal entities that have at least a turnover of less than Euro 1 million or facilities granted at Group level of less than Euro 50,000 or total assets of less than Euro 2.5 million (identified as "POE" - Piccoli Operatori Economici);
- legal entities with at least a turnover of between Euro 1 million and Euro 5 million or facilities granted at Group level of between Euro 50,000 and Euro 2 million or total assets of between Euro 2.5 million and Euro 25 million (identified as "Small Business" customers).

The income statement and balance sheet data of Finitalia s.p.a. and Arca Holding s.p.a. (sub-consolidation) is also included as, by their nature, these Group companies offer products and services to retail customers.

Private

This segment comprises the income statement and balance sheet items deriving from relations with the following types of customers:
- natural persons with assets at Bank level equal to or greater than Euro 500,000 (identified as "Private Banking" or "Private" customers).

The income statement and balance sheet figures of Banca Cesare Ponti s.p.a. which, by nature, offers products and services to private customers, are included.

Corporate

This segment comprises the income statement and balance sheet items deriving from relations with the following types of customers:
- legal entities with at least a turnover of between Euro 5 million and Euro 500 million or facilities granted at Group level of between Euro 2 million and Euro 20 million or total assets exceeding Euro 25 million (identified as "Corporate" customers);
- Central Governments and Public Administrations (identified as "Entities and Treasuries");
- Financial companies or sole proprietorships/legal entities attributable to insolvency proceedings/bankruptcies (identified as "Institutional Counterparties").

This segment also includes the income statement and balance sheet information of Group companies that, by their nature, offer products and services to Corporate customers (Sardaleasing s.p.a. and BPER Factor s.p.a.).

Large Corporate

This segment comprises the income statement and balance sheet items deriving from relations with the following types of customers:

- legal entities with at least a turnover exceeding Euro 500 million or agreed facilities at Group level of more than Euro 20 million.

Finance

This segment includes the income statement and balance sheet deriving from treasury activities, management of the Group's investment portfolio, access to financial markets and specialist operational support for the commercial network.

Corporate centre

Included herein are income statement and balance sheet items arising from activities related to the governance of the Group, to strategic decisions and results thereof (shareholders' equity, equity investments, etc.) or from activities not directly connected to other areas of the business.

Other assets

This segment also includes the income statement and balance sheet data of non-banking Group companies that are not allocated to the other segments.

A.1 BREAKDOWN BY SEGMENT: INCOME STATEMENT

Based on the requirements established in IFRS 8, the income statement by segment contains the following information:

Items	Retail	Private	Corporate	Large Corporate	Finance	Corporate centre	Other assets	Total
Net interest income	1,480,584	(55,235)	708,037	331,958	629,799	270,585	11,148	3,376,876
Net commission income	1,399,806	194,563	223,985	215,620	-	-	6,197	2,040,171
Net interest and other banking income	2,910,529	134,988	933,619	551,472	671,899	270,585	17,539	5,490,631
Net income from financial activities 31.12.2024	**2,673,075**	**126,753**	**859,353**	**547,653**	**662,742**	**270,585**	**17,182**	**5,157,343**
Net income from financial activities 31.12.2023	**2,602,670**	**125,583**	**914,592**	**365,502**	**752,162**	**185,138**	**14,210**	**4,959,857**
Operating costs	(1,750,814)	(54,730)	(419,980)	(24,080)	(15,441)	(836,235)	(23,932)	(3,125,212)
Profit (Loss) from current operations before tax 31.12.2024	**922,262**	**72,023**	**437,087**	**523,573**	**647,301**	**(535,359)**	**(12,907)**	**2,053,980**
Profit (Loss) from current operations before tax 31.12.2023	825,189	23,845	448,775	349,411	736,901	(622,502)	(36,976)	1,724,643

The above items have been allocated to the various Segments using the information held in the management information system, which can be reconciled with the accounting system.
The figures for the comparison period are those published in the Consolidated Financial Report as at 31 December 2023.

Detailed information about net commission income by segment is presented below, pursuant to paras. 114 and 115 of IFRS 15 “Revenues from contracts with customers”.

Type of service	Retail	Private	Corporate	Large Corporate	Other assets	Total
Financial instruments	192,166	154,185	(730)	668	869	347,158
of which: placement of securities	164,293	95,584	4,804	481	-	265,162
Collective portfolio management	440,843	-	-	-	-	440,843
Payment services	586,106	2,654	151,900	16,953	359	757,972
of which: current accounts	327,859	4,560	27,035	4,653	-	364,107
of which: cards	116,088	(3,143)	85,159	533	-	198,637
of which: bank transfers and other payment instruments	142,158	1,237	39,707	11,767	359	195,228
Distribution of third-party services	112,359	26,764	(2,033)	150,795	-	287,885
of which: insurance products	70,519	34,327	3,322	145,624	-	253,792
Financial guarantees granted	10,671	195	24,471	15,913	46	51,296
Financing operations	103,146	818	116,516	19,877	-	240,357
Other commission income	66,447	10,478	57,617	33,170	4,759	172,471
Total Commission Income 31.12.2024	**1,511,738**	**195,094**	**347,741**	**237,376**	**6,033**	**2,297,982**

Management commissions are recognised periodically in line with fulfilment of the performance obligation, while performance commissions are recorded only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the performance commission is subsequently resolved as specified in IFRS 15, para. 56.

A.2 BREAKDOWN BY SEGMENT: BALANCE SHEET

Based on the requirements established in IFRS 8, the balance sheet by segment contains the following information:

Items	Retail	Private	Corporate	Large Corporate	Finance	Corporate centre	Other assets	Total
Financial assets measured at fair value	259,779	53,035	83,083	-	6,842,308	-	58,460	7,296,665
Loans to banks	-	11,826	732	-	7,611,548	-	57,125	7,681,231
- debt securities at amortised cost					6,111,183	-	25,846	6,137,029
- loans	-	11,826	732	-	1,500,365	-	31,279	1,544,202
Loans to customers	53,344,823	755,717	25,800,379	9,994,154	15,543,711	-	430,484	105,869,268
- debt securities at amortised cost		41,488			15,543,710		147,681	15,732,879
- loans	53,344,824	714,229	25,800,379	9,994,154	-	-	282,803	90,136,389
Other assets	1,879,098	196,357	202,103	21,401	12,743,820	4,303,507	397,982	19,744,268
Total Assets 31.12.2024	**55,483,700**	**1,016,935**	**26,086,297**	**10,015,555**	**42,741,387**	**4,303,507**	**944,051**	**140,591,432**
Total Assets 31.12.2023	**53,694,675**	**702,266**	**26,839,007**	**9,258,166**	**30,857,461**	**19,797,988**	**978,796**	**142,128,359**
Due to banks	-	426	154,288	-	4,892,478	-	483	5,047,675
Due to customers	71,958,364	7,871,606	19,940,260	4,172,885	-	-	307,204	104,250,319
Debt securities issued	1,236,415	513,636	9,403,961	1,174	-	-	-	11,155,186
Financial liabilities designated at fair value	-	96,439	-	-	2,615,611	-	-	2,712,050
Other liabilities and shareholders' equity	918,174	245,803	270,763	2,607	272,148	15,560,256	156,451	17,426,202
Total liabilities 31.12.2024	**74,112,953**	**8,727,910**	**29,769,272**	**4,176,666**	**7,780,237**	**15,560,256**	**464,138**	**140,591,432**
Total liabilities 31.12.2023	**76,138,042**	**6,644,868**	**31,547,051**	**3,530,603**	**9,836,092**	**13,814,126**	**617,577**	**142,128,359**

Balance sheet information has been allocated to the segments using the criteria adopted for the allocation of the income statement.

Financial information by geographical area

All the activities of the BPER Banca Group are essentially concentrated in Italy.

PART M
Information on leases

Section 1 – Lessee

Qualitative Information

With regard to the contracts entered into as lessee, BPER Banca recognises both the leased right-of-use asset and the liability for the future lease instalments envisaged in the contract.

In the context of the elections allowed by IFRS 16, BPER Banca decided not to recognise right-of-use assets or lease payables in relation to the following lease contracts:
- lease of intangible assets;
- short-term leases with less than 12 months remaining;
- lease of assets with a low unit value (as described further in the Explanatory notes – Part A – Accounting policies, an asset is deemed to have a low unit value if its fair value when new was not more than Euro 5 thousand).

Consequently, the lease payments for these assets are charged to item "160. Administrative expenses" on an accruals basis; for further information about this, see the Explanatory Notes - Part C - Income statement, Table 10.5 "Other administrative expenses: breakdown".

Quantitative information

Rights of use acquired through leases: see the Explanatory Notes - Part B - Assets, table 8.1 "Property, plant and equipment used in operations: breakdown of assets measured at cost".

Lease liabilities: see the Explanatory Notes - Part B - Liabilities, table 1.1 "Financial liabilities measured at amortised cost: breakdown by product of due to banks", table 1.2 "Financial liabilities measured at amortised cost: breakdown by product of due to customers", and table 1.6 "Lease liabilities".

Interest expense on lease liabilities: see the Explanatory Notes - Part C – Income statement, table 1.3 "Interest and similar expense: breakdown".

Other expenses associated with right-of-use assets acquired under leases: see the Explanatory Notes - Part C – Income statement, table 12.1 "Net adjustments to property, plants and equipment: breakdown".

Income from sub-lease transactions: see the Explanatory Notes - Part C – Income statement, table 1.1 "Interest and similar income: breakdown".

1.1 Right-of-use assets acquired under leases: changes in right-of-use assets relating to property, plant and equipment used in operations

Property, plant and equipment used in operations	Right-of-use assets acquired under leases 31.12.2023	Depreciation of the year	Other changes of the year	Impairment losses of the year	Book value 31.12.2024
a) land	-	31.12.2024	-	-	-
b) buildings	301,812	(57,459)	83,627	(2,344)	325,636
c) furniture	-	-	-	-	-
d) electronic systems	7,187	(21,575)	78,007	-	63,619
e) other	5,557	(3,403)	6,292	-	8,446
Total	**314,556**	**(82,437)**	**167,926**	**(2,344)**	**397,701**

As regards "Other changes during the year", the impact is mainly linked to the new contracts acquired (approximately Euro 137.5 million) and to the remeasurement of the rights of use mainly due to ISTAT adjustments, changes in the lease term on the opening and closing of contracts.

1.2 Expense and Income relating to leases other than right of use

	Total 31.12.2024	Total 31.12.2023
Costs relating to short-term leases	3,055	1,972
Expense relating to leases of low-value assets (*)	3,826	5,143
Income from finance subleases	1	1

(*) Including VAT

1.3 Lease liabilities: changes

	Lease liabilities 31.12.2023	Interest expense	Lease payments made	Other	Book value 31.12.2024
Total lease liabilities	328,442	15,718	(96,870)	165,783	413,073

As regards "Other changes during the year", the impact is mainly linked to the new contracts acquired (approximately Euro 137.5 million) and to the remeasurement of the lease payables mainly due to ISTAT adjustments, changes in the lease term on the opening and closing of contracts.

Section 2 – Lessor

Qualitative Information

The lease contracts in which BPER Banca is the lessor are classified as either finance leases or operating leases.

- Finance leases transfer to the lessee substantially all the risks and rewards of ownership. In substance, under finance leases, the lessee obtains the economic benefits deriving from use of the leased asset over most of its economic life, in exchange for a commitment to pay the lessor a consideration that is substantially the same as the fair value of the asset and the related financial charges. The lease contract is therefore recognised by the lessor in the following manner:
  - the value of the credit granted is recognised as an asset, net of the principal portion of the lease payments due and paid by the lessee;
  - interest income is credited to the income statement.
- Operating leases do not transfer to the lessee substantially all the risks and rewards incidental to ownership, which remain with the lessor. Under operating leases, the lessor shall recognise the lease payments in profit or loss on an accruals basis.

See the Explanatory notes – Part A – Accounting policies for additional information.

Given the legal structure of finance leases, the credit risk faced by the Bank is limited by retaining ownership of the asset until the end-of-lease payment is made by the lessee. This factor is particularly important in relation to property leases and those in which the asset concerned is highly fungible. In particular, in order to limit more effectively the risk of losses and whenever indicated in the lease origination report, BPER Banca may request the customer to provide additional secured guarantees (typically pledged securities) and/or unsecured guarantees (personal or bank sureties). In addition, finance leases may also be secured by commitments to take over the lease or repurchase the asset (sometimes obtained from the supplier of the asset concerned).

Quantitative information

1. Balance Sheet and Income Statement information

Finance leases: see the Explanatory Notes - Part B - Assets, table 4.2 "Financial assets measured at amortised cost: breakdown of loans to customers".

Interest income on finance leases: see the Explanatory Notes - Part C – Income statement, table 1.1 "Interest and similar income: breakdown".

Other income from operating leases: see the Explanatory Notes - Part C - Income statement, table 14.2 "Other operating income: breakdown".

2. Finance leases

2.1 Breakdown by time bands of lease payments receivable and reconciliation with finance leases recognised as assets

Time bands	31.12.2024 Lease payments receivable	31.12.2023 Lease payments receivable
Up to 1 year	584,737	621,820
Over 1 year up to 2 years	496,459	500,607
Over 2 years up to 3 years	421,422	444,195
Over 3 years up to 4 years	347,626	372,803
Over 4 years up to 5 years	289,270	300,836
Over 5 years	980,234	1,092,856
Total lease payments receivable	**3,119,748**	**3,333,117**
RECONCILIATION WITH FINANCE LEASES		
Unearned finance income (+)	354,021	350,101
Unguaranteed residual value (-)	-	-
Finance leases	**2,765,727**	**2,983,016**

“Not accrued gains” derive from unearned interest embedded in lease payments receivable.

2.2 Other information

2.2.1 Other information about finance leases: type and credit quality

	31.12.2024		31.12.2023	
	Performing	Non-performing	Performing	Non-performing
A - Real estate assets	**1,779,519**	**32,272**	**1,882,812**	**49,568**
Land	-	-	-	-
Buildings	1,779,519	32,272	1,882,812	49,568
B - Operating assets	**479,518**	**4,106**	**563,191**	**3,051**
C - Movable assets	**322,168**	**1,665**	**323,969**	**1,640**
Motor vehicles	188,527	1,181	187,380	1,197
Aircraft and rolling stock	133,641	484	136,589	439
Other	-	-	-	4
D - Intangible assets	**146,284**	**195**	**158,396**	**389**
Trademarks	-	-	-	-
Software	-	-	-	-
Other	146,284	195	158,396	389
Total	**2,727,489**	**38,238**	**2,928,368**	**54,648**

2.2.2 Other information about finance leases: unopted assets, assets returned after termination, other assets

	31.12.2024			31.12.2023		
	Unopted assets	Assets returned after termination	Other assets	Unopted assets	Assets returned after termination	Other assets
A - Real estate assets	**-**	**3,318**	**1,804,286**	**-**	**13,959**	**1,915,343**
Land	-	-	-	-	-	-
Buildings	-	3,318	1,804,286	-	13,959	1,915,343
B - Operating assets	**-**	**356**	**483,559**	**-**	**512**	**566,007**
C - Movable assets	**-**	**-**	**323,833**	**-**	**19**	**325,581**
Motor vehicles	-	-	189,708	-	19	188,552
Aircraft and rolling stock	-	-	134,125	-	-	137,029
Other	-	-	-	-	-	-
D - Intangible assets	**-**	**-**	**146,479**	**-**	**-**	**158,784**
Trademarks	-	-	-	-	-	158,784
Software	-	-	-	-	-	-
Other	-	-	146,479	-	-	-
Total	**-**	**3,674**	**2,758,157**	**-**	**14,490**	**2,965,715**

3. Operating leases

3.1 Breakdown of lease payments receivable by time bands

Time bands	31.12.2024 Lease payments receivable	31.12.2023 Lease payments receivable
Up to 1 year	9,399	11,348
Over 1 year up to 2 years	8,494	10,637
Over 2 years up to 3 years	7,773	9,640
Over 3 years up to 4 years	7,296	8,656
Over 4 years up to 5 years	5,590	8,102
Over 5 years	23,992	28,028
Total	**62,544**	**76,411**

3.2 Other information

No additional information is deemed necessary to meet the disclosure objective specified in paragraph 92 of IFRS 16.

ATTACHMENTS

CONTENTS

Fees for audit and non-audit services

Information pursuant to art. 149-duodecies of Consob Issuers' Regulation

This schedule, prepared pursuant to art. 149-*duodecies* of CONSOB Issuers' Regulation (Resolution 11971 of 14 May 1999 and subsequent amendments), reports the 2024 fees for audit and non-audit services provided by the Independent Auditors and member firms of its network. These fees represent the costs incurred and recorded in the Consolidated Financial Report, net of expenses, unrecoverable VAT and the CONSOB contribution.

(in thousands)

Type of service	Party providing the service	Recipient	Fees
Audit services	Deloitte & Touche s.p.a.	Parent Company BPER Banca	1,455
	Deloitte & Touche s.p.a.	Subsidiaries in Italy	682
	Deloitte Audit S.à r.l.	Subsidiaries in Luxembourg	182
Certification services (*)	Deloitte & Touche s.p.a.	Parent Company BPER Banca	939
	Deloitte & Touche s.p.a.	Subsidiaries in Italy	236
Other services (**)	Deloitte & Touche s.p.a.	Parent Company BPER Banca	47
	Deloitte Consulting s.r.l.	Parent Company BPER Banca	80
	Deloitte & Touche s.p.a.	Subsidiaries in Italy	30
Total			**3,651**

It should be noted that Statutory Auditing also includes the Review of the Consolidated Financial Statements as at 31 March and 30 September prepared to determine the net result for the period to be included in the Common Equity Tier 1 capital as required by Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms.

(*) Certification services mainly refer to services rendered to the Group concerning:
- activities carried out in relation to the translation into English of the Independent Auditors' Reports on the Condensed Consolidated Half-year Financial Report at 30 June 2024 and the Separate and Consolidated Financial Report at 31 December 2024;
- activities carried out in relation to bond issues;
- activities to check the GHG Statement that will be attached to the CDP Questionnaire – Reporting on Climate Change;
- verification activities in relation to sustainability reporting;
- activities carried out for the purpose of issuing the Report pursuant to art. 23 paragraph 7 Bank of Italy Regulation 5 December 2019 - Mifid II;
- activities carried out for the statutory audit of 2020-2021-2022 expenses for 4.0 innovation and innovation activities.
- activities carried out for the purposes of the Report on the procedures required on statements containing detailed information on the capital composition of investment funds (LT).

(**) Other Services mainly refer to services rendered to the Group in connection with audits for the affixing of the compliance certificate for tax declarations and the Gap Analysis activities of the reporting scope and value chain (CSRD).

Country by Country Reporting as at 31 December 2024

Information pursuant to Circular 285/2013 of the Bank of Italy

This information is disclosed following the introduction into Italian law, with the 4th update of the Bank of Italy's Circular 285 of 17 December 2013, of the rules laid down in art. 89 of EU Directive 2013/36/EU (CRD IV) on Country by Country Reporting.

Name	Head Office	Nature of the activity	Turnover (a)	Number of employees (FTEs)	Profit (Loss) before tax (b)	Income taxes (c)	Government grants received (d)
BPER Banca s.p.a.	Italy	Banking	4,114,756	15,224	1,500,013	(437,748)	-
Banco di Sardegna s.p.a.	Italy	Banking	324,278	1,677	(21,144)	(66,576)	-
Bibanca s.p.a.	Italy	Banking	292,369	205	338,330	(33,187)	-
Banca Cesare Ponti s.p.a.	Italy	Banking	113,961	554	82,780	(27,147)	-
Sardaleasing s.p.a.	Italy	Leasing	152,379	48	9,434	(584)	-
BPER Factor s.p.a.	Italy	Factoring	91,681	54	21,628	(7,306)	-
Arca Holding s.p.a.	Italy	Holding company	342,931	86	116,397	(36,166)	-
Finitalia s.p.a.	Italy	Consumer credit	41,147	87	12,450	(4,508)	-
BPER Real Estate s.p.a.	Italy	Real estate	(1,506)	-	(11,775)	450	-
Modena Terminal s.r.l.	Italy	Storage and safekeeping warehouse	(4)	30	474	(302)	-
BPER REOCO s.p.a. (*)	Italy	Real estate	-	-	(4,272)	-	
Total Italy			**5,471,992**	**17,965**	**2,044,315**	**(613,074)**	**-**

(*) The Company was merged by absorption into BPER Real Estate with accounting effect from 1 July 2024

Description	Head Office	Nature of the activity	Turnover (a)	Number of employees (FTEs)	Profit (Loss) before tax (b)	Income taxes (c)	Government grants received (d)
BPER Bank Luxembourg s.a.	Luxembourg	Banking	18,639	34	9,665	(2,396)	-
Total Luxembourg			**18,639**	**34**	**9,665**	**(2,396)**	**-**
Total			**5,490,631**	**17,999**	**2,053,980**	**(615,470)**	**-**

Key
(a) net interest and other banking income, in thousands of euro, net of inter-company eliminations where necessary
(b) profit (loss) from current operations added to gains (losses) before tax on groups of assets classified as held for sale, in thousands of euro, net of inter-company eliminations where necessary.
(c) income taxes on current operations for the year and on assets classified as held for sale, in thousands of euro, net of inter-company eliminations where necessary.
(d) refers to government grants not considered in the transactions covered by the State aid schedules in Part A of the Explanatory Notes

Information on loans to third-party funds

Jessica Sardinian Urban Development Fund

The Autonomous Region of Sardinia and the European Investment Bank (EIB) signed a loan agreement for the creation of the JESSICA Sardinia Investment Fund to manage the resources available under Axes III and V of the ERDF Regional Operational Programme 2007-2013. Banco di Sardegna was selected for lot 1: Urban Renewal (Axis V).

In July 2012, the EIB and Banco di Sardegna signed the operational agreement for a loan of Euro 33.1 million that, based on the performance achieved, was supplemented in 2015 with an additional Euro 6.3 million. Pursuant to art. 2447 decies of the Italian Civil Code, a separate fund has been set up as part of the Urban Development Fund (UDF) for the specific purpose of managing JESSICA project loans.

The resources may be made available in the following ways:
- direct loans to authorities and public entities;
- loans to private companies;
- investment in the equity of private companies.

(in Euro)

Description	Investment (*)	JESSICA loan	Jessica equity	Agreement date	Disbursements	
					Loan	Equity
					Outstanding debt as at 31.12.2024	Disbursed and not yet paid back as at 31.12.2024
Purchase of 12 modern trolleybuses. Two loans.	7,126,000	6,769,700	-	18/12/2013	3,355,849	-
Construction and management of a natural gas distribution network (*).	45,120,239	7,000,000	-	15/04/2014	-	-
Construction and management of a new cruise terminal at the "Molo Rinascita" in Cagliari. Two loans.	715,000	534,173	-	18/12/2014 08/07/2016	217,608	-
Two projects involving the construction and management of a natural gas distribution network based on two separate catchment areas (*).	38,913,569	8,000,000	4,000,000	16/02/2015	7,742,100	4,000,000
Renovation and expansion of the Municipal Market of Oristano with adjacent parking.	4,133,055	1,140,000	-	12/06/2015	456,000	-
Redevelopment of a building owned by the Municipality of Borutta destined to bar diner.	265,000	251,750	-	22/06/2015	92,308	-
Construction of a residential and daytime comprehensive rehabilitation centre for the intellectually and relationally disabled in the Municipality of Selargius.	2,150,000	1,432,695	-	31/08/2015	873,382	-
Redevelopment of Alghero Town Hall.	600,000	570,000	-	30/10/2015	228,000	-
Construction of the municipal indoor swimming pool in Alghero.	2,100,000	1,915,026	-	30/05/2016	829,844	-
Redevelopment of the multi-purpose sports area in the Latte Dolce district of Sassari.	560,000	532,000	-	24/06/2016	266,000	-
Redevelopment of the multi-purpose sports area in the Monte Rosello district of Sassari.	750,000	712,500	-	24/06/2016	356,250	-
Redevelopment of the multi-purpose sports area in the Carbonazzi district of Sassari.	600,000	570,000	-	24/06/2016	285,000	-
Redevelopment of the "Roberta Serradimigni" sports hall in Sassari.	4,300,000	4,085,000	-	24/06/2016	2,042,500	-
Total	**107,332,863**	**33,512,844**	**4,000,000**		**16,744,841**	**4,000,000**

(*) The capital expenditure indicated only considers the technical costs associated with the project. This excludes the financial costs of the operation (costs associated with working capital, interest, commissions, Debt Service Reserve Account -DSRA- etc. which still have to be financed during construction).

The following table shows a simplified accounting statement for the Jessica Urban Development Fund at 31 December 2024.

Balance Sheet

(in Euro)

Assets		31.12.2024	31.12.2023
40.	Financial assets measured at amortised cost	668,872	8,922,952
	a) loans to banks	668,872	8,922,952
120.	Other assets	22	65,857
	Total assets	**668,894**	**8,988,809**

(in Euro)

Liabilities and shareholders' equity		31.12.2024	31.12.2023
10.	Financial liabilities measured at amortised cost	551,533	8,889,867
	a) due to banks	551,533	8,889,867
80.	Other liabilities	62,878	66,630
180.	Profit (loss) for the year	54,483	32,312
	Total liabilities and shareholders' equity	**668,894**	**8,988,809**

Income Statement

(in Euro)

Items		31.12.2024	31.12.2023
10.	Interest and similar income	392,645	389,025
30.	**Net interest income**	**392,645**	**389,025**
50.	Commission expense	(338,162)	(356,713)
60.	**Net commission income**	**(338,162)**	**(356,713)**
300.	**Profit (loss) for the year**	**54,483**	**32,312**

Fund of the NOP Research and Innovation Funds of MIUR-EIB

As the Managing Authority for the National Operational Programme (NOP) "Research and Innovation 2014-2020", the Ministry of Universities and Research ("MUR") signed an agreement with the European Investment Bank (EIB) in December 2016 to manage a Fund of Funds financed by NOP resources. Banco di Sardegna was one of the financial intermediaries that won the EIB public call for financial intermediaries selection. Separate equity allocated for a specific purpose was established in order to manage the Financial Instrument, pursuant to art. 2447-decies of the Italian Civil Code.

As of January 2024, the 13 funded projects are in the repayment phase, following the conclusion of the Fund's investment period in 2023.

(in Euro)

Description	Project (*)	R&I Fund Loan Jessica	Investment in the capital of the R&I Fund	Agreement date	Disbursements	
					Loan	Equity
					Outstanding debt as at 31.12.2024	Disbursed and not yet paid back as at 31.12.2024
Construction of a testing platform for advanced materials to be used in the aerospace industry.	229,108	47,200	-	31/10/2019	24,502	-
Development of software (SW) for the application of Artificial Intelligence (AI) algorithms to SAR satellite images.	1,293,541	799,778	-	03/12/2019	610,856	-
Development of diagnostic device on robotic platform for microbiological diagnosis.	962,340	632,100	-	05/12/2019	477,232	-
Development of a device for extracting water from emulsions, solutions and granulates.	1,362,165	953,516	-	19/12/2019	759,517	-
Research into new bio-preservation biotechnologies to extend shelf life of baked goods using modern packaging systems.	757,021	285,614	-	19/05/2020	250,459	-
Development of an innovative automatic station to inspect visual quality of industrial products.	857,158	600,010	-	20/05/2020	385,517	-
Development of an AI-based hardware and software system to simplify access to corporate information.	1,851,207	1,241,358	-	02/09/2020	1,241,358	-
Define, design and build an Equipment Testing Laboratory (Modular Iron Bird) to test the flight control equipment of different types of aircrafts.	1,553,902	649,750	-	03/09/2020	414,730	-
Construction of a unique infrastructure with a built-in interactive system to control the most diverse environmental and anthropogenic risks/alerts.	1,174,906	814,844	-	12/05/2021	714,936	-
Provide visually impaired people with a tool that can read any type of paper document by interacting with a smart speaker in the home environment.	403,278	282,295	-	21/01/2022	221,462	-
The project aims to provide a system based on artificial intelligence to automatically classify respiratory illnesses in slaughtered swine.	606,869	424,808	-	29/04/2022	372,649	-
Production of an innovative infusion solution for peritoneal dialysis and an innovative peritoneal dialysis device for automated treatment, which is usually performed overnight.	1,439,660	1,007,762	-	06/07/2023	822,758	-
Creation of a "Design collaboration room", a tool based on virtual reality technology that provides the user with a set of functionalities that, based on input data and information, allow the operator to carry out the process of designing, planning, manufacturing and testing satellites directly in VR.	1,561,959	702,882	-	11/09/2023	628,464	-
Total	**14,053,114**	**8,441,917**	**-**		**6,924,440**	**-**

(*) The value indicated is the value accepted in the preliminary investigation for projects not yet completed and the value definitively accepted for completed projects.

The following is a simplified accounting report of the NOP Research and Innovation-MIUR-EIB Fund of Funds at 31 December 2024.

Balance Sheet

(in Euro)

Assets		31.12.2024	31.12.2023
40.	Financial assets measured at amortised cost	450,645	506,355
	a) loans to banks	450,645	506,355
120.	Other assets	19,060	6,016
	Total assets	**469,705**	**512,371**

(in Euro)

Liabilities and shareholders' equity		31.12.2024	31.12.2023
10.	Financial liabilities measured at amortised cost	411,505	370,204
	a) due to banks	411,505	370,204
80.	Other liabilities	34,014	-
180.	Profit (loss) for the year	24,186	142,167
	Total liabilities and shareholders' equity	**469,705**	**512,371**

Income statement

(in Euro)

Items		31.12.2024	31.12.2023
10.	Interest and similar income	143,740	276,108
30.	**Net interest income**	**143,740**	**276,108**
50.	Commission expense	(119,554)	(133,941)
60.	**Net commission income**	**(119,554)**	**(133,941)**
300.	**Profit (loss) for the year**	**24,186**	**142,167**

Sardinia Business Emergency Fund - RAS-EIB

The Sardinia Region and the European Investment Bank (EIB) on 26 May 2020 signed a Financing Agreement for the establishment of a Fund of Funds called “Sardinia Enterprise Emergency Fund” (“Sardinia FoF”) for the management of resources relating to the 2014-2020 Regional Operational Program (“POR”), with the aim of addressing market failures further increased by the COVID-19 pandemic effects.

Banco di Sardegna was the winner of the EIB selection tender, due to the largest available ceiling, equal to Euro 66.66 million. Separate equity allocated for a specific purpose was established in order to manage the Financial Instrument, pursuant to art. 2447-*decies* of the Italian Civil Code.

The resources allocated are intended for companies operating in the Sardinian territory that have suffered damage from Covid-19. They will be disbursed in the form of long, medium and short-term loans to support investments and working capital needs, as part of the “Temporary Framework for State aid measures in support of the economy in the current epidemic of COVID-19”of the EC and in particular under Articles 3.1 and 3.3.

Following the stipulation of the Operational Agreement with the EIB, signed on 1 September 2020, the Bank, as per the public notice of the Region, received the loan requests from 9 am on 14 September 2020. The applications received were then sorted by priority of arrival time and prioritizing those complete with the required documentation, ensuring that 40% of the ceiling was destined for tourism companies. On 23 February 2021 and 26 July 2022, Banco di Sardegna signed two contractual addenda with the EIB following the Region’s allocation of additional funds, bringing the total available ceiling to Euro 112.75 million.

As against 159 submitted applications, 149 loans were stipulated for a total of Euro 108.6 million.

From 1 January 2024, the Fund has entered its post-investment phase.

The following is a simplified accounting report of the Enterprise Emergency Fund at 31 December 2024.

Balance Sheet

(in Euro)

Assets		31.12.2024	31.12.2023
40.	Financial assets measured at amortised cost	3,430,202	2,395,532
	a) loans to banks	3,430,202	2,395,532
120.	Other assets	82,363	3,893
	Total assets	**3,512,565**	**2,399,425**

(in Euro)

Liabilities and shareholders' equity		31.12.2024	31.12.2023
10.	Financial liabilities measured at amortised cost	4,836,741	3,480,249
	a) due to banks	4,836,741	3,480,249
80.	Other liabilities	563,620	-
180.	Profit (loss) for the year	(1,887,796)	(1,080,824)
	Total liabilities and shareholders' equity	**3,512,565**	**2,399,425**

Income statement

(in Euro)

Items		31.12.2024	31.12.2023
10.	Interest and similar income	383,150	460,671
30.	**Net interest income**	**383,150**	**460,671**
50.	Commission expense	(2,270,946)	(1,541,495)
60.	**Net commission income**	**(2,270,946)**	**(1,541,495)**
300.	**Profit (loss) for the year**	**(1,887,796)**	**(1,080,824)**

Jessica2 Sardinian Urban Development Fund

Following the successful completion of the due diligence by the European Investment Bank (EIB) for the refinancing of the Jessica Fund, the EIB and Banco di Sardegna signed the Euro 21 million loan agreement on 17 June 2021. The Fund's resources are intended to finance projects submitted by private companies or public institutions in the Region of Sardinia in the following areas:

- integrated urban development (urban infrastructure; commercial and retail activities, part of a wider urban regeneration project; sports infrastructure, providing a service to the local community; office buildings if part of a wider urban regeneration project; reclamation and redevelopment of brownfield sites; restoration of environmentally compromised sites);
- energy efficiency (energy efficiency in buildings; public lighting, if the interventions are aimed at improving the energy performance of existing public lighting; cogeneration plants);
- renewable energy (solar energy; hydroelectric energy; biomass energy; biogas energy; onshore wind energy).

As at 31 December 2024, four positions were approved by the Investment Committee for a total amount of Euro 10.4 million and three more applications were under consideration.

(in Euro)

Description	Investment	JESSICA2 loan	Agreement date	Amount disbursed	Residual debt as at 31 December 2024
Construction of a photovoltaic plant of approximately 900kWp aimed at creating an energy community, waterproofing of the underlying roof, and installation of five double-sided 22kWp charging stations.	1,210,571	608,541	28/08/2024	240,634	240,634
Construction of a photovoltaic plant with a total capacity of 700kWp. Replacement of the old air conditioning system to ensure energy efficiency.	1,500,000	750,000	12/11/2024	488,857	488,857
Total	**2,710,571**	**1,358,541**		**729,491**	**729,491**

The following is the first simplified accounting statement of the Jessica2 Sardinia Urban Development Fund as at 31 December 2024, showing the crediting of the financing received.

Balance Sheet

(in Euro)

Assets		31.12.2024	31.12.2023
40.	Financial assets measured at amortised cost	20,279,844	21,000,000
	a) loans to banks	20,279,844	21,000,000
120.	Other assets	55,479	-
	Total assets	**20,335,323**	**21,000,000**

(in Euro)

Liabilities and shareholders' equity		31.12.2024	31.12.2023
10.	Financial liabilities measured at amortised cost	20,270,509	21,000,000
	a) due to banks	20,270,509	21,000,000
80.	Other liabilities	166,312	
180.	Profit (loss) for the year	(101,498)	-
	Total liabilities and shareholders' equity	**20,335,323**	**21,000,000**

Income statement

(in Euro)

Items		31.12.2024	31.12.2023
10.	Interest and similar income	64,814	-
30.	**Net interest income**	**64,814**	**-**
50.	Commission expense	(166,312)	-
60.	**Net commission income**	**(166,312)**	**-**
300.	**Profit (loss) for the year**	**(101,498)**	**-**

Sustainable Growth Fund

Banco di Sardegna, in association with Medio Credito Centrale (MCC) and other national banks (after being awarded the previous contract in 2014), was awarded the new Contract of December 2021 with the Ministry of Enterprises and Made in Italy - MIMIT (former Ministry of Economic Development - MISE) to manage the interventions planned as part of the "Sustainable Growth Fund". The duration of the Agreement is 5 years, with the option of renewal for a further 4 years.

The endowment of the Fund will finance programmes and actions that will have a significant impact on the competitiveness of the productive system at national level, with a particular focus on:

- promoting research, development and innovation projects of strategic importance in order to relaunch the competitiveness of the productive system, not least by consolidating the R&D centres and organisations of firms;
- strengthening the productive system, the reuse of productive plants and the relaunch of areas of national importance hit by complex crises, via the signature of programme agreements;
- promoting the international presence of businesses and attracting investment from abroad, partly in coordination with the actions to be implemented by ICE (Agency for the promotion abroad and internationalisation of Italian businesses).

With its dedicated internal organisational structure, Banco di Sardegna assesses the granting of favourable terms and soft loans made available by the Fund.

The activities of the Fund are based on calls for applications and directives from the Ministry of Economic Development. At 31 December 2024, 35 calls for applications have already been made and the value of the projects submitted totals about Euro 19 billion.

Reconciliation between the Consolidated Financial Statements and the Reclassified Financial Statements as at 31 December 2024

Reclassified balance sheet - Assets

(in thousands)

Circular no. 262/2005 8° update - Assets	31.12.2024	Cash and cash equivalents	Financial assets						Loans			Hedging derivatives	Equity investments	Property, plant and equipment	Intangible assets	- of which: goodwill	Other assets
			a) Financial assets held for trading	b) Financial assets designated at fair value	c) Other financial assets mandatorily measured at fair value	d) Financial assets measured at fair value through other comprehensive income	e) Debt securities measured at amortised cost - banks	e) Debt securities measured at amortised cost - customers	a) Loans to banks	b) Loans to customers	c) Loans mandatorily measured at fair value						
10. Cash and cash equivalents	7,887,900	7,887,900															
20. Financial assets measured at fair value through profit or loss	1,602,655																
a) financial assets held for trading	664,625		664,625														
b) financial assets designated at fair value	-			-													
c) other financial assets mandatorily measured at fair value	938,030				812,239						125,791						
30. Financial assets measured at fair value through other comprehensive income	5,694,010					5,694,010											
40. Financial assets measured at amortised cost	113,550,499																
a) loans to banks	7,681,231						6,137,029		1,544,202								
b) loans to customers	105,869,268			-				15,732,879		90,136,389							
50. Hedging derivatives	649,437											649,437					
70. Equity investments	302,494												302,494				
90. Property, plant and equipment	2,502,191	-												2,502,191			
100. Intangible assets	710,763														710,763		
of which:	-																
- goodwill	170,018															170,018	
110. Tax assets	1,776,893																
a) current	392,729																392,729
b) deferred	1,384,164																1,384,164
120. Non current assets and disposal groups classified as held for sale	41,020																41,020
130. Other assets	5,873,570																5,873,570
Total assets	**140,591,432**	**7,887,900**	**664,625**	**-**	**812,239**	**5,694,010**	**6,137,029**	**15,732,879**	**1,544,202**	**90,136,389**	**125,791**	**649,437**	**302,494**	**2,502,191**	**710,763**	**170,018**	**7,691,483**

Reclassified balance sheet - Liabilities and shareholders' equity

(in thousands)

	Circular no. 262/2005 8° update - Liabilities	31.12.2024	Due to banks	Direct deposits			Financial liabilities held for trading	Macro-hedge accounting		Other liabilities	Minority interests	Shareholders' equity						
				a) Due to customers	b) Debt securities issued	c) Financial liabilities designated at fair value		a) Hedging derivatives	b) Change in value of macro-hedged financial liabilities (+/-)			a) Valuation reserves	b) Reserves	c) Equity instruments	d) Share premium reserve	e) Share capital	f) Treasury shares	g) Profit (Loss) for the year
10.	Financial liabilities measured at amortised cost	120,453,180																
	a) due to banks	5,047,675	5,047,675															
	b) due to customers	104,250,319		104,250,319														
	c) debt securities issued	11,155,186			11,155,186													
20.	Financial liabilities held for trading	224,294					224,294											
30.	Financial liabilities designated at fair value	2,712,050				2,712,050												
40.	Hedging derivatives	226,324						226,324										
50.	Change in value of macro-hedged financial liabilities (+/-)	(81,843)							(81,843)									
60.	Tax liabilities	72,289																
	a) current	15,184								15,184								
	b) deferred	57,105								57,105								
80.	Other liabilities	3,801,815								3,801,815								
90.	Employee termination indemnities	124,929								124,929								
100.	Provisions for risks and charges	1,489,047																
	a) commitments and guarantees granted	104,906								104,906								
	b) pension and similar obligations	115,916								115,916								
	c) other provisions for risks and charges	1,268,225								1,268,225								
120.	Valuation reserves	216,411										216,411						
140.	Equity instruments	1,115,596												1,115,596				
150.	Reserves	5,285,033											5,285,033					
160.	Share premium reserve	1,244,576													1,244,576			
170.	Share capital	2,121,637														2,121,637		
180.	Treasury shares (-)	(32,035)															(32,035)	
190.	Minority interests (+/-)	210,413									210,413							
200.	Profit (Loss) for the year (+/-)	1,402,649																1,402,649
	Total liabilities and shareholders' equity	**140,591,432**	**5,047,675**	**104,250,319**	**11,155,186**	**2,712,050**	**224,294**	**226,324**	**(81,843)**	**5,493,147**	**210,413**	**216,411**	**5,285,033**	**1,115,596**	**1,244,576**	**2,121,637**	**(32,035)**	**1,402,649**

Reclassified Income statement

(in thousands)

	Circular no. 262/2005 8° update - Assets	31.12.2024	Net interest income	Net commission income	Dividends	Gains (losses) of equity investments measured under the equity method	Net income from financial activities	Other operating expense/ income	Staff costs	Other administrative expenses	Net adjustments to property, plant and equipment and intangible assets	Net impairment losses to financial assets at amortised cost - loans	Net impairment losses to financial assets at amortised cost - other financial assets	Net impairment losses to financial assets at fair value	Gains (Losses) from contractual modifications without derecognition	Net provisions for risks and charges	Gains (Losses) on investments	Contributions to SRF, DGS, IDPF - VS	Income taxes on current operations for the year	Profit (Loss) for the year pertaining to minority interests	Profit (Loss) for the year pertaining to the Parent Company
10.	Interest and similar income	5,013,543	5,013,543																		
20.	Interest and similar expense	(1,636,667)	(1,636,667)																		
30.	**Net interest income**	**3,376,876**																			
40.	Commission income	2,297,982		2,297,982																	
50.	Commission expense	(257,811)		(257,811)																	
60.	**Net commission income**	**2,040,171**																			
70.	Dividends and similar income	41,821			41,821																
80.	Net income from trading activities	95,428					95,428														
90.	Net income from hedging activities	1,773					1,773														
100.	Gains (Losses) on disposal or repurchase of:	70,672																			
	a) financial assets measured at amortised cost	65,218					65,218														
	b) financial assets measured at fair value through other comprehensive income	5,437					5,437														
	c) financial liabilities	17					17														
110.	Net income on other financial assets and liabilities measured at fair value through profit or loss	(136,110)																			
	a) financial assets and liabilities designated at fair value	(137,023)		18,264			(155,287)														
	b) other financial assets mandatorily measured at fair value	913					913														
120.	**Net interest and other banking income**	**5,490,631**																			
130.	Net impairment losses for credit risk relating to:	(331,967)																			
	a) financial assets measured at amortised cost	(331,758)										(322,844)	(8,914)								
	b) financial assets measured at fair value through other comprehensive income	(209)												(209)							
140.	Gains (Losses) from contractual modifications without derecognition	(1,321)													(1,321)						
150.	**Net income from financial activities**	**5,157,343**																			
180.	**Net income from financial and insurance activities**	**5,157,343**																			
190.	Administrative expenses:	(3,131,773)																			
	a) staff costs	(1,897,878)							(1,897,878)												
	b) other administrative expenses	(1,233,895)							(17,622)	(1,104,589)								(111,684)	-		
200.	Net provisions for risks and charges	(58,653)																			
	a) commitments and guarantees granted	18,417														18,417					
	b) other net provisions	(77,070)														(77,070)					
210.	Net adjustments to property, plant and equipment	(173,340)									(173,340)										
220.	Net adjustments to intangible assets	(161,251)									(161,251)										
230.	Other operating expense/income	399,805						96,367		320,438						(17,000)					
240.	**Operating costs**	**(3,125,212)**																			
250.	Gains (Losses) of equity investments	52,360				(12,361)											64,721				
260.	Valuation differences on property, plant and equipment and intangible assets measured at fair value	(30,054)															(30,054)				
270.	Impairment losses on goodwill	-															-				
280.	Gain on a bargain purchase	(457)															(457)				
290.	**Profit (Loss) from current operations before tax**	**2,053,980**																			
300.	Income taxes on current operations for the year	(615,470)																	(615,470)		
310.	**Profit (Loss) from current operations after tax**	**1,438,510**																			
330.	**Profit (Loss) for the year**	**1,438,510**																			
340.	Profit (Loss) for the year pertaining to minority interests	(35,861)																		(35,861)	
350.	**Profit (Loss) for the year pertaining to the Parent Company**	**1,402,649**	**3,376,876**	**2,058,435**	**41,821**	**(12,361)**	**13,499**	**96,367**	**(1,915,500)**	**(784,151)**	**(334,591)**	**(322,844)**	**(8,914)**	**(209)**	**(1,321)**	**(75,653)**	**34,210**	**(111,684)**	**(615,470)**	**(35,861)**	**1,402,649**

CERTIFICATIONS AND OTHER REPORTS

CONTENTS

Certification of the consolidated financial statements at 31 December 2024 pursuant to art. 81-ter of Consob Regulation no. 11971 dated 14 May 1999 and subsequent additions and amendments

➢ The undersigned
- Gianni Franco Papa, as Chief Executive Officer,
- Marco Bonfatti, as the Manager responsible for preparing the Company's financial report,

of BPER Banca S.p.A., having considered the requirements of paras. 3 and 4 of art. 154-*bis* of Decree no. 58 dated 24 February 1998, confirm:

- the adequacy in relation to the characteristics of the Bank and
- the proper application,

during 2024, of the administrative and accounting procedures adopted for the preparation of the consolidated financial statements.

➢ This assessment of the adequacy of the administrative and accounting procedures adopted for the preparation of the consolidated financial statements at 31 December 2024 is based on a model developed by BPER Banca S.p.A., consistent with the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This framework represents reference standards for systems of internal control that are generally accepted at an international level.

➢ It is also certified that:

- the consolidated financial statements at 31 December 2024:
  a) have been prepared in accordance with the applicable international accounting standards recognised within the European Union pursuant to European Parliament and Council Regulation (EC) no. 1606/2002 dated 19 July 2002, Decree 38/2005 and the enabling regulations for art. 9 of this Decree;
  b) agree with the underlying accounting records and entries;
  c) present a true and fair view of the financial position and results of operations of the Bank and of the companies included within the scope of consolidation;
- the report on operations includes a reliable analysis of performance and the results of operations, as well as of the position of the Bank and of the companies included within the scope of consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Modena, 12 March 2025

Signed by
Gianni Franco Papa

Chief Executive Officer

Signed by
Marco Bonfatti

Manager responsible for preparing the Company's financial report

Consolidated Sustainability Statements Certification

The undersigned Gianni Franco Papa, as Chief Executive Officer of BPER Banca S.p.A., and Marco Bonfatti, as the Manager responsible for preparing the Company's financial report of BPER Banca S.p.A., attest(*), pursuant to Art. 154-bis, paragraph 5-ter, of the Italian Legislative Decree no. 58 dated 24 February 1998, that the Consolidated Sustainability Statements included in the Directors' Report on Group Operation were drawn up:

- in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and of Legislative Decree 6 September 2024, no. 125;
- with the specifications adopted pursuant to Article 8.4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Modena, 12 March 2025

Signed by
Gianni Franco Papa

Chief Executive Officer

Signed by
Marco Bonfatti

Manager responsible for preparing the Company's financial report

(*) Certification issued according to the form defined in the Consob document for the consultation of 13 December 2024.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
BPER Banca S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of BPER Banca S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at December 31, 2024, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows for the year then ended and the explanatory notes including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of BPER Banca S.p.A. (the "Bank") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Classification and valuation of performing loans to customers measured at amortised cost	
Description of the key audit matter	As reported in paragraph *5.1 Balance sheet aggregates* of the Directors' Report on Group Operations and in the *quantitative information relating to credit quality disclosed in Part E – Information on risks and related hedging policies* in the Explanatory notes, performing loans to customers, only with reference to loans portfolio, measured at amortised cost of BPER Banca Group as at December 31, 2024 amount to a gross exposure of Euro 89,747 million, where impairment losses are associated for Euro 622 million, and consequently to a net exposure of Euro 89,125 million, highlighting a coverage ratio equal to 0.69%. In the Explanatory notes *Part A.2 - Main items in the financial statements Paragraph 3 - Financial assets measured at amortised cost and Paragraph 23. Method for determining the extent of impairment*, are described with reference to performing loans to customers: • Group's rules for classifying non-performing loans to customers measured at amortised cost in compliance with the current instructions of the Supervisory Authorities and the applicable accounting standards; • the methods for determining their recoverable amounts which are based on the estimate of the present value of expected cash flows deriving from a lump sum valuation; • the methods with which managerial corrective measures (so-called management overlays) have been applied in the assessment of credit risk and consequently in determining the expected credit losses also to take into account the persistent uncertainty in the general and sectoral macroeconomic scenario, mainly due to the geopolitical tensions caused before by the armed conflicts in Russia-Ukraine and later by the Middle East, accompanied by measures to combat climate risk with unpredictable effects on the economic and production system. Furthermore, as reported in the qualitative information relating to credit risk disclosed in *Part E – Information on risks and related hedging policies, Section 2 – Risk of prudential consolidation, Chapter 2. Credit risk management policies, Paragraph 2.2. Systems for managing, measuring and monitoring* in the Explanatory notes as at December 31, 2024, the Group, as part of its policies for managing loans to customers, adopted rules and procedures for monitoring credit exposures, which have entailed, among other things, a structured action of classification into homogeneous risk categories. In particular, on the basis of "rating" and "Early Warning" systems, the Group identified among performing loans to customers measured at amortised cost those most at risk.

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	Considering the significance of the amount of the performing loans to customers recorded in the financial statements and the complexity of the classification and estimation processes adopted by the Group, we have identified the classification of performing loans to customers with particular reference to exposures with a higher level of management risk ("high risk" exposures) as well as the related process for determining the loan loss provisions, as a key audit matter of the consolidated financial statements of the Group as at December 31, 2024.
Audit procedures performed	The audit procedures performed included, among others, the following: • analysis and understanding of the Group's internal control system as well as the related internal regulations concerning the credit process which included, in particular, the identification of the organizational and procedural safeguards implemented by the Group for monitoring credit quality, for the adequacy of the classification according to the provisions of the sector regulations and for the credit valuation in compliance with the applicable accounting standards; • analysis and understanding of the IT systems and applications used and the test of the operating effectiveness of the relevant controls, also with the support of our IT experts; • check of the implementation of the procedures and of the relevant controls, as well as their operating effectiveness for the purposes of the classification and valuation process; • analysis and understanding of the criteria used by the Group for the classification in the different categories envisaged by IFRS9 (so-called "staging") as well as for the assessment of the riskiness of the counterparties; • analysis and understanding of the main valuation models adopted by the Group and the related updates, as well as a check on a sample basis of the reasonableness of the parameters subject to estimation, also with the support of our IT experts and credit model experts belonging to the Deloitte network; • checks on a sample basis of the classification of "high risk" loans according to the provisions of the sector and internal regulations, as well as of the related valuation in compliance with the applicable accounting standards; • analysis and check of the methods of determination and related quantification of the management overlays adopted by the Group in determining collective impairment losses;

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- analysis and check of performing loans collective impairment losses also through the development of independent estimates;
- comparative and trend analyses on the volumes of loans to customers and on related coverage ratios, through comparison with the data of the previous year and with sector data;
- analysis of subsequent events occurring after the reference date of the financial statements;
- check of the completeness and compliance of the disclosures provided in the financial statements in accordance with the regulatory framework and applicable accounting standards.

Classification and valuation of non-performing loans to customers measured at amortised cost classified as bad loans and unlikely to pay loans	
Description of the key audit matter	As reported in paragraph *5.1 Balance sheet aggregates of the Directors' Report on Group Operations and in the quantitative information relating to credit risk disclosed in Part E – Information on risks and related hedging policies* of the Explanatory notes, non-performing loans to customers, only with reference to loans portfolio, measured at amortised cost of BPER Banca Group as at December 31, 2024 amount to a gross exposure of Euro 2,212 million, where impairment losses are associated for Euro 1,201 million and consequently to a net exposure of Euro 1,011 million, highlighting a coverage ratio equal to 54.27%. The Directors' Report on Group Operations also shows that the above-mentioned loans to customers, classified in accordance with IFRS 9 "Financial Instruments" as "Third Stage", include bad loans for a net value of Euro 125 million with a coverage ratio equal to 75.82% and unlikely to pay loans for a net value of Euro 805 million with a coverage ratio equal to 48.81%. In the Explanatory notes *Part A.1 – General Information, Section 5 – Other Aspects- Risks and uncertainties inherent in the current macroeconomic environment - Management Overlays applied in the assessment of credit risk; Part A.2 - Main items in the financial statements Paragraph 3 - Financial assets measured at amortised cost and Paragraph 23. Method for determining the extent of impairment*, are described with reference to non-performing loans to customers: • Group's rules for classifying non-performing loans to customers measured at amortised cost in compliance with the current instructions of the Supervisory Authorities and the applicable accounting standards;

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- the methods for determining their recoverable amounts which are based on the estimate of the present value of expected cash flows deriving from an analytical valuation of bad loans and unlikely to pay loans whose exposure is higher than the thresholds established by internal regulations, and from a lump sum valuation of the remaining non-performing loans to customers measured at amortised cost. Furthermore, the quantification of the recoverable amount of non-performing loans which are included in the Group's strategy, that envisages the recovery of those loans through disposals, reflects also the estimate of their disposal value, duly weighted on the basis of the probability of occurrence of the possible "workout" and "disposal" scenarios.

Considering the complexity of the estimation processes adopted by the Group, which implied a structured action of classification of non-performing loans to customers measured at amortised cost into homogeneous risk categories, as well as the relevance of the discretionary components linked to the estimate of the related recoverable amount (such as the estimate of expected cash flows, the time of recovery, the value of the collateral, if any, and the possible recovery strategies), we have identified the classification of non-performing loans to customers measured at amortised cost classified as bad loans and unlikely to pay loans and their valuation as a key audit matter of the consolidated financial statements of the Group as at December 31, 2024.

Audit procedures performed

The audit procedures performed included, among others, the following:

- analysis and understanding of the Group's internal control system as well as the related internal regulations concerning the credit process which included, in particular, the identification of the organizational and procedural safeguards implemented by the Group for the monitoring of credit quality and management of non-performing loans, for the adequacy of the classification according to the provisions of the sector regulations and for the related valuation in compliance with the applicable accounting standards;

- analysis and understanding of the IT systems and applications used and the test of the operating effectiveness of the relevant controls, also with the support of our IT experts;

- check the implementation of the procedures and relevant controls, as well as their operating effectiveness for the purposes of the classification and valuation process;

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- analysis and understanding of the main valuation models adopted by the Group and the related updates, as well as a check on a sample basis of the reasonableness of the parameters subject to estimation, also with the support of our IT experts and credit model experts belonging to the Deloitte network;

- analysis and understanding of the process of identification and determination of the strategy to reduce credit exposures included in the “disposal” perimeter;

- analysis and understanding of the valuation model adopted for the determination of additional impairment losses relating to non-performing loans belonging to the "disposal" perimeter valued on the basis of recovery expectations through sale and verification of the reasonableness of the expected market prices;

- checks on a sample basis for each category of non-performing loans of the classification and of the related valuation in compliance with the Group's internal regulations;

- comparative and trend analyses, for each category of non-performing loans, on the volumes and on related coverage ratios, through comparison with the data of the previous year and with sector data;

- analysis of subsequent events occurring after the reference date of the financial statements;

- check of the completeness and compliance of the disclosures provided in the financial statements in accordance with the regulatory framework and applicable accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/15, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Bank or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

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- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of BPER Banca S.p.A. has appointed us on November 26, 2016 as auditors of BPER Banca S.p.A. and its subsidiaries for the years from December 31, 2017 to December 31, 2025.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of BPER Banca S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the consolidated financial statements as at December 31, 2024, to be included in the annual financial report.

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We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2024 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information contained in the explanatory notes to the consolidated financial statements, when extracted from XHTML format in an XBRL instance, may not be reproduced in the same way as the corresponding information displayed in the consolidated financial statements in XHTML format.

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of BPER Banca S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of BPER Banca Group as at December 31, 2024, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the consolidated financial statements;
- express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of BPER Banca Group as at December 31, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

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With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Stefano Merlo
Partner

Bologna, Italy
March 26, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED SUSTAINABILITY STATEMENT
PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
BPER Banca S.p.A.

Conclusion

Pursuant to artt. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the "Decree"), we have carried out a limited assurance engagement on the consolidated sustainability statement of the BPER Banca Group (hereinafter also the "Group") for the year ended on December 31, 2024, prepared pursuant to Art. 4 of the Decree, included in the specific section of the Directors' report on group operations.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of the BPER Banca Group for the year ended on December 31, 2024 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");

- the information included in the paragraph *2.1* "Disclosure pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation)" of the consolidated sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement.

Our responsibilities pursuant to that standard are further described in the paragraph *Auditor's responsibilities for the limited assurance of the consolidated sustainability statement* of this report.

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We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability statement.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The comparative information for the year ended on December 31, 2023 presented in paragraph *2.1* "Disclosure pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation)" of the 2024 consolidated sustainability statement, has not been verified.

Responsibility of the Directors and the Board of Statutory Auditors of BPER Banca S.p.A. for the consolidated sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability statement in accordance with the ESRS (hereinafter the "double materiality assessment process") and for disclosing these procedures in paragraph 1.1.4 "Impact, risk and opportunity management" of the consolidated sustainability statement.

The Directors are also responsible for the preparation of the consolidated sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS
- compliance of the information included in the paragraph *2.1* "Disclosure pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation)" with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability statement in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

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Inherent limitations in the preparation of the consolidated sustainability statement

In reporting forward looking information in accordance with ESRS, the Directors are required to prepare the forward looking information on the basis of assumptions, as described in the consolidated sustainability statement, regarding events that may occur in the future and possible future actions of the Group. Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward looking information could be significant.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain.

Auditor's responsibilities for the limited assurance of the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the hconsolidated sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability statement.

As part of the limited assurance engagement in accordance with the Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;
- designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;
- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability statement. We remain solely responsible for the conclusion on the consolidated sustainability statement.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

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The procedures performed on the consolidated sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the the date of issuance of this report:

- understanding of the business model, the Group's strategies and the context in which it operates with reference to sustainability matters;
- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability statement, including an analysis of the reporting perimeter;
- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;
- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the estimates and to the complexity of the relevant calculation methods, as well as qualitative and quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte network specialists, in particular with reference to specific environmental information;
- understanding of the process set up by the Group to identify eligible economic exposures and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement;
- comparison of the information reported in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data accounting in nature;
- verification of the structure and presentation of the information included in the consolidated sustainability statement in accordance with ESRS, including the information related to the materiality assessment process;
- obtaining the representation letter.

Deloitte.

DELOITTE & TOUCHE S.p.A.

Signed by
Stefano Merlo
Partner

Bologna, Italy
March 26, 2025

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SEPARATE FINANCIAL REPORT OF BPER BANCA AS AT 31 DECEMBER 2024

2024

CONTENTS

2024 Separate Financial Report

DIRECTORS' REPORT ON OPERATIONS

CONTENTS

1. THE BANK IN 2024

1.1 Introduction

To avoid repetition, the common disclosure along with the Directors' Report on Group operations is not being reproposed. Reference should be made to it as it is substantially valid for the Parent Company as well.

To be more specific, reference is made to the content of the following paragraphs of the consolidated report:
- The macroeconomic context;
- Significant events and strategic transactions including, in particular, the new 2024-2027 Business Plan "B: Dynamic|Full Value 2027" and the early closure of the 2022-2025 Business Plan, in light of the earlier-than-planned achievement of the Bank's main economic and financial targets (*inter alia* the Concentration of the Wealth & Asset Management segments of the BPER Banca Group in Banca Cesare Ponti, the framework agreement with Gardant and AMCO for the disposal of UTP exposures and the creation of a strategic partnership for the management of the NPE portfolio through the creation of a servicing platform, the Workforce optimisation manoeuvre) and events after the reporting period as at 31 December 2024;
- Principal risks and uncertainties (though some quantitative information that is specific to BPER Banca will be presented below).

1.2 Competitive positioning

Market positioning: deposits and loans

The trend in BPER Banca's market share of direct funding and lending on a national level is shown in the following tables.

Market shares - Direct funding

Period	Total Customers	Consumer households	Corporates	Producer households
30/09/2024	4.47%	4.02%	5.58%	8.09%
31/08/2024	4.60%	4.03%	5.83%	8.05%
31/07/2024	4.51%	4.04%	5.65%	8.02%
30/06/2024	4.55%	4.04%	5.81%	8.10%
31/05/2024	4.63%	4.10%	5.77%	8.15%
30/04/2024	4.61%	4.14%	5.77%	8.12%
31/03/2024	4.62%	4.09%	5.75%	8.07%
29/02/2024	4.63%	4.13%	5.72%	8.10%
31/01/2024	4.60%	4.15%	5.67%	8.10%
31/12/2023	4.65%	4.21%	5.83%	8.10%
30/11/2023	4.62%	4.18%	5.85%	8.09%
31/10/2023	4.68%	4.20%	5.92%	8.16%
30/09/2023	4.76%	4.21%	6.08%	8.12%

Market shares - Lending

Period	Total Customers	Consumer households	Corporates	Producer households
30/09/2024	4.63%	4.91%	5.62%	7.63%
31/08/2024	4.60%	4.90%	5.60%	7.58%
31/07/2024	4.62%	4.90%	5.65%	7.58%
30/06/2024	4.62%	4.86%	5.64%	7.50%
31/05/2024	4.60%	4.83%	5.61%	7.50%
30/04/2024	4.57%	4.78%	5.62%	7.45%
31/03/2024	4.54%	4.76%	5.55%	7.41%
29/02/2024	4.52%	4.75%	5.58%	7.40%
31/01/2024	4.50%	4.74%	5.51%	7.38%
31/12/2023	4.50%	4.73%	5.53%	7.35%
30/11/2023	4.50%	4.71%	5.56%	7.34%
31/10/2023	4.47%	4.69%	5.50%	7.31%
30/09/2023‹	4.43%	4.65%	5.43%	7.27%

Source: Market shares - Source: Planus Corp. for supervisory reporting.

Branch network

BPER distribution network across the country decreased by 62 branches compared to 2023, as a result of the:

- rationalisation of the distribution network and subsequent closure of 63 BPER branches in 2024 (of which 57 on 22 November 2024 and the remaining 6 at different times throughout the year);
- the opening on 24 June 2024 of a new BPER Banca branch in Ragusa.

At 31 December 2024 there were 1,285 branches (including 28 limited service branches).

The Bank has a widespread presence of branches in 19 of Italy's 20 regions (excluding Sardinia): Emilia-Romagna (239), Abruzzo (59), Campania (79), Lazio (72), Calabria (48), Lombardy (264), Apulia (51), Veneto (45), Basilicata (25), Sicily (43), Molise (6), Marche (82), Tuscany (68), Trentino-Alto Adige (3) Umbria (17), Liguria (108), Friuli Venezia Giulia (2), Piedmont (73) and Aosta Valley (1).

It should also be noted that, in the premises of the 17 branches that were closed during 2024, safe deposit boxes are still accessible on a weekly basis. The transfer of safe deposit boxes and subsequent closure of their service is planned by the end of the first quarter of 2025.

1.3 Relations with customers

Commercial and service policies

Processes

BPER uses a Customer Relationship Management – CRM platform to coordinate customer contact activity by the Distribution Network, the Online Branch and direct/digital channels.

Through its omni-channel commercial planning, the Bank centrally defines and plans CRM actions designed to contact and engage customers either periodically or in real time. Regular internal meetings are scheduled at any given time with the Bank functions concerned for the purpose of CRM planning, as are monthly meetings for the planning to be improved and finetuned.

The defined and activated CRM actions have a pre-set duration and are of a commercial, relational and management nature based on the intended purpose (e.g. promoting products/services, improving the customer relationship, managing regulatory obligations, etc.). They direct corporate priorities and support the achievement of budget objectives.

In specific cases, sales initiatives not included in the plans can be implemented to meet needs that arise during the year.

These types of initiatives include the single-channel action (customer contact activity by the Distribution Network), opportunity contacts (real-time contacts generated by customer behaviour) and customer journeys. The latter involve multiple phases and digital communication channels aimed at capturing the customer's interest in "real time" and transferring the contact to assisted channels (Network and the On Line Branch).

The tasks and responsibilities of the principal functions within the CRCBO Area, as well as the mechanisms for interactions between the centre and the network (vertical), are defined in the commercial statement, which describes the methods, timing, tools and objectives for centre-network dialogue focused on the monitoring of performance.

The marketing plans for each Service Model are defined on the basis of a structured commercial planning process, in accordance with the rules and principles of Product Governance, fairness and transparency, in order to ensure that planned initiatives are consistent with the company's positioning and aimed at best satisfying the characteristics and needs of the different customer segments.

In compliance with the European legislation on "Product Governance", BPER Banca has implemented a structured process to govern the development and approval of new products and services, for entering new markets and signing distribution agreements. The definition of BPER Banca's commercial offer is governed by the "Group Policy for the governance of non-compliance risk on Product Governance" and by the "Group Regulation for Product Governance".

The objectives of this process are:
- ensuring the improvement and timely evolution of products and services on offer in compliance with the needs of customers and in line with the company's strategy and objectives;
- tensuring the correct mapping, assessment and management of risks deriving from new operations, in line with BPER Banca's risk appetite;
- defining the customer groups to which the company intends to distribute new products and services in relation to their complexity and any existing regulatory constraints;
- assessing the structure of the products, with reference to the extent to which they are comprehensible to customers, their characteristics and risks, particularly for complex forms ofremuneration and reimbursement;
- ensuring transparency and fairness in the marketing phase
- ensuring full compliance in the development and approval of products and services on offer, by ensuring respect for the various stages envisaged and the involvement of various corporate functions.

As regards the consultancy and sales relationship between branches and customers, BPER Banca has an advanced sales front-end (called "BStore"), available to all retail and corporate relationship managers in the branches, which guides the user in proposing the principal services available to customers from the Group's computerised product catalogue.

Listening to customers

Customer satisfaction is one of the main levers of the service quality planning and control system and a strategic competitive factor in the market. This is the principle that underpins the perceived quality monitoring system, which covers both Retail customers and Corporate and Private customers. For Retail customers, 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". The main contact channel is e-mail, in order to collect feedback from the greatest number of customers possible with the least effort in terms of costs and time. The advocacy indicator strongly improved in 2024 across all service models. The findings that emerged from previous years referring to BPER Banca and Banco di Sardegna were confirmed: the level of customer satisfaction is substantially aligned between the Family and Personal segments, while it is lower, although still positive, for POE customers (Small Business Operators). A good level of customer satisfaction is confirmed also for Small Business customers in 2024.

The "Voice of Customer" project also seeks to capture customers' reaction soon after certain specific activities have taken place. As of today, the active ones regard the subscription of six products (current accounts, payment cards, insurance policies, mortgages, loans and instalment products) and the interaction with five Bank channels (Branch, ATM, Self-Service cash desk, Smart Web and Online Branch). The metric chosen is the Net Satisfaction Score ("NSS"), an indicator measuring the gap between the percentage of customers that are satisfied (scoring 9 or 10) and customers that report being dissatisfied (scoring from 0 to 6). Since 2024, customer feedback gathered upon the online subscription of several products (current accounts, cards and instalment products) has been analysed: a good level of satisfaction emerges also among customers using the digital channel.

Every year, two waves of customer Satisfaction surveys are also taken on Corporate customers and Private Banking customers: the first in June and the second in November. A slight increase was recorded for Corporate customers compared to 2023, both for BPER Banca and Banco di Sardegna. Customer satisfaction is significantly growing among Private banking customers. In 2024, a Customer Satisfaction survey was likewise conducted among Large Corporate customers, bearing witness to their good level of satisfaction.

The outcomes of customer listening activities are mainly disseminated and updated daily through a software made available by the Bank of Italy to the entire network and central functions. Specific reports are also circulated to support the central functions' decision-making process.

The contact channels

Online Branch

The online branch is the remote focal point of the bank-customer relationship. In recent years, it has changed significantly from being a facility mainly dedicated to providing customer assistance to now being a key relational and commercial hub, with the aim of increasing interactions with customers and developing new sales opportunities in synergy with physical branches and the digital channel.

Several remote contact channels are active with a view to offering customers a "digital-human" experience with tailor-made conversational techniques which the customers may choose from according to their preferences and funds available.

In addition to the telephone channel, customers can chat or book a telephone appointment or video call with an Online Consultant directly through the app.

Since August 2023 the Online Branch is present with 8 sites throughout the country, with a service accessible in an extended time slot from Monday to Sunday or 24 hours a day for specific urgent needs related to the security of payment instruments.

In 2024 a new operating model was introduced in the Online Branch including three types of specialised advisory teams to both ensure proper assistance and maximise sales.

The Digital Branch also carries out commercial activities waimed at the proposition of products offered either remotely or in the physical branch. The commercial activities of the FOL are developed through:
- outbound campaigns: proactive contact initiatives with specific customer targets with the aim of encouraging customers to underwrite products offered remotely or by arranging an appointment at the customer's preferred physical branch;
- reactive inbound campaigns: the customer contacts the Digital Branch for service reasons, the consultant handles the request, collects the customer's needs by proposing the underwriting of a commercial product offered remotely or by arranging an appointment at the customer's preferred physical branch;
- contacts from the public website www.bper.it management of contact requests made from the public website BPER.IT for the underwriting of commercial products.

The commercial activities of the Digital Branch underwent significant development in 2024: the catalogue of products on remote sale for retail customers broadened accordingly. Some examples are provided as follows:
- Underwriting of PagaPoi (product renewed during the year);
- Sale of the new "Prestito Smart" product, with an optional insurance policy "Salva Prestito";
- Fifth-of-salary/pension-backed loans for retirees and government or private sector employees;
- Underwriting of securities accounts, trading and advisory contracts, capital accumulation plans (PAC) and investment plans (PIC) in mutual funds;
- Activation of the insurance policies Unisalute Sorriso (dental) and 4Zampe (pets);
- Sale of Premium e Prestige credit cards (subject to the prior consent of the relationship branch);
- Buying Unipolmove app;
- Sale of commercial debit cards to sole proprietorships and self-employed individuals (since 2024).

Smart digital services

The scenario each of us moves in is in constant and increasingly rapid evolution. To continue to offer its services with reliability and quality, BPER Banca is constantly committed to analysing the needs of customers to propose innovative solutions able to satisfy them.

Smart digital services are a key access to the bank for customers, which enable them to operate remotely from anywhere at any time, in addition to buying banking products and services by interacting with the Online Branch through the innovative channels described above, with an integrated omni-channel approach.

The key initiatives in the area of service innovation are listed below.

Digitalisation, experience, identity & collaboration

- Review of the users' digital experience: customer experience covers different segments (retail, business and teen customers) with real-time continuous channel improvement and evolution based on behavioural analysis and feedback from customers and colleagues;
- Human Collaboration: during 2024, remote interaction with the Online Branch consultants significantly evolved to offer an increasingly effective user experience. Distance between the bank and its customers is zeroed thanks to the new "Hey BPER" functionality available on both app and pc. Hey BPER enables customers to interact with online consultants by using their preferred contact channel (phone call, chat, telephone appointment, video call and screen sharing during remote assistance sessions). On the app, Hey Bper is accessible through the homepage and is also available throughout the "sales flow": customers can thereby benefit from real-time guidance and support from a consultant also when buying a product through the app. In November 2024, Hey BPER was also supplemented with the virtual assistant chat: customers seeking for immediate information on Smart digital services may therefore ask questions and get immediate and automated replies through a chatbot which is designed to provide customers with an increasingly large and customised set of replies thanks to a continuous learning process. The introduction of this tool is just the first step towards a further evolution of conversational tools which the Bank provides its customers with, aiming at offering even better service and being at their side anywhere they are, even when they do not wish to go or cannot go to the bank;
- Smart Desk: the new service for the underwriting of contracts and documents with a digital signature directly via an app, enables sales and processes to be completed very quickly. The service has been conceived to provide a simple and intuitive experience: the signing of documents can be done with just few steps directly on the app, without the customer having to previously underwrite a signature certificate of a third party provider or having to acquire specific devices. Furthermore, the service includes the possibility for customers to digitally and remotely send all documents required to complete their paperwork. And this all comes with high security levels both for the Bank and for the customer and a document management in paperless mode (no longer any need to print the sheet out). Given its strategic relevance in terms of digital behaviour evolution in bank interactions, the adoption of this service is also promoted through dedicated training sessions monitored by specific indicators and targets;
- Data Quality: in order to streamline customer experience in their relationships with the Bank, some features are available to fulfil many obligations using digital channels comfortably from home, such as uploading IDs and social security cards, filling in the Know Your Customer form and updating investors' profile, so as to provide customers with solutions to achieve their investment objectives and meet their needs;
- Documentation digitalisation: in 2024 a programme to digitalise all banking information was launched, which will enable customers to receive digital documents about their banking relationships, doing away with hard copies;
- New investment and insurance positions enabling portfolios held by customers to be viewed on Smart digital services regardless of the sales channel they were obtained from;
- Showcase & digital engagement: the app is complemented with a new Product section showing all products customers can underwrite either online or with the Online Branch support. During the year, CRM-driven dynamic engagements were added up with newly developed content zones (also used on a context and behavioural basis) and CMS-based;
- Enrollment, de-enrollment device and password recovery: new "full self" processes were introduced to improve customer experience and speed up their operating autonomy.

Committee assessment

- Ongoing evolution of digital lending products (Loans and PagaPoi solutions):
  - Prestito Smart: customers may take out a loan either on their own, through the app or with the support of Online Consultants. An optional loan protection insurance may be selected when getting a loan.
  - PagaPoi: this is an innovative credit product on the market, conceived in order to subdivide the expenses incurred during the current or previous month into small instalments. Launched in July 2023 on digital channels, it can be activated independently by the customer to enable a flexible cash management based on the customer's needs. The customer can open new instalment plans autonomously (up to the maximum agreed ceiling), monitor the instalment plan and proceed to close it directly using the digital channels;
- Replacement of the VPAY/Maestro debit card in stock. This initiative is part of the ongoing replacement of cards in stock which continued in 2024: using their apps (or with the Online Consultants' support) customers can replace their V Pay, Maestro o Carige Cash debit cards with more advanced ones offering more advantages at the same cost.
- Credit card request: since November 2024, it has been possible to request credit cards directly through the Smart digital services by providing information and documents useful for the assessment. After customer crediworthiness is assessed, the customer is contacted again by Online Consultants to inform them of the outcome of their application and finalise it via digital signature.
- Conto TEEN: on 1 August 2024 a current account was launched for teens from 13 to 17, to support them in their early steps through banking and their financial growth and education path. This proposition for the youth is designed to include a current account, a debit card and Smart digital services. Conto TEEN provides teens with basic payment functionalities, always under Parental Control for checking both the current account and the debit card directly from their own Smart digital services,

setting periodic "pocket money" and expenditure ceilings or areas of operation (e.g. online purchases). To ensure a responsible use of the payment tool, purchases of some type of goods unsuitable for the youth age are automatically disabled such as alcohol, bets or tobacco. To accompany teenagers in the management of their finances also in their adulthood, the digital development roadmap envisages, as early as in 2025, to optionally switch from the Teen account to the On Demand account seamlessly, retaining the same IBAN and credentials.

- Digital Insurance: as part of the gradual broadening of the digital insurance proposition, two new insurance coverage solutions were introduced in 2024 which can be bought from the app or through Online Consultants:
  - UniSalute Sorriso: a policy for customers' dental wellness offering coverage of incurred dental care expenses and providing access to a network of affiliated dental care facilities with pre-agreed fees for specialised treatment;
  - UniSalute 4ZAMPE: a pet insurance (for dogs and cats) covering veterinary expenses and treatments in the event of pet injury or illness;
- Wealth: 2024 marked a turning point in the growth of digital functionalities for stimulating and maximising the value of customers' savings by benchmarking investment solutions, simulating their trends over time and finding the most suitable alternatives for one's own investor profile, targets, risk appetite and time horizon. Therefore, customers may use their apps to open capital accumulation plans investing in mutual funds that match their investor profile and can be activated even in small regular amounts to encourage saving habits. Each fund features an *ad hoc* term sheet including ESG scoring, with specific emphasis on funds classified as sustainable. The proposition is calibrated so that customers may opt for a sustainable investment choice based on their own investment goals.
- B:Me: as part of the initiatives designed to increase the customer digitalisation rate, a set of actions are planned under the new Business Plan to increase the bank's capacity to remotely identify customers and facilitate their access to digital services. The currently restricted access to Smart digital services to customers with a current account and card only will also be overcome, so as to enable the use of these services and their related benefits (paper and travel reduction, greater timeliness in communications and operations) also to customers that had so far been excluded.
- BPER On Demand online: launched in September 2023, it is the first online BPER Banca Group account that can be opened entirely online. The customer, acquired through digital channels, is always connected to a branch of his/her choice during the opening of the account, which enables him/her to develop a relationship that can be managed through all available channels. The human component is always centre stage thanks to the presence of consultants at the branch and online ad the customer's disposal. The online account is the solution to reach a more digital clientele: the acquisition channels increase and the relationship with the customer is strengthened by exploiting all the ways and opportunities available to access banking services; It is a constantly growing product whose evolution roadmap already considers a business-dedicated version.

Cards and payments development

- Card management: customers have managed their cards, among other products, from one single app since 2023. The app enables, by way of example, to receive and view their PINs (with no hard copy required), block cards, set and manage the Key6 security code, activate and renew cards collected at a branch or sent to one's home, view sensitive card details (card number, CVV, expiry date), authorise online payments, lock cards temporarily, set an expense limit by sum or by category, add a card to digital payment wallets.
- Card sales: as of November 2023, debit or prepaid card can be requested directly from the app, which will be received and can be activated directly at home.
- Light profile: a new Smart profile was launched in 2024 dedicated to all payment card holders who have not subscribed to digital services; the Smart profile allows them to manage their own cards from both the app and the web.
- Launch of new e-money products and revamping of existing products, with associated insurance value services.
- A digital card carrier for the new e-money products with QR code-enabled cards.
- Number of daily instant bank transfers increased to 3, app dashboard to enable/disable instant bank transfers, and continue to view bank transfers even after cut-off time.

Actions for the Business segment

BPER Banca has launched a strategic investment plan for the Business segment in order to redefine its own digital business model and offer companies a seamless experience overcoming the traditional transactional approach to evolve into a relational model that makes it possible to interact with the Bank in an innovative, customised way. The digital transformation programme is based on pillars which include a broadened digital product and service proposition that business customers can use remotely and in self-mode with a seamless, distinctive and omni-channel customer journey.

Smart Banking Business is the relational portal for businesses with basic operating needs, that enhances streamlined operations and effectiveness; during 2024, Smart Banking for businesses delivered new functionalities with major developments in Smart digital services for businesses.

Some of the new features planned for the Business segment are:

- the option for freelancers, sole proprietorships and legal entities to sign digitally, in person and remotely, through the "FEQ" (*firma elettronica qualificata*) qualified electronic signature, thus reducing environmental impact and optimising time management for business customers;

- digital submission of multiple invoices in one list and management of orders and contracts to simplify administrative tasks;
- prepaid card recharge list to speed up the authorisation of multiple orders;
- lists saved as a draft to facilitate deferred operations;
- CBI files import and data export in the standard interbank format to improve administrative operations;
- advanced information on the cash order (Ri.Ba) portfolio for an integrated up-to-date view of submissions, including maturity batches as well as granted, outstanding and drawn amounts;
- automated verification of signatory powers in self banking for legal persons: ensures effectiveness and accuracy in identifying authorised signatories within a company structure;
- self-service sale of debit cards with the possibility for the legal person holding a settlement account to view it and use after-sales support as part of the contract, for simplified immediate management of company cards.

During 2024 a new project was launched to build a platform for complex businesses and corporate groups thereby creating the new Digital Corporate Banking (DCB), a newly established advanced relational contact point for Corporate Customers.
In the first months of 2025 a global renewal of the card proposition is likewise planned in the e-money business in order to provide customers with solutions meeting the highest market standards and supplemented with added-value services specific for the business segment.
The initiatives and functionalities dedicated to the business segment are pivotal in BPER Banca's digital strategy which aims at creating relational and functional portals in order to timely and valuably meet the needs of an increasingly digitalised and complex market.

Self Banking

A major Self Banking evolution plan was completed in 2024 to increase the number of features available to customers and improve the functionality of those already in place.

New self-service equipment

During 2024, 207 new Smart-Cash Tills and 261 advanced ATMs were added to the network's installations. 161 cash-less branches were activated with no more traditional teller services being provided. In this case, the role of colleagues in the branch becomes even more crucial in assisting customers in the use of the equipment, making them more autonomous in performing their operations. This gradually frees up valuable time that colleagues can devote to the development of customer relationships, the provision of consulting services and assistance in customers' digitalisation.

New functionalities and experience improvements

Since the end of May 2024, Smart-Cash Tills have been equipped with a new graphic interface to offer customers a simplified user experience in line with other digital channels.
Since September 2024, customers have had access to Smart-Cash Tills also through their app. This is a major evolution of branch self-service equipment to offer customers an integrated experience with Smart digital services and improve operations, making it even simpler and more effective. This new functionality is currently available for retail customers. The implementation for business customers will also follow suit.
The Self Banking evolution plan will continue also in 2025, under the 2025-2027 Business Plan, with the installation of an additional 180Smart-Cash Tills, 250 advanced ATMs and the activation of 160 cash-less branches.

F/Youture Programme, new Business Plan and ESG implications

The BPER digital transformation plan is one of the features of the 2022-2025 Business Plan as well as of the new "B:Dynamic | Full Value 2027" Business Plan which is already operational and will be at a steady state by the first half of 2025. In order to achieve the objectives set out in the Plan, the Group's planned investments in the transformation of the technological infrastructure with implications for ESG programmes, among others, are of fundamental importance. In fact, a new digital and sustainable business model enables the BPER Group to respond more effectively to its customers' needs through customised and multi-channel services, and to embark on a more virtuous and sustainable path.

As previously detailed, great attention is devoted not only to improvements and new products for retail customers, but also to the corporate world. Specifically, major investments are planned for the development of new solutions designed for the corporate world, which will become the cornerstone of BPER Banca's development and innovation over the next three years.
Along this path, productivity and processes will be further improved and innovated through dedicated technology investments, with process optimisation and automation from generative artificial intelligence.
In this context, the evolution of the Smart Banking-BPER Banca app is strategic and functional.
The growth of the app is a constant and gradual process based on active listening to customers and colleagues. The latter, for example, are invited to browse on the App in advance compared to the market launch, and thus contribute with their suggestions to the optimisation of the new features in line with the customer requirements and requests.
Considering the optimisation goals of the physical presence in local branches, it is as strategic as ever to invest in the development of a model of interaction with the customer by focusing on the creation of an omni-channel approach and by developing the self and remote assisted digital channel. In order to bring the distribution model and all the investments that are being made within

the F/youture programme to full fruition, the new behaviour of both customers and the sales network must be guided in order to foster the creation of the necessary prerequisites for a gradual increase in use of digital channels.
During 2024, the training programmes and engagement measures targeting branches and semi-central units for developing and consolidating the Bank's digital culture were therefore further strengthened, also through the creation of dedicated figures in the semi-central units (Digital Specialists) and bank branches (Receptionists and Digital Help desk).
The potential of digital channels have been exploited as an important vehicle to stimulate virtuous behaviour with a view fort example to supporting charity projects and initiatives.
Even in 2024, for the International Day for the Elimination of Violence against Women, which is celebrated every year on 25 November, BPER Banca set up the "Together for Women" fundraising event through digital channels to favour the Autonomy Fund set up by the D.i.Re Association - Women online against violence, which specifically supports women lacking economic and housing autonomy who are trying to leave a violent situation. Fund raising, which is part of a larger framework of measures that the Bank promotes on its internal and external channels for raising awareness on the topic, finds a key asset in digital services: customers may donate through Smart digital services thus contributing first-hand to the activities set up by the Di.Re association to support women.
Again with an ESG perspective, the new strategy of the BPER Group's card division envisages a substantial renewal of the products offered and of the processes at the disposal of customers, with a view to improving the eficiency of the entire compartment while also addressing ESG issues. The actions taken to achieve these goals focus on a strong transformation towards digitalisation, both of products and processes, leading to a clear reduction in operating costs and CO emissions, in line with the company's mission. The future gradual introduction of instant digital card issue is a clear example of the actions taken to reduce the production of plastic and the impacts associated with sending and delivering the product to the customer's home.
During 2023 and subsequently also in 2024, the card proposition was enriched with new debit and credit cards both for Consumer and Business customers. The cards and the packaging have been designed paying attention to sustainability and environmental impact and are made out of recycled materials in order to reduce CO emissions. As part of the evolution of our offer there's been a strong focus on people's needs by introducing exclusive insurance coverages and health services in collaboration with strategic partners such as UnipolSai and SiSalute. The cards have been conceived to guarantee a greater accessibility for the visually impaired thanks to the use of initial of the type card printed in Braille.

Products and commercial activities

BPER Banca aims at meeting customers' needs in an increasingly effective way by coupling its traditional proposition with advanced digital solutions. Special attention is placed on households and young people by constantly evolving products and services that simplify how they daily manage their finances daily. Digitalisation adds value to customer experience as it improves customer access and tailor-made banking solutions.

In 2024, the online "Conto On Demand" account was offered free of charge for customers aged up to 35 and it was also promoted via two cashback campaigns of up to Euro 50 for all new customers. Within the "Conto on Demand", some "pre-set profiles" were also marketed in order to offer discount terms to employees and stakeholders of the "Pooling Centres", as part of a wider use of the affiliation agreement leverage achieved through commercial offers on favourable terms.
The new "Conto TEEN" account is on offer for teenagers under 17; it can be activated both online and at the branch and features services and functionalities that can be used by both minors and persons with parental responsibility for them. Conto TEEN was also advertised through a cashback campaign at up to Euro 20. Financial education initiatives also continued with the GRANDE! Savings account which offers pre-agreed access to theme parks in Italy for free. In order to expand the transactional proposition, a current account card was introduced which can be applied for at the bank branch or online only by new customers in collaboration with partners (e.g. the Inter football team).

As part of loans and consumer credit, the value proposition of fifth-of-salary/pension-backed loans was reviewed with a more clear-cut differentiation of external, customer-oriented communication by target segment. In addition, the new process of direct fifth-of-salary/pension-backed loans was extended to the entire branch network and the new QuiQ pension-backed loan product was launched. The product makes it possible to disburse the loan in less than 24 hours if all requirements are met, improving the quality of the service offered to customers. The sales process of personal loans was optimised, with the aim of guaranteeing the best customer experience when selling the product, by standardising the catalogue and unifying the entire sales process of consumer credit products in one single application software.

With regard to home loans, during 2024 credit amounts were earmarked for mortgage solutions on favourable terms, which are all the more favourable for Green Mortgage loans, reflecting a growing commitment requested of the market in terms of environmental sustainability. More specifically, in order to promote the purchase of properties with high efficiency performance, the placement process of the Fixed Rate Green Loan was renewed. The offering has been expanded with the Mutuo Assicurato (Insured Mortgage), in order to offer a full-fledged product.

A dedicated offer has been confirmed for customers under 36 years of age, thanks also to the ABI protocol for access to the Fondo Garanzia Prima Casa (First Home Guarantee Fund), with the possibility of requesting up to 100% of the amount for the purchase of the first home. The offer has also been expanded to include Green and Subrogation versions, with the option of requesting up to 100% of the property value. In 2024, the partnership with Rexer (real estate agency set up through a partnership among BPER, Intesa San Paolo and Homepal) was launched to provide interested customers with an innovative service for the purchase and sale of real estate thanks to an omni-channel approach.

In 2024, the partnership with UnipolRental was also launched to offer customers a long-term rental service. Attention continued to be focused on insurance offer dedicated to health and home, with the products Acuore, Acuore Super, Argento. With a view to digitalisation, UniSalute Sorriso, a dental insurance policy, and UniSalute 4Zampe, a pet insurance policy, are now available for purchase through digital channels.

In the direct deposit business, certificates of deposit and the Servizio Di Più Bundle were introduced, with interest rates adjusted during the year in line with market trend, to encourage new deposits and the activation of wealth management products.

In 2024, the activities of BPER Bene Comune (Common Good) Service - implemented in 2023 - continued, in particular those related to loans with social impacts and with a view to inclusion, such as the "honour loans" for the students of Università Cattolica del Sacro Cuore and anti-usury loans backed by anti-usury foundations.

Private Banking & Wealth Management;

The Private Banking and Wealth Management Division of BPER Banca acts as the financial partner of reference for investors, households and entrepreneurs with needs of planning, enhancement, protection and transfer of assets.
In 2024, the Division has undergone significant changes, in line with the 2022-2025 Business Plan and the strategic project to enhance Banca Cesare Ponti s.p.a. as specialised vehicle for the Private Banking and Wealth Management services.
This project was carried out in different phases and was brought to completion with the merger by absorption of Optima s.p.a. SIM into Banca Cesare Ponti s.p.a. on 13 November 2023 and the subsequent transfer in its favour by BPER Banca of the "Private Banking" business unit on 19 February 2024.

In line with the strategic plans of the BPER Banca Group, the transaction allowed to enhance:
- the focus of Banca Cesare Ponti in a key business area for the growth plans of the Group;
- Business attractiveness for both customers and private bankers, strengthening the proposition and competitiveness of the BPER Banca Group's wealth & asset management;
- efficiency and strategic flexibility through the enhancement of Banca Cesare Ponti as a historic brand, a legal entity to become the Group's sole reference centre of the Wealth & Asset Management business.

Banca Cesare Ponti has been a player of the Private Banking Sector in Italy for over 150 years. Established in 1871 as a general partnership for currency exchange, in 1906 it evolved its service model towards solutions with higher value added, soon becoming a protagonist of Private Banking in Italy. In 2005 Banca Cesare Ponti joined the Banca Carige Group and the BPER Banca Group in 2022, always maintaining its specialisation in the Private Banking sector, with a business model focused on excellence, personalisation, and innovation.

Today, in the BPER Banca Group, Banca Cesare Ponti looks to the future with two missions: to continue to offer excellent Private Banking services and to act as Investment Centre for the whole BPER Banca Group.

In order to achieve this objective, Banca Cesare Ponti can rely on a strong presence with 2 main offices (Milan and Genoa) and 112 Private Banking Centres throughout the country, with a network of approximately 350 Private Bankers who assist customer with a valuable and customised advisory service on financial, investment and wealth planning needs. As concerns the need for tailor-made solutions of Ultra High Net Worth Individuals, the Bank has a team of experienced professionals who are trained to deal with customers with complex assets and their trusted professionals.

The Investment Centre was further strengthened during the year and now has over 50 professionals specialised in various investment areas, overseeing processes, services and financial and investment advisory solutions for customer across the BPER Group.

In addition to Banca Cesare Ponti, BPER Banca's Private Banking and Wealth Management Division also includes a network of Financial Advisors who work in synergy with a leading insurance partner and support customers in the optimal management of their savings through a specialised and tailored advisory service capable of offering customised solutions with a widespread presence throughout Italy.

In terms of product development and distribution, in 2024, the activity of revising the range continued with the aim of adapting the proposition to market conditions and selecting the best opportunities for customers.

The Private Banking offering was further strengthened through the continued promotion of non-financial advisory services (trusts, wealth planning and generational transfer) and the enhancement of advanced advisory services. Alternative products are expected to be added to the customer offering to meet the needs of customers with more sophisticated assets.

The growing sensitivity of customers to sustainability-related issues, the desire to meet all their needs and the regulatory changes led to the expansion of the range of sustainable and responsible products in synergy with leading asset management companies such as Arca SGR (a company belonging to BPER Banca Group) and Asset Management partners, embracing investment areas and strategies that are highly diversified between one another. The first ESG Asset Management Lines were also launched in 2024, and ESG life insurance products contributed to the expansion of the product range in the fourth quarter of the year.

Furthermore, with a view to improving customer service, both the collection of customer preferences and reporting for customers have been expanded, with particular reference to alignment with the SDGs (Sustainable Development Goals of the 2030 Agenda).

In line with the growing digitalisation of both market and customers and the objectives for the enhancement of the digitalisation of services, in 2024, significant improvements were made to the App and the Home Banking Investment section, introducing, for example, the possibility of opening wealth accumulation plans (PAC) on a selection of Arca SGR funds, of easily switching from BPER Banca to Banca Cesare Ponti and vice versa for Private Banking Customers, and - above all - of checking the investment position in detail.

The Private and Wealth Management Division continues to focus on training for all its employees and bankers with mandatory training programmes, study and market analysis initiatives, product and service courses, and ad hoc courses to develop further technical and interpersonal skills.

The dialogue with customers is constant and is being further strengthened through the organisation of meetings and events on financial issues (e.g. 10-Stop Roadshow in collaboration with Corriere della Sera and a Top Asset Manager) and regularly listening to customers' feedback, in order to constantly monitor customer satisfaction levels in key areas of the relationship, with the aim of implementing projects and initiatives to improve the level of service offered.

Corporates

The Bank put in place a proactive commercial proposition for Corporate customers, in terms of products/services, which made it possible to retain existing Corporate Customers and expand the range of services offered.

In particular, in 2024, in line with the EU and national regulatory framework, multiple financial support initiatives were put in place for Businesses thanks to the proposal of short-, medium- and long-term financial support solutions.

The main tools used to support businesses are presented below.

Loans with MCC guarantee

A form of financing used extensively in 2024, as in the previous years, was both short and medium/long-term loans, secured by a Guarantee from the Central Guarantee Fund of MCC (Banca del Mezzogiorno-MedioCredito Centrale).

The intention of MCC was to significantly widen as much as possible the type of financing eligible for this important form of guarantee, which allows the company to obtain economic benefits in terms of both borrowing conditions and access to credit. The extension concerned both short-term transactions (not envisaged earlier) and transactions involving small amounts.

The availability of this guarantee and the agreements with the Guarantor also benefitted the Bank, in terms of lower capital absorption.

The benchmark products for this area are:
- Fin PMI - An unsecured loan backed by a direct guarantee from the Central Guarantee Fund for small and medium-sized enterprises, aimed at facilitating access to financial sources and accompanying them in their development and investments for business growth;
- Fin PMI Female Entrepreneurship - An unsecured loan backed by direct guarantee from the Guarantee Fund for small and medium-sized enterprises, to facilitate access to financial resources by SMEs with a predominantly female component;
- Fin PMI Start UP – Start Up Innovative - An unsecured loan backed by direct guarantee from the Guarantee Fund for small and medium-sized enterprises, to facilitate access to financial resources by traditional and innovative start-ups;
- Short-term credit lines with MCC guarantee - Short-term credit lines with the direct guarantee of the Central Guarantee Fund, which allows the Bank to have less capital absorption, fewer provisions and greater economic benefits.

In addition to the loans backed by the Central Guarantee Fund, as part of the Capital Light financing, the customer offering includes:

SACE Garanzia e Futuro

During 2024, the possibility of granting medium/long-term unsecured or mortgage loans backed by the SACE Garanzia e Futuro guarantee was implemented, and was dedicated to companies established as limited companies, including cooperatives, of any size.

The objectives may be connected with investment or working capital needs for both for costs to be incurred and costs already incurred. Thanks to constant collaboration with SACE, in 2022, the SACE Green and SACE Green Loans were also introduced into the company's proposition, aimed at supporting the Green New Deal.

Loans backed by EIF guarantee

As a result of the agreement between BPER Banca and the European Investment Fund ("EIF"), in 2024, new loans were made available to corporate customers, namely: FIN CULTURAL (intended to support companies operating in the cultural and creative sectors), NEW INNOVFIN (intended to support technological innovation and the process of digitalisation of companies), FIN SUSTAINABILITY (intended to support "Sustainable Companies" or companies applying for loans for "Green Investments").

The loans are guaranteed by the EIF in percentages ranging from 30% to 80%.

- BPER Sustainable Loan for SMEs and Midcaps: The BPER Banca Group entered into an agreement with the EIB (European Investment Bank) called BPER SUSTAINABLE LOAN FOR SMEs AND MIDCAPS for an overall amount of Euro 500 million. The EIB credit line is intended for medium/long-term unsecured or mortgage loans to SMEs and MidCaps (companies with up to 3,000 employees) operating throughout the country.
- FIN EIB Guarantee: unsecured or mortgage loan backed by EIB guarantee, whose purpose is to support the implementation of projects by MID-CAP companies (from 250 up to 3,000 employees). In order to be admitted to the guarantee, the projects must contribute to at least one of the five EU objectives set by the EIB:
  - financial support to MID-CAPs;
  - innovation;
  - digitalisation and Human Capital (including health and education);
  - urban and regional sustainability (environmental protection, sustainable communities, and transports);
  - energy sustainability and natural resources.

Confidi

In 2024, of particular importance was the disbursement of loans to small market players and SMEs with the assistance of the guarantees provided by the Credit Guarantee Consortia (Confidi), with which the Bank has agreements in the areas in which it is present with its own network of branches.

BPER 4 NEXT GENERATION

With total funding of Euro 235.1 billion, the National Recovery and Resilience Plan (NRRP) forms part of the European Union programme known as Next Generation EU and was approved by Italy in 2021 to kick-start the economy following the Covid-19 pandemic. BPER Banca wants to be at the side of companies to help them seize the opportunities that the NRRP offers.

NRRP "Social" Calls: Funding to Promote Inclusion and Diversity in Italian Companies in the Context of the NRRP

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 NRRP to promote social inclusion in Italian companies. Part of the NRRP has set various 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. One of the calls for tender focussed on by BPER Banca is "Fondo Impresa Femminile" which concerns investment projects in multiple sectors to restructure the current female entrepreneurs support systems and make it easier to implement new associated projects. Another call selected is "Smart&Start" for the implementation of projects concerning technological innovation and the economic valorisation of the results of public and private research in start- ups (among others), as well as "Beyond New Zero-rate Enterprises" to support the creation and development of new enterprises with predominantly or totally young or female participants. In order to help companies benefitting from the calls for tender focussed on to implement their projects, BPER Banca prepared the products Fin Business 4 Young & Women, Fin PMI Imprenditoria Femminile and Fin PMI Start Up Innovative e Incubatori Certificati.

Sustainable financing associated with the green NRRP calls: supporting the energy transition of Italian companies

Thanks to the opportunities arising from the NRRP, BPER Banca has taken steps to support companies wishing to embark on an energy transition path through the provision of sustainable and customised financing solutions associated with the NRRP's "Green" calls with a view, inter alia, to achieving the country's environmental sustainability. The "Green" calls for tenders focussed on by BPER Banca involve investments that make a substantial contribution to mitigating climate change and are selected by the bank according to a sector-based approach. As in the case of the Tourism sector, where measures relating to

the "Financial Incentives for Tourism Operators" were selected, with the objective of redeveloping tourist facilities through diversified initiatives also targeted at sustainability, to which the "FIN Turismo 100%" product was associated, and the "Fondo Rotativo Imprese sezione Turismo" (revolving fund for companies - Tourism section), to which the "FRI Turismo" product was affiliated. In the Agri-food sector, the "FRI Agrifiliera" and "FIN Agrivoltaico" products were prepared, associated respectively to the NRRP calls for tenders "Contratti di Filiera e di Distretto" and "Parco Agrisolare", initiatives targeted at the sector's energy efficiency and energy development.
Finally, as part of the 5.0 Transition Plan, a key measure of the NRRP and an essential tool for improving both the sustainability and digitalisation of Italian businesses, BPER Banca has launched the "5.0 Transition" service. Through this service, the Bank offers its corporate customers adequate financial support through financing and leasing products, as well as specialist advisory service provided thanks to specific agreements with market leaders.

Agrivoltaic Financing
Product for SMEs (Small and Medium Enterprises) Installations of photovoltaic systems to be built on the roofs of buildings used in the agricultural, livestock and agro-industrial business, with a peak power of no less than 6 kWp and no more than 500 kWp, are eligible for financing through the incentive provided under NRRP Agrisolar Park Measure M2C1I2.2 (Ministry of Agriculture, Food Sovereignty and Forestry).

Financing for the circular economy: support for productive conversion for a better use of resources
BPER Banca is a "Circular Economy lending bank", part of the incentive that promotes the conversion of production activities towards an economy model that maintains the value of products, materials and resources for as long as possible and minimises the production of waste. With a budget of Euro 217 million, the measure was activated by the Ministry of Economic Development and is managed by Invitalia. The Fund supports industrial research and experimental development aimed at the creation or improvement of products, processes or services.
"Circular Economy" is dedicated to all companies of any size that carry out industrial and agro-industrial services, provide services to industry and research centres, to public and private research organizations as co-proponents in joint projects; about half is earmarked for projects carried out in the South.

In support of the transition to the circular economy, BPER Banca has also adhered to Italian Decree Law no. 76 of 16/7/2020 "Urgent measures for simplification and digital innovation" (a.k.a. Simplifications Decree), converted into Law no. 120 of 11 September 2020, which introduced the possibility for SACE to issue guarantees to support financing related to "Green New Deal" projects, specifically aimed at:

- facilitating the transition to a clean and circular economy and integrating production cycles with low-emission technologies for the production of sustainable goods and services;
- accelerating the transition to sustainable and intelligent mobility, with particular reference to projects to promote the advent of automated multimodal mobility, capable of reducing pollution and pollutant emissions, including through the development of intelligent traffic management systems made possible by digitisation.

Global Transaction Banking - International Banking
In order to provide adequate support to the Bank's Corporate and Small Business (CIB) structures, the structures and processes of the Global Transaction Banking Service are subject to constant adjustment.
The performance of international markets, closely linked to developments in the international political situation, raises a number of issues that must be properly assessed and considered in order to ensure that commercial proposals are correctly monitored. In this view, the structures dedicated to risk and critical assessment have been further strengthened. A detailed and specialised approach in terms of process and people is needed in order to properly oversee these aspects.
The support provided to the branch network by the group of International Banking Specialists and International Banking Centres, located throughout the country and focused on providing timely, professional and personalised operational assistance, proved to be essential.
International Banking colleagues have also developed contacts with leading foreign banks directly abroad in order to strengthen relations. This has been achieved through participation in dedicated events and visits to individual institutions.
All of these activities have enabled further significant growth in volume and profitability of the sector also in 2024.
The BPER International Banking portal has undergone significant optimisation and revamping, through dedicated events that were held with great participation from businesses and institutions in Padua, Naples and Rome. During the year, we registered numerous new subscribers, including from non-customer companies, proving the value and uniqueness of our service.
Thanks to the information collected through the portal, we have organised a series of meetings, both online and in person, to raise awareness among businesses about the opportunities and concrete support that BPER International Banking offers in the field of internationalisation.
This path has strengthened our commitment to supporting Italian companies in their growth on international markets.
At the same time, activities related to the IT development of digitalisation processes, the preparation of the Corporate Banking solution and the adaptation of the procedures currently in use were carried out.

1.4 Human resources

Key data

During 2024, 671 new employees were hired, including no. 51 apprentices.
Agreements for contract staff (to meet temporary needs) were in place for 133 persons at the end of 2024 (with an average of 287 during the year).
In 2024, BPER Banca offered internships for 45 undergraduates and graduates from three-year bachelor's degree courses and master's degree courses.
During the course of 2024, 1,772 people terminated their employment with the Bank (including 504 resources due to transfer to a separate legal entity). The number of employees in service at the end of 2024 was 16,525 (excluding 21 who were on leave).
Overall, 118 Bank employees have been seconded to other companies within the Group; conversely, 158 people from other Group companies are on secondment with the Bank.

Industrial relations

In 2024, the methods of discussion and negotiation with the Trade Union Organisations, in continuity with previous years, confirmed a correct system of trade union relations, based on constructive dialogue.
Agreements were reached with the Group's Trade Unions to protect workers in carrying out the various extraordinary transactions set out in the 2022-2025 Business Plan and in the new 2024-2027 Business Plan "B:Dynamic | Full Value 2027".

Of the main agreements reached at Group level, the following are worthy of mention because of their importance:
- transfer of the "Wealth Management and Asset Management" business unit from BPER Banca s.p.a. to Banca Cesare Ponti s.p.a.; the agreement defined the measures and arrangements to be applied to the employees affected by the disposal transaction;
- harmonisation of second-level bargaining at BPER Factor s.p.a.; the agreement defined the extension of the second-level regulations of the BPER Banca Group and BPER Banca, replacing the second-level provisions in force at BPER Factor s.p.a.;
- replacement of the Workers' Safety Representative of the BPER Banca Group;
- definition and application of additional specific second-level agreements for employees working in the online branches;
- extention of the Group's prior agreement of 23 December 2023 on the voluntary exit of an additional 615 employees and hiring of 308 new resources;
- renewal of the agreement relating to the Solidarity Time Bank; the agreement sets out the procedures for its application and use;
- rationalisation of BPER Banca and Banco di Sardegna branches in November 2024: for branches identified according to the rationale of distance, profitability, local market potential and improvement of organisational and production efficiency of the sales network, the BPER Banca Group and the Trade Union Organisations identified the measures relating to territorial/professional mobility and other specific safeguards, in order to manage the repercussions on personnel of the aforementioned initiative;
- renewal of the coverage concerning Health Insurance and Additional Insurances (professional and extra-professional injuries, premature death, permanent disability, LTC and elapsed "no-dismissal" period) for the personnel of the BPER Group, for the 2025-2027 three-year period.

At Parent Company level, rules were defined to govern the variable portion of employee remuneration (not least the corporate bonus aimed at incorporating important regulatory changes to companies' welfare system and the special welfare bonus) and access to FBA (Fondo Banche Assicurazioni) contributions to finance Bank's training activities.

Protected categories pursuant to Law 68/1999

As regards the obligations under Law 68/1999, for the years from 2024 to 2026 BPER Banca obtained a suspension of employment obligations linked to the staff reduction plan. An agreement is also in place between the Company and the Province of Modena for the insertion of personnel belonging to the category of art. 1 of Law 68/1999, which guarantees compliance also in the event of uncovered positions.
At 31 December 2024 the Bank has 1,087 employees with disabilities or who are in other protected categories.

Welfare Plan

The year 2024 further consolidated the welfare plan proposal with more than Euro 25 million used by all Group employees in goods and services.

During the year, for the purpose of providing employees with increasingly innovative and advanced services, a new welfare portal was activated to allow the increase of use of the welfare credit for Group employees, including with services that enhance the value of local welfare and also make it possible to take advantage of the tax benefits from the Budget Law which, among other regulations, provided that the value of goods sold and services provided to employees with dependent children, as well as the amounts disbursed or refunded to them by employers for the payment of domestic utilities for the integrated water service, electricity and natural gas, do not contribute to forming income within the overall limit of Euro 1,000. This limit was raised to Euro 2,000 for employees with dependent children.

This is in addition to the benefits already established in recent years:
- benefits paid for by the Company, for which the company bears the costs. The main benefits include the supplementary pension fund, established according to the defined contribution scheme to which the employee also contributes, health and dental policy, Long-Term Care, coverage for risks of injury, coverage for death or permanent and total invalidity, meal vouchers, gift vouchers and personnel conditions. In November 2024, the regulatory framework concerning the health and insurance plan, including a package of preventive health services (check-ups), was updated for the next three-year period (2025-2027) for the employees of BPER Banca, Banco di Sardegna, Bibanca, Banca Cesare Ponti, Sardaleasing and BPER Factor;
- benefits provided by the company that the employee can purchase for themselves or their family using the so-called Welfare Credit (consisting of the company bonus allocated by the employee to welfare and other welfare payments) such as reimbursement of family education and assistance expenses, purchase of supplementary health backpacks, payments to the pension fund for themselves or their dependents (if included in their own fund), reimbursement of public transport passes, purchase of shopping vouchers and petrol, vouchers for recreational, sports, cultural activities, etc.

Agreements with restaurants and canteens for discount meals during lunch breaks have been also been confirmed for 2024.
To promote employee well-being, work-life balance and gender equality, the "Active Welfare" project has continued in 2024, after it was launched with a survey distributed to all Group employees in 2023. The aim is to identify needs and map out solutions and services to be activated in line with best practices and sector regulations.

BPER Infant Centre

In 2024 the Infant Centre continued its activities, namely as a nursery, which opened in 2008, and as a kindergarten, which was inaugurated in 2009. The two structures work together to maximise the well- being of their little guests.

The educational project and proposal are defined in close collaboration with families.

The structure consists of spacious and bright rooms, with play areas and "soft" furnishings designed specifically for children's safety in the nursery, whereas the kindergarten has separate environments equipped for independence, exploration and research.

The Centre is surrounded by a large garden where the children can play, explore and be involved in outdoor physical activities.

1.5 Environment

In 2024, BPER Banca confirms its attention for the environment.
For further information, please refer to Part 2 - Consolidated Sustainability Statement of the Directors' Report on Group Operations.

2. RESULTS OF BANKING ACTIVITIES

2.1 Introduction

This paragraph provides a summary, in thousands of Euro, of the main economic and financial results of the Bank as at 31 December 2024, compared with the figures at 31 December 2023.

The Bank closed 2024 with a profit before tax of Euro 1,687.3 million; income taxes totalled Euro 437.7 million, leading to a profit for the year of Euro 1,249.5 million (Euro 1,361.4 million at 31 December 2023).

Operating income came to Euro 4,632.8 million, up by 0.96% compared with 31 December 2023 (Euro 4,588.6 million).

Operating costs, amounting to Euro 2,542.7 million, were 3.20% lower than at 31 December 2023 (Euro 2,626.8 million).

Net impairment losses for credit risk amounted to Euro 249.0 million (Euro 340.7 million at 31 December 2023). The cost of credit at 31 December 2024, calculated only on loans to customers, was 30 bps (43 bps at 31 December 2023).

In balance sheet terms, the results at 31 December 2024 can be summarised as follows:
- net loans to customers, just for the portion measured at amortised cost, total Euro 78,334.2 million (+1.71% compared with 31 December 2023);
- direct deposits from customers of Euro 103,707.3 million have decreased by 2.28% since 31 December 2023;
- indirect deposits of Euro 115,751.1 million have decreased by 9.40% since 31 December 2023;
- shareholders' equity, including profit for the year, amounts to Euro 10,602.3 million, up by 20.81% compared with 31 December 2023.

2.2 Performance ratios[1]

Financial ratios	31.12.2024	31.12.2023
Structural ratios		
Net loans to customers/total assets	59.49%	57.80%
Net loans to customers/direct deposits from customers	75.53%	72.57%
Financial assets/total assets	20.30%	19.70%
Gross non-performing loans/gross loans to customers	2.26%	2.16%
Net non-performing loans/net loans to customers	1.07%	1.11%
Texas Ratio	16.33%	18.53%
Profitability ratios		
ROE	14.73%	17.03%
ROTE	15.80%	16.14%
ROA	0.94%	0.87%
Cost/income ratio	54.88%	57.25%
Cost of credit	0.30%	0.43%

Prudential supervisory ratios	31.12.2024	31.12.2023
Own Funds (Fully Phased) (in thousands of Euro)		
Common Equity Tier 1 (CET1)	7,771,133	6,533,351
Total Own Funds	10,433,423	8,426,579
Risk-weighted assets (RWA)	46,149,615	45,668,643
Capital and liquidity ratios		
Common Equity Tier 1 Ratio (CET1)	16.84%	14.31%
Tier 1 Ratio (T1 Ratio)	19.26%	14.63%
Total Capital Ratio (TC Ratio)	22.61%	18.45%
Leverage Ratio - Fully Loaded	7.1%	5.3%

(*) The comparative ratios are calculated on data as at 31 December 2023, as reported in the Separate Financial Report of BPER Banca as at 31 December 2023, with the exception of ROE, ROTE, and ROA, which have been updated based on a revised definition of the 2023 recurring component, adopted to ensure proper comparability with the figures for the current financial year.

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

ROE has been calculated as net profit for the year (only recurring component of Euro 1,234.7 million and 1,160.4 million as at 31 December 2023) on average shareholders' equity not including net profit.

ROTE is calculated as the ratio between the net profit for the year (only recurring component of Euro 1,234.7 million and 1,160.4 million as at 31 December 2023) and average shareholders' equity i) including net profit for the year (only recurring component of Euro 1,234.7 million and 1,160.4 million as at 31 December 2023) stripped of the portion allocated to dividends and ii) excluding intangible assets and equity instruments.

ROA has been calculated as net profit for the year (only recurring component of Euro 1,234.7 million and Euro 1,160.4 million as at 31 December 2023) on total assets.

The Cost/Income Ratio is calculated on the basis of the reclassified income statement (operating costs/ operating income); the same indicator, calculated considering only the recurring component of operating costs (Euro 2,338.9 million, net of i) the provision for charges related to the extension of the workforce optimisation manoeuvre and ii) the impairment of software whose useful life has been revised), amounts to 50.49%. When calculated on the basis of the accounting schedules envisaged by the 8th update of Bank of Italy Circular no. 262, the cost/income ratio amounts to 57.01% (60.53% as at 31 December 2023).

The Cost of credit is calculated as the ratio between the items in the reclassified statement "*Net impairment losses to financial assets at amortised cost – loans to customers*" and "*Loans b) loans to customers*".

The Supervisory Ratios have been calculated according to the provisions of Regulation (EU) 575/2013 (CRR), as later amended.

1 The information provided is consistent with the ESMA document of 5 October 2015 "Guidelines on Alternative performance measures", aimed at promoting the usefulness and transparency of Alternative Performance Measures included in prospectuses or regulated information. To construct ratios, reference was made to the balance sheet and income statement items of the reclassified statements providing an operational management view and commented on in chapter "2.3 Balance sheet aggregates" and 2.4 "Income statement aggregates" of this Report.

2.3 Balance sheet aggregates

The most important balance sheet aggregates and items at 31 December 2024 are presented below on a comparative basis with 31 December 2023, in thousands of Euro, indicating the changes between periods in absolute and percentage terms.

For greater clarity in the presentation of the results, the accounting schedules envisaged by the 8th update of Bank of Italy Circular no. 262/2005 are presented below on a reclassified basis[2]; in particular:

- debt securities measured at amortised cost (under item 40 "Financial assets measured at amortised cost") have been reclassified to item "Financial assets";
- loans mandatorily measured at fair value (included in item 20 c) "Financial assets measured at fair value through profit or loss - other financial assets mandatorily measured at fair value") have been reclassified to the item "Loans";
- "Other assets" includes items 100 "Tax assets", 110 "Non-current assets and disposal groups classified as held for sale" and 120 "Other assets";
- "Other liabilities" includes items 60 "Tax liabilities", 70 "Liabilities associated with assets classified as held for sale", 80 "Other liabilities", 90 "Employee termination indemnities" and 100 "Provisions for risks and charges".

Assets reclassified as at 31 December 2024

(in thousands)

Assets	31.12.2024	31.12.2023	Changes	% Change
Cash and cash equivalents	7,904,464	10,367,851	(2,463,387)	-23.76
Financial assets	26,732,907	26,253,074	479,833	1.83
a) Financial assets held for trading	692,600	697,195	(4,595)	-0.66
b) Financial assets designated at fair value	-	1,991	(1,991)	-100.00
c) Other financial assets mandatorily measured at fair value	436,725	406,046	30,679	7.56
d) Financial assets measured at fair value through other comprehensive income	5,482,634	6,614,110	(1,131,476)	-17.11
e) Debt securities measured at amortised cost	20,120,948	18,533,732	1,587,216	8.56
- banks	6,126,184	6,717,474	(591,290)	-8.80
- customers	13,994,764	11,816,258	2,178,506	18.44
Loans	84,695,264	82,826,350	1,868,914	2.26
a) Loans to banks	6,235,228	5,699,605	535,623	9.40
b) Loans to customers	78,334,245	77,018,983	1,315,262	1.71
c) Loans mandatorily measured at fair value	125,791	107,762	18,029	16.73
Hedging derivatives	649,351	1,122,269	(472,918)	-42.14
Equity investments	2,321,574	2,256,389	65,185	2.89
Property, plant and equipment	1,837,383	1,794,776	42,607	2.37
Intangible assets	528,594	464,655	63,939	13.76
Other assets	7,014,549	8,161,133	(1,146,584)	-14.05
Total assets	**131,684,086**	**133,246,497**	**(1,562,411)**	**-1.17**

2 Further details of how the Reclassified Balance Sheet has been prepared can be found in the "Reconciliation between the Financial Statements and the Reclassified Financial Statements", which is included as an Annex to this Separate Financial Report.

Loans to customers

Net loans to customers are made up solely of the loans allocated to item 40 b) "Financial assets measured at amortised cost – loans to customers" in the assets section of the balance sheet.

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Current accounts	6,396,060	6,741,198	(345,138)	-5.12
Mortgage loans	57,777,617	57,602,989	174,628	0.30
Repurchase agreements	-	-	-	n,s,
Leases and factoring	4,348	5,070	(722)	-14.24
Other transactions	14,156,220	12,669,726	1,486,494	11.73
Net loans to customers	**78,334,245**	**77,018,983**	**1,315,262**	**1.71**

Loans to customers, net of impairment provisions, total Euro 78,334.2 million (Euro 77,019.0 million at 31 December 2023) up by Euro 1,315.3 million. Among the various type of products, the increase on mortgage loans was Euro 174.6 million (+0.30%) and on other transactions was Euro 1,486.5 million (+11.73%), while the reduction was on current accounts for an amount of Euro 345.1 million (-5.12%) and on leases and factoring for an amount of Euro 722 million (-14.24%).

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Gross non-performing exposures	**1,803,060**	**1,695,781**	**107,279**	**6.33**
Bad loans	379,935	404,839	(24,904)	-6.15
Unlikely-To-Pay loans	1,374,028	1,171,617	202,411	17.28
Past due loans	49,097	119,325	(70,228)	-58.85
Gross performing exposures	**77,993,102**	**76,718,716**	**1,274,386**	**1.66**
Total gross exposure	**79,796,162**	**78,414,497**	**1,381,665**	**1.76**
Impairment losses on non-performing exposures	**965,612**	**841,135**	**124,477**	**14.80**
Bad loans	280,899	265,875	15,024	5.65
Unlikely-To-Pay loans	667,688	547,959	119,729	21.85
Past due loans	17,025	27,301	(10,276)	-37.64
Impairment losses on performing exposures	**496,305**	**554,379**	**(58,074)**	**-10.48**
Total impairment losses	**1,461,917**	**1,395,514**	**66,403**	**4.76**
Net non-performing exposures	**837,448**	**854,646**	**(17,198)**	**-2.01**
Bad loans	99,036	138,964	(39,928)	-28.73
Unlikely-To-Pay loans	706,340	623,658	82,682	13.26
Past due loans	32,072	92,024	(59,952)	-65.15
Net performing exposures	**77,496,797**	**76,164,337**	**1,332,460**	**1.75**
Total net exposure	**78,334,245**	**77,018,983**	**1,315,262**	**1.71**

More specifically, the provisions relating to non-performing loans amounted to Euro 965.6 million (Euro 841.1 million at 31 December 2023; +14.80%), for a coverage ratio of 53.55% (49.60% at 31 December 2023), while the provisions for performing loans amounted to Euro 496.3 million (Euro 554.4 million at 31 December 2023; -10.48%) and give a coverage ratio of 0.64% (0.72% at 31 December 2023).

The total coverage ratio is 1.83%, up compared with the figure at 31 December 2023 (1.78%).

Net non-performing loans amount to Euro 837.4 million, equal to 1.07% of total net loans to customers (1.11% at 31 December 2023), whereas on a gross basis, the ratio between non-performing loans and loans to customers is 2.26% (2.16% at 31 December 2023). The level of coverage (53.55%) is up from the 49.60%, level registered at the end of 2023.

Net bad loans amount to Euro 99.0 million (-28.73% compared with 31 December 2023), accounting for 0.13% of total net loans to customers (0.18% at 31 December 2023), whereas, on a gross basis, the bad loans on total loans to customers ratio comes to 0.48% (0.52% at 31 December 2023). The coverage of bad loans is 73.93% (65.67% at 31 December 2023).

Net unlikely-to-pay loans total Euro 706.3 million (+13.26% compared with 31 December 2023), representing 0.90% of total net loans to customers (0.81% at 31 December 2023), while on a gross basis the ratio is 1.72% (1.49% at 31 December 2023). The coverage of net unlikely-to-pay loans is 48.59%, up from 46.77% at 31 December 2023.

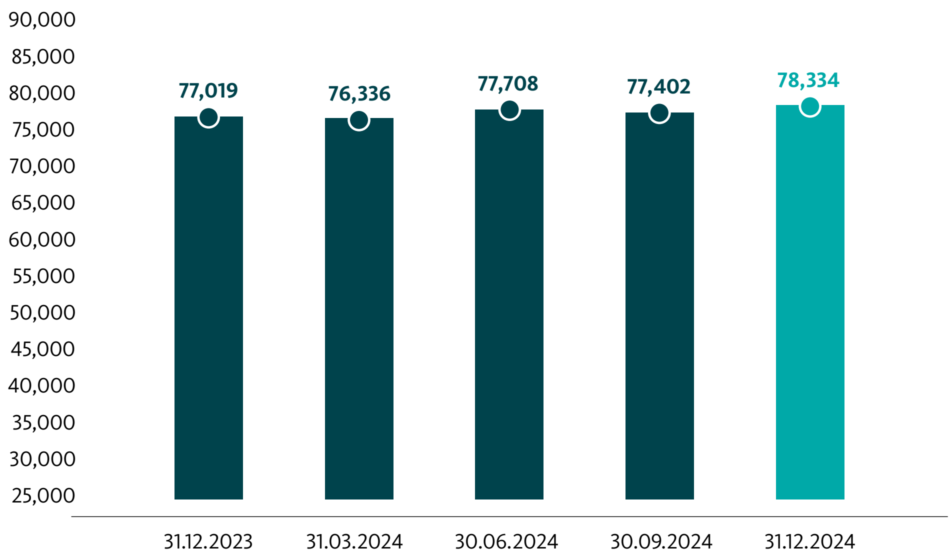
The net amount of past due loans of Euro 32.1 million (-65.15% compared with 31 December 2023) represents 0.04% of total net loans to customers (0.12% as at 31 December 2023), whereas, on a gross basis, the past due loans on total loans to customers ratio is 0.06% (0.15% at 31 December 2023). The coverage of past due loans is 34.68% (22.88% at 31 December 2023).

Provisions for performing loans total Euro 496.3 million (Euro 554.4 million at 31 December 2023) and correspond to 0.64% coverage (0.72% at the end of the previous year).

The chart shows the dynamics of loans in the last five quarters:

NET LOANS TO CUSTOMERS

(amounts in milions)



The table below shows the amount of loan disbursements to non-financial companies at the year-end, broken down by the debtors' industry sector according to the Bank of Italy's ATECO classification.

(in thousands)

Breakdown of loans to non-financial corporates	31.12.2024	%
A. Agriculture, forestry and fishing	885,793	1.13
B. Mining and quarrying	47,838	0.06
C. Manufacturing	10,809,742	13.80
D. Provision of electricity, gas, steam and air-conditioning	1,258,785	1.61
E. Provision of water, sewerage, waste management and rehabilitation	762,433	0.97
F. Construction	2,223,070	2.84
G. Wholesaling and retailing, car and motorcycle repairs	5,599,888	7.15
H. Transport and storage	1,210,278	1.55
I. Hotel and restaurants	1,153,915	1.47
J. Information and communication	720,659	0.92
K. Financial and insurance activities	87,266	0.11
L. Real estate	2,547,552	3.25
M. Professional, scientific and technical activities	2,861,160	3.65
N. Rentals, travel agencies, business support services	1,098,886	1.40
O. Public administration and defence, compulsory social security	-	-
P. Education	36,806	0.05
Q. Health and welfare	403,930	0.52
R. Arts, sport and entertainment	175,378	0.22
S. Other services	310,321	0.40
Total loans to non-financial corporates	**32,193,700**	**41.10**
Individuals and other not included above	34,190,480	43.65
Financial companies	9,197,732	11.74
Governments and other public entities	2,627,973	3.35
Insurance	124,360	0.16
Total loans	**78,334,245**	**100.00**

Financial assets and equity investments

Among financial assets, debt securities measured at amortised cost solely consist of bonds allocated to items 40 a) and b) "Financial assets measured at amortised cost – loans to banks and loans to customers" in the assets section of the balance sheet.

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Financial assets measured at fair value through profit or loss	1,129,325	1,105,232	24,093	2.18
- of which derivatives	*592,657*	*619,722*	*(27,065)*	*-4.37*
Financial assets measured at fair value through other comprehensive income	5,482,634	6,614,110	(1,131,476)	-17.11
Debt securities measured at amortised cost	20,120,948	18,533,732	1,587,216	8.56
a) banks	6,126,184	6,717,474	(591,290)	-8.80
b) customers	13,994,764	11,816,258	2,178,506	18.44
Total financial assets	**26,732,907**	**26,253,074**	**479,833**	**1.83**

Financial assets totalled Euro 26,732.9 million (+1.83% compared with 31 December 2023), of which Euro 25,096.6 million (93.88% of the total) are represented by debt securities: compared to the latter, Euro 14,571.1 million refer to Sovereign States and Central Banks (up by 24.37% compared with 31 December 2023) and Euro 7,492.8 million refer to Banks (-18.53% on 31 December 2023).
Equity instruments come to Euro 647.5 million (2.42% of total), inclusive of Euro 630.6 million of stable equity investments classified in the FVOCI portfolio, Euro 2.8 million in securities held for trading (FVTPL) and Euro 14.1 million in other equity instruments mandatorily measured at FVTPL.
"Financial assets held for trading" include derivatives for an amount of Euro 592.7 million, down 4.37% from 31 December 2023, consisting of interest rate, currency and commodity derivatives traded with customers, derivatives relating to securitisation transactions, and forward currency trading (with customers and/or used in the management of the foreign exchange position).

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Equity investments	2,321,574	2,256,389	65,185	2.89

"Equity investments", which comprise holdings in banks, subsidiaries and companies over which the Bank has significant influence, amount to Euro 2,321.6 million, up by Euro 65.2 million on 31 December 2023.
The increases mainly refer to:

- the purchase of 50,000,000 Banca Cesare Ponti shares, for the subscription of the share capital increase called by the company (Euro 50.0 million);
- purchase of 12,733,765 Bibanca shares from Banco di Sardegna s.p.a., for a contribution of Euro 155.4 million as established by the contract signed on 27 November 2024;
- increase in value of the interest held in Gardant Bridge Servicing s.p.a. (30% of the share capital) following the value enhancement of the interest held, set at the disposal price (Euro 45.0 million).
- increase in the equity investment in BPER Real Estate s.p.a., the merging company of BPER REOCO s.p.a. (Euro 42.7 million).

The decreases mainly refer to:

- impairment test that determined write-downs of equity investments for a total of Euro 119.5 million;
- deconsolidation of BPER REOCO s.p.a., merged by absorption into BPER Real Estate (Euro 42.7 million);
- reclassification among Financial assets measured at fair value through other comprehensive income (Euro 57.0 million) following the events occurred in 2024 and in the immediately subsequent period, which led the Directors to reconsider the significant influence previously qualified with regard to some equity investments.

Intangible assets

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Intangible assets	528,594	464,655	63,939	13.76

The net increase registered by this item is essentially traceable to application software, measured at cost and amortised on a straight-line basis over a variable period, not exceeding five years, that depends on the degree of obsolescence involved.

Interbank and liquidity position

The values of loans to banks only include the component of "Loans" allocated to item 40 a) "Financial assets measured at amortised cost – loans to banks" and "Current accounts and demand deposits" allocated to item 10 "Cash and cash equivalents" in the assets section of the balance sheet.

(in thousands)

Net interbank position	31.12.2024	31.12.2023	Changes	% Change
A. Loans to banks	**13,430,395**	**15,368,497**	**(1,938,102)**	**-12.61**
- Loans	**6,235,228**	**5,699,605**	**535,623**	**9.40**
1. Current accounts and deposits	3,343,298	2,686,501	656,797	24.45
2. Repurchase agreements	1,658,368	1,666,495	(8,127)	-0.49
3. Compulsory reserve	1,011,476	1,032,467	(20,991)	-2.03
4. Other	222,086	314,142	(92,056)	-29.30
- Current accounts and demand deposits	**7,195,167**	**9,668,892**	**(2,473,725)**	**-25.58**
1. with Central Banks	6,654,183	8,155,778	(1,501,595)	-18.41
2. with Banks	540,984	1,513,114	(972,130)	-64.25
B. Due to banks	**12,536,802**	**13,118,455**	**(581,653)**	**-4.43**
Total (A-B)	**893,593**	**2,250,042**	**(1,356,449)**	**-60.29**

The net interbank position as at 31 December 2024 decreased by Euro 1,356.4 million compared to 31 December 2023. As at 31 December 2024, a decrease was observed in "overnight" deposits with Central Banks which amounted to Euro 6,654.2 million (-18.41% compared to 31 December 2023) due to lower cash and cash equivalents to be invested taking into account that the latest TLTRO tranche came to maturity in the first quarter of the year (Euro 1,670 million).

Operations with the ECB

As at 31 December 2024, the BPER Group has no TLTRO-III or other transactions in place with the ECB.

Liabilities reclassified as at 31 December 2024

(in thousands)

Liabilities and shareholders' equity	31.12.2024	31.12.2023	Changes	% Change
Due to banks	12,536,802	13,118,455	(581,653)	-4.43
Direct deposits	103,707,279	106,131,423	(2,424,144)	-2.28
a) Due to customers	89,948,469	92,104,320	(2,155,851)	-2.34
b) Debt securities issued	11,143,199	12,117,964	(974,765)	-8.04
c) Financial liabilities designated at fair value	2,615,611	1,909,139	706,472	37.00
Financial liabilities held for trading	252,346	331,598	(79,252)	-23.90
Hedging activities	128,504	94,940	33,564	35.35
a) Hedging derivatives	210,347	250,124	(39,777)	-15.90
b) Change in value of macro-hedged financial liabilities (+/-)	(81,843)	(155,184)	73,341	-47.26
Other liabilities	4,456,855	4,793,901	(337,046)	-7.03
Shareholders' equity	10,602,300	8,776,180	1,826,120	20.81
a) Valuation reserves	12,451	(49,355)	61,806	-125.23
b) Reserves	4,890,520	3,975,546	914,974	23.02
c) Equity instruments	1,115,596	150,000	965,596	643.73
d) Share premium reserve	1,244,576	1,236,525	8,051	0.65
e) Share capital	2,121,637	2,104,316	17,321	0.82
f) Treasury shares	(32,029)	(2,244)	(29,785)	--
g) Profit (Loss) for the year	1,249,549	1,361,392	(111,843)	-8.22
Total liabilities and shareholders' equity	**131,684,086**	**133,246,497**	**(1,562,411)**	**-1.17**

Deposits

(in thousands)

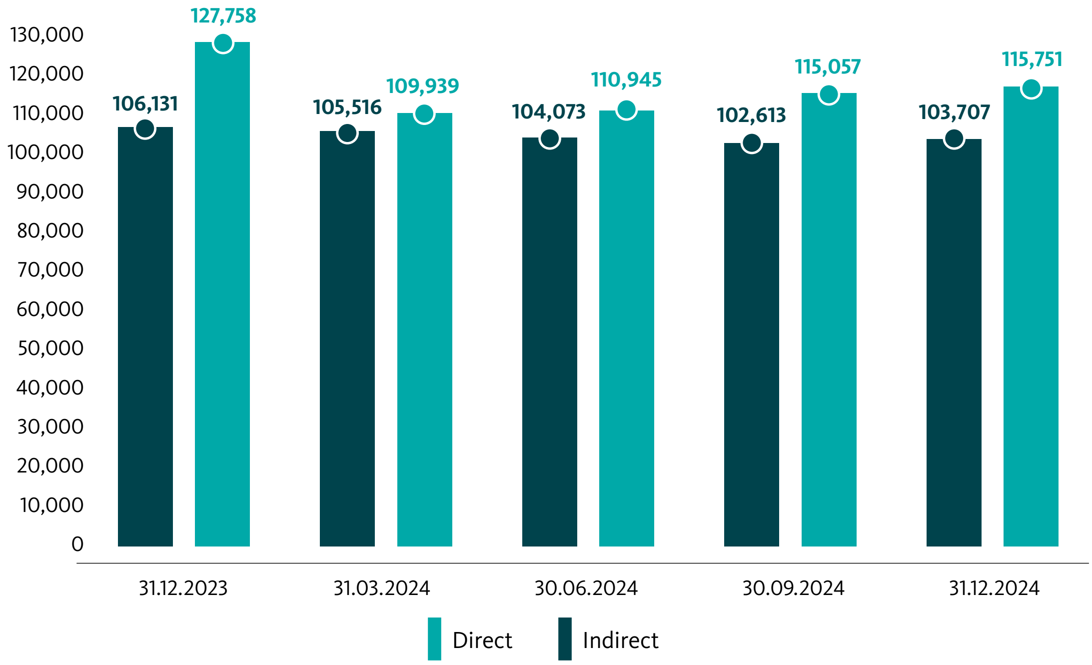
Items	31.12.2024	31.12.2023	Changes	% Change
Current accounts and demand deposits	80,402,700	82,443,334	(2,040,634)	-2.48
Time deposits	1,768,726	3,185,851	(1,417,125)	-44.48
Repurchase agreements	1,825,110	2,087,467	(262,357)	-12.57
Lease liabilities	378,296	335,122	43,174	12.88
Other short-term loans	5,573,637	4,052,546	1,521,091	37.53
Bonds	9,989,016	11,401,183	(1,412,167)	-12.39
- subscribed for by institutional customers	9,350,143	10,528,372	(1,178,229)	-11.19
- subscribed for by ordinary customers	638,873	872,811	(233,938)	-26.80
Certificates	2,615,611	1,909,139	706,472	37.00
Certificates of deposit	1,154,183	716,781	437,402	61.02
Direct deposits from customers	**103,707,279**	**106,131,423**	**(2,424,144)**	**-2.28**
Indirect deposits (off-balance sheet figure)	**115,751,127**	**127,758,364**	**(12,007,237)**	**-9.40**
- of which under management	35,903,070	46,847,994	(10,944,924)	-23.36
- of which under custody	79,848,057	80,910,370	(1,062,313)	-1.31
Customer funds under custody	**219,458,406**	**233,889,787**	**(14,431,381)**	**-6.17**
Deposits from banks	12,536,802	13,118,455	(581,653)	-4.43
Funds under custody and management	**231,995,208**	**247,008,242**	**(15,013,034)**	**-6.08**

Direct deposits from customers of Euro 103,707.3 million have decreased by 2.28% since 31 December 2023.
Among the various technical forms, the main items to record a negative balance change were current accounts and demand deposits, with Euro -2,040.6 million (-2.48%), in addition to bonds for an amount of Euro 1,412.2 million (-12.39%) as a result of the repayment of some transactions with institutional counterparties, time deposits were down by Euro 1,417.1 million (-44.48%), and repurchase agreements for Euro 262.4 million (-12.57%). By contrast, as at 31 December 2024, other short-term loans increased by Euro 1,521.1 million (+37.53%), relating primarily to forms of short-term funding (Cold Money), certificates of deposit for Euro 437.4 million (+61.02%) and certificates for Euro 706.5 million (+37.00%) due to new 2024 issuances.
Indirect customer deposits, marked to market, amounted to Euro 115,751.1 million, down by Euro 12,007.2 million (-9.40%) compared to 31 December 2023.
Total funds under custody and management by the Group, including deposits from banks (Euro 12,536.8 million) amount to Euro 231,995.2 million.

The chart shows the dynamics of direct and indirect deposits in the last five quarters:

DEPOSITS

(amounts in milions)



Direct deposits also include subordinated liabilities:

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Non-convertible subordinated liabilities	1,476,697	1,681,160	(204,463)	-12.16
Total Subordinated liabilities	**1,476,697**	**1,681,160**	**(204,463)**	**-12.16**

Subordinated loans outstanding, with a book value of Euro 1,476.7 million, have decreased by 12.16% compared with 31 December 2023. As was the case in December 2023, there are no convertible subordinated liabilities at 31 December 2024.

Indirect deposits reported above do not include the amount arising from placement of insurance policies.

(in thousands)

Bancassurance	31.12.2024	31.12.2023	Changes	% Change
Insurance premiums portfolio	**14,238,680**	**20,180,912**	**(5,942,232)**	**-29.44**
- of which life	*13,974,705*	*19,923,832*	*(5,949,127)*	*-29.86*
- of which non-life	*263,975*	*257,080*	*6,895*	*2.68*

The stock of customer assets invested in insurance products has decreased by -29.44% since 31 December 2023; this reduction is a natural consequence of the management of customer assets acquired from third-party banks and invested in products having no arrangement with the BPER Group.

If life insurance premiums are added to indirect deposits under management, the total comes to Euro 49,877.8 million, which accounts for 38.45% of the overall total of indirect deposits (assets under custody and assets under management) and life insurance premiums (Euro 129,725.8 million).

2.4 Income statement aggregates

Summary data from the income statement at 31 December 2024 is presented below in thousands of Euro, appropriately compared with the amounts at 31 December 2023 and highlighting the changes in absolute and percentage terms.

The accounting schedules envisaged by the 8th update of Bank of Italy Circular no. 262/2005 are presented below on a reclassified basis[3]. The principal reclassifications relate to the following items:

- "*Net commission income*" includes placement fees for Certificates, allocated to item 110 "*Net income on other financial assets and liabilities measured at fair value through profit or loss*" of the accounting statement (Euro 18.3 million as at 31 December 2024 and Euro 23.9 million as at 31 December 2023);
- "*Net income from financial activities*" includes items 80, 90, 100 and 110 in the accounting statement, net of the Certificates placement fees under the item above;
- indirect tax recoveries, allocated for accounting purposes to item 200 "*Other operating expense/income*", have been reclassified as a reduction in the related costs under "*Other administrative expenses*" (Euro 217.8 million at 31 December 2024 and Euro 239.8 million at 31 December 2023);
- recoveries of costs of appraisals for new loans, allocated for accounting purposes to item 200 "*Other operating expense/income*", have been reclassified as a reduction in the related costs under "*Other administrative expenses*" (Euro 14.4 million at 31 December 2024 and Euro 11.6 million at 31 December 2023);
- the item "*Staff costs*" includes costs relating to staff training and refund of expenses against receipts, allocated to item 160 b) "*Other administrative expenses*" in the accounting statement (Euro 13.5 million at 31 December 2024 and Euro 18.2 million at 31 December 2023);
- "*Net adjustments to property, plant, equipment and intangible assets*" include items 180 and 190 in the standard reporting format;
- gross effects from the use of provisions for risks and charges set aside in prior periods (former "*Other operating expenses/Reversal of provisions for risks and charges*") were directly offset within the same item by Euro 17 million;
- "*Gains (Losses) on investments*" include items 220, 230, 240 and 250 of the accounting schedule;
- "*Contributions to systemic funds*" have been shown separately from the specific accounting technical forms to give a better and clearer representation, as well as to leave the "*Other administrative expenses*" as a better reflection of the trend in the Group's operating costs. In particular, at 31 December 2024, this item represents the component allocated for accounting purposes to administrative costs in relation to:
  - the 2024 contribution to the DGS (Deposit Guarantee Scheme) for Euro 96.1 million;
  - estimated initial contribution to the newly established Guarantee Fund for life insurance for Euro 2.1 million.

It should also be noted that the Reclassified Income Statement reflects the additional reclassification already adopted in the accounting statement with regard to 'charges for payment services provided' that were reclassified from "*Other administrative expenses*" to "*Net commission income*" (Euro 22.4 million as at 31 December 2024, Euro 15.4 million as at 31 December 2023).

3 Further details of how the Reclassified Income Statement has been prepared can be found in the "Reconciliation between the Financial Statements and the Reclassified Financial Statements", which is included as an Annex to this Separate Financial Report.

Reclassified Income Statement as at 31 December 2024

(in thousands)

Items	31.12.2024	31.12.2023	Changes	% Change
Net interest income	2,758,377	2,668,638	89,739	3.36
Net commission income	1,501,755	1,564,505	(62,750)	-4.01
Dividends	208,778	134,188	74,590	55.59
Net income from financial activities	11,644	86,999	(75,355)	-86.62
Other operating expense/income	152,285	134,298	17,987	13.39
Operating income	**4,632,839**	**4,588,628**	**44,211**	**0.96**
Staff costs	(1,599,558)	(1,743,529)	143,971	-8.26
Other administrative expenses	(638,448)	(640,973)	2,525	-0.39
Net adjustments to property, plant and equipment and intangible assets	(304,678)	(242,301)	(62,377)	25.74
Operating costs	**(2,542,684)**	**(2,626,803)**	**84,119**	**-3.20**
Net operating income	**2,090,155**	**1,961,825**	**128,330**	**6.54**
Net impairment losses to financial assets at amortised cost	(247,547)	(343,345)	95,798	-27.90
- loans to customers	*(238,159)*	*(330,711)*	*92,552*	*-27.99*
- other financial assets	*(9,388)*	*(12,634)*	*3,246*	*-25.69*
Net impairment losses to financial assets at fair value	(209)	(66)	(143)	216.67
Gains (Losses) from contractual modifications without derecognition	(1,287)	2,730	(4,017)	-147.14
Net impairment losses for credit risk	**(249,043)**	**(340,681)**	**91,638**	**-26.90**
Net provisions for risks and charges	(65,723)	(58,144)	(7,579)	13.03
Gains (Losses) on investments	10,138	(19,152)	29,290	-152.93
Profit (loss) from current operations	**1,785,527**	**1,543,848**	**241,679**	**15.65**
Contributions to systemic funds	(98,230)	(145,571)	47,341	-32.52
Profit (Loss) from current operations before tax	**1,687,297**	**1,398,277**	**289,020**	**20.67**
Income taxes on current operations for the year	(437,748)	(36,885)	(400,863)	--
Profit (Loss) for the year	**1,249,549**	**1,361,392**	**(111,843)**	**-8.22**

Reclassified income statement by quarter as at 31 December 2024

(in thousands)

Items	1st quarter 2024	2nd quarter 2024	3rd quarter 2024	4th quarter 2024	1st quarter 2023	2nd quarter 2023	3rd quarter 2023	4th quarter 2023
Net interest income	693,713	687,526	684,764	692,374	584,799	674,991	688,940	719,908
Net commission income	387,466	354,402	347,140	412,747	397,851	375,711	377,205	413,738
Dividends	3,932	199,387	4,050	1,409	1,691	127,221	4,359	917
Net income from financial activities	11,747	(4,821)	(9,596)	14,314	50,506	(1,098)	43,251	(5,660)
Other operating expense/income	(3,320)	44,150	56,286	55,169	35,102	12,302	16,828	70,066
Operating income	**1,093,538**	**1,280,644**	**1,082,644**	**1,176,013**	**1,069,949**	**1,189,127**	**1,130,583**	**1,198,969**
Staff costs	(372,743)	(516,491)	(327,258)	(383,066)	(377,682)	(376,100)	(336,150)	(653,597)
Other administrative expenses	(163,139)	(144,412)	(144,831)	(186,066)	(149,495)	(152,467)	(152,113)	(186,898)
Net adjustments to property, plant and equipment and intangible assets	(56,747)	(62,475)	(67,785)	(117,671)	(52,972)	(54,109)	(54,763)	(80,457)
Operating costs	**(592,629)**	**(723,378)**	**(539,874)**	**(686,803)**	**(580,149)**	**(582,676)**	**(543,026)**	**(920,952)**
Net operating income	**500,909**	**557,266**	**542,770**	**489,210**	**489,800**	**606,451**	**587,557**	**278,017**
Net impairment losses to financial assets at amortised cost	(67,481)	(64,976)	(56,257)	(58,833)	(121,646)	(108,063)	(60,324)	(53,312)
- loans to customers	*(70,009)*	*(68,582)*	*(56,486)*	*(43,082)*	*(119,276)*	*(111,067)*	*(46,893)*	*(53,475)*
- other financial assets	*2,528*	*3,606*	*229*	*(15,751)*	*(2,370)*	*3,004*	*(13,431)*	*163*
Net impairment losses to financial assets at fair value	(1,051)	1,000	(325)	167	(17)	510	(822)	263
Gains (Losses) from contractual modifications without derecognition	(168)	(467)	(386)	(266)	1,908	713	406	(297)
Net impairment losses for credit risk	**(68,700)**	**(64,443)**	**(56,968)**	**(58,932)**	**(119,755)**	**(106,840)**	**(60,740)**	**(53,346)**
Net provisions for risks and charges	13,300	(19,773)	(18,156)	(41,094)	(52,617)	(14,028)	(500)	9,001
Gains (Losses) on investments	150,834	1,414	1,133	(143,243)	653	(392)	38,738	(58,151)
Profit (loss) from current operations	**596,343**	**474,464**	**468,779**	**245,941**	**318,081**	**485,191**	**565,055**	**175,521**
Contributions to systemic funds	(98,347)	2,217	-	(2,100)	(66,500)	19,276	(110,888)	12,541
Profit (Loss) from current operations before tax	**497,996**	**476,681**	**468,779**	**243,841**	**251,581**	**504,467**	**454,167**	**188,062**
Income taxes on current operations for the year	(120,285)	(101,592)	(140,899)	(74,972)	(69,925)	(51,894)	(116,965)	201,899
Profit (Loss) for the year	**377,711**	**375,089**	**327,880**	**168,869**	**181,656**	**452,573**	**337,202**	**389,961**

Net interest income

"Net interest income" amounts to Euro 2,758.4 million, on the rise as compared to 31 December 2023 (Euro 2,668.6 million). The positive change was mostly impacted by the rise in market interest rates which led to an increase in both the commercial spread on customer operations (loans and direct deposits) and the average yield of the portfolio of owned securities.
The result deriving from relations with the ECB, taking account of the TLTRO III funding lines (whose last tranche came to maturity in the first quarter) and the sums deposited at the Central Bank, is a positive Euro 319.8 million (Euro 230.3 million as at 31 December 2023).
In addition to recalling the dynamics of loans and interest-bearing deposits, already highlighted in paragraph 2.3 "Balance sheet aggregates", an indication of the trend in average lending/funding rates is given below for a better understanding of the trend in net interest income:

- the average interest rate for the period, based on the Bank's lending rates to customers was 4.37%, an increase of about 0.45% compared with the average rate of the prior period;
- the average yield on the securities portfolio is 2.66%, up by 10 bps year compared to the previuos year;
- the average cost of direct deposits from customers was 1.19%, up by about 26 bps compared to 2023 (0.92%);
- total interest-bearing liabilities involved a cost of 1.48% (1.27% at 31 December 2023);
- the spread between lending and deposit rates of the Bank's relationships with customers came to 3.18% (2.99% at 31 December 2023);
- the overall spread between the average annual rate of return on interest-bearing assets and the average annual cost of interest-bearing liabilities amounts to 2.39% (2.22% as at 31 December 2023).

Net commission income

Net commission income, amounting to Euro 1,501.8 million, was lower than at 31 December 2023 (Euro 1,564.5 million, -4,01%). This negative trend was impacted by the transfer, on 19 February 2024, of the business unit relating to the Wealth & Asset Management segments ("Private Banking Business") by BPER Banca to the subsidiary Banca Cesare Ponti.

Net income from financial activities

Net income from financial activities (including dividends) amounted to a positive Euro 220.4 million, mostly in line with the previous year (Euro 221.2 million), broken down as follows:

- dividends for Euro 208.8 million;
- net income from trading activities for Euro 38.8 million;
- net income from hedging for Euro 1.9 million;
- net profit from the disposal of financial assets measured at amortised cost and at fair value through other comprehensive income for Euro 68.0 million, of which Euro 37.4 million on securities and Euro 30.6 million on loans;
- negative net result on financial assets and liabilities measured at fair value through profit or loss (trading, FVO, FVTPLM) of Euro 1.5 million;
- negative net result on certificates for an amount of Euro 95.6 million.

Other operating expense/income

The item Other operating expense/income, amounting to Euro 152.3 million (Euro 134.3 million as at 31 December 2023) includes, among the main components:

- the fair value measurement of tax receivables in the portfolio (for an extent limited to the portion that is expected to be recovered through sale to third parties) resulted in a positive change of Euro 6.2 million;
- positive net result from loss data collection activities for Euro 16.3 million, mainly due to collections deriving from favourable rulings in legal disputes;
- other net income not attributable to a specific item (e.g. Fast-track facility fee and rental income) totalling Euro 17.6 million;
- contingent assets arising from the settlement of past business combinations for an amount of Euro 6.5 million;
- revenues from services provided to Group Companies for Euro 72.4 million.

As a result of the dynamics illustrated above, Operating income amounted to Euro 4,632.8 million (+0.96% compared to the previous year).

Operating costs

Operating costs of Euro 2,542.7 million have decreased by 3.20% since 31 December 2023.
The main components of operating costs are reported below.

"*Staff costs*" amount to Euro 1,599.6 million, down compared to the previous year (-8.26%), and include non-recurring costs of Euro 169.5 million related to: (i) Euro 148.7 million for extending the workforce optimisation manoeuvre complementing the agreement signed on 23 December 2023 (Euro 248.8 million as at 31 December 2023), and (ii) Euro 20.8 million related to regulatory changes in retirement rules, which extended the average redundancy fund membership length and clarified the scope for those participating in the manoeuvre.

"*Other administrative expenses*" amounted to Euro 638.4 million, mostly unchanged compared to the previous year.

"*Net adjustments to property, plant, equipment and intangible assets*" totalled Euro 304.7 million (Euro 242.3 million at 31 December 2023).
Amortisation of assets owned amounted to Euro 191.5 million (Euro 162.1 million as at 31 December 2023); net write-downs of Euro 33.9 million were registered on assets owned (Euro 2.3 million as at 31 December 2023), mainly referred to impairment of software whose useful life has been revised (Euro 34.3 million).
The depreciation of rights of use related to leased assets amounted to Euro 77.8 million (Euro 77.2 million at 31 December 2023), while adjustments due to early termination of contracts totalled Euro 1.5 million (Euro 5,4 million at 31 December 2023).
Net operating income therefore amounts to Euro 2,090.2 million (Euro 1,961.8 million at 31 December 2023).

Net impairment losses for credit risk

Net impairment losses for credit risk amounted to Euro 249.0 million (Euro 340.7 million as at 31 December 2023), relating primarily to net impairment losses on loans measured at amortised cost, equal to Euro 238.2 million (Euro 330.7 million as at 31 December 2023).
The overall cost of credit at 31 December 2024, calculated only on loans to customers, was 30 bps (43 bps at 31 December 2023). With regard to the various components of this aggregate as at 31 December 2024, the majority of the cost of credit is attributable to the non-performing portfolio (Euro 228.5 million), as a result of an increase in the expected loss from both the workout scenario and the disposal component (the latter updated in connection with the recently-approved B:Dynamic 2024-2027 Business Plan which revised the NPL disposal forecasts up, partially achieved in 2024). Expected losses on the performing portfolio, following updates to the overall risk models (both "recurring" and "overlay" components), led to an increase in adjustments of about Euro 19 million (including adjustments to certain senior tranches of ABS securities backed by GACS in the portfolio, measured at amortised cost and classified to the non-performing portfolio as at 31 December 2024, due to underperformance in recoveries).

Net provisions for risks and charges

Net provisions for risks and charges total Euro 65.7 million (Euro 58.1 million at 31 December 2023). Net reversals on guarantees and commitments were recognised for an amount of Euro 2.5 million, whereas "Other provisions for risks and charges" amount to Euro 68.2 million and mainly refer to:
- Euro 58.0 million in ordinary allocations for disputes;
- the allocation of Euro 10.2 million, estimated with respect to operational/compliance risk connected with the tax credits acquired from customers during the period.

Gains (Losses) on investments

This item shows a positive net balance of Euro 10.1 million (Euro 19.2 million negative at 31 December 2023), mainly deriving from:
- Euro 22.2 million in write-downs due to the fair value measurement of properties;
- Euro 150.1 million for the transfer of control over the platform for the servicing and recovery of NPLs (Bad Loans and UTP) to Gardant;
- Euro 119.5 million in total impairment losses on equity investments.

Contributions to systemic funds

The total amount of contributions to systemic funds was Euro 98.2 million (Euro 145.6 million at 31 December 2023).

This amount comprises the ordinary contribution paid to the DGS (Deposit Guarantee Scheme), equal to Euro 96.1 million (Euro 98.3 million at 31 December 2023), and the estimated initial contribution to the Guarantee Fund for Life Insurance of Euro 2.1 million. For 2024, no contributions were required for the Single Resolution Fund (Euro 47.2 million as at 31 December 2023).

Net profit

Profit from current operations before tax amounted to Euro 1,687.3 million (Euro 1,398.3 million at 31 December 2023).

"Income taxes for the period" amounted to Euro -437.7 million and were determined by applying the regulations in force at 31 December 2024.

Income taxes were positively impacted by the recognition of deferred tax assets on past tax losses and surplus ACE (Allowance for Corporate Equity) carried forward from previous years, amounting to Euro 47.4 million following the five-year probability test (2025-2029).

The profit for the year after tax amounted to Euro 1,249.5 million (Euro 1,361.4 million at 31 December 2023).

2.5 Shareholders' equity and capital ratios

2.5.1 Shareholders' equity

At the end of the previous year the Bank's shareholders' equity, excluding the profit (loss) for the year, amounted to Euro 7,414.8 million. It increased by Euro 1,938.0 million during the year, due to the following changes:

- Euro +937.6 million following the allocation of 2023 profit;
- Euro +989.8 million following the issuances of Additional Tier 1 bonds;
- Euro +91.1 million for the net changes in the valuation reserve, net of the tax effect, created in connection with financial assets measured at fair value through other comprehensive income;
- Euro +12.9 million for the net changes in the valuation reserve, net of the tax effect, created in connection with property, plant and equipment measured at fair value;
- Euro -37.8 million for the valuation effects attributable to changes in creditworthiness, net of the tax effect;
- Euro -55.6 million, for the recognition of other changes.

Shareholders' equity therefore comes to Euro 9,352.8 million, up by 26.14% on 31 December 2023. Taking into account the profit for the year 2024 (Euro 1,249.5 million), shareholders' equity comes to Euro 10,602.3 million (+20.81% on the figure at 31 December 2023).
At 31 December 2024, the share capital amounted to Euro 2,121,637,109.40 corresponding to 1,421,624,324 shares; of these, 6,112,499 are allocated to the Bank's own portfolio, changed from December 2023 at the end of ordinary treasury shares buyback programmes and as treasury shares were granted free of charge to employees, in line with the provisions of the Remuneration Policies (e.g. for short-term and long-term incentive and/or severance schemes).

As regards the profits from unrealised capital gains (net of tax) as per art. 6 of Legislative Decree 38/2005, which in 2023 amounted to Euro 22.1 million, they were assigned to the "Non-distributable reserve pursuant to art. 6, paragraph 1, letter a) of Legislative Decree 38/2005". This non-distributable reserve at 31 December 2024 comes to Euro 28.1 million.

2.5.2 Own funds and capital ratios

The harmonised rules for banks and investment companies contained in Regulation (EU) 575/2013 (CRR) and in the 2013/36/EU Directive (CRD IV) approved on 26 June 2013 and published in the Official Journal of the European Union the next day, entered into force on 1 January 2014.
These rules were later amended by Regulation (EU) 2019/876 of the European Parliament and of the Council ("CRR2") and Directive 2019/878/EU of the European Parliament and of the Council (CRDV) of 20 May 2019, published in the Official Journal of the European Union on 7 June 2019. Subject to certain exceptions, the CRR2 Regulation has applied since 28 June 2021.

This regulatory framework, which is the only set of rules that seeks to harmonise prudential regulations of the Member States of the European Community, was made applicable in Italy by the Bank of Italy's Circular 285, published on 17 December 2013 and subsequent updates.

On 30 November 2023, after completing the annual SREP prudential review and evaluation process, the BPER Banca received notification from the ECB of the latest prudential requirements to be met on a consolidated basis pursuant to art. 16 of Regulation (EU) 1024/2013.

Based on the outcome of the SREP assessment conducted in 2023 with reference date 31 December 2022 and any other relevant information received thereafter, the ECB has established the minimum capital requirements that, with effect from 1 January 2024, BPER shall maintain on a consolidated basis.

The following table shows BPER Banca's capital ratios and the minimum capital adequacy requirements for regulatory purposes as at 31 December 2024.

(in thousands)

	31.12.2024 Fully Phased	31.12.2023 Fully Phased	Changes	% Change
Common Equity Tier 1 capital - CET1	**7,771,133**	**6,533,351**	**1,237,782**	**18.95**
Additional Tier 1 capital (AT1)	1,115,396	150,000	965,396	643.60
Tier 1 capital (Tier 1)	**8,886,529**	**6,683,351**	**2,203,178**	**32.97**
Tier 2 capital (Tier 2 - T2)	1,546,894	1,743,228	(196,334)	-11.26
Total Own Funds	**10,433,423**	**8,426,579**	**2,006,844**	**23.82**
Total Risk-weighted assets (RWA)	**46,149,615**	**45,668,643**	**480,972**	**1.05**
CET1 Ratio (CET1/RWA)	**16.84%**	**14.31%**	**253 b,p,**	
Tier 1 Ratio (Tier 1/RWA)	**19.26%**	**14.63%**	**463 b,p,**	
Total Capital Ratio (Total Own Funds/RWA)	**22.61%**	**18.45%**	**416 b,p,**	
RWA/Total assets	**35.05%**	**34.27%**	**78 b,p,**	

On 3 December 2024, after completing the annual SREP prudential review and evaluation process, BPER Banca received notification from the ECB of the latest prudential requirements to be met on a consolidated basis pursuant to art. 16 of Regulation (EU) 1024/2013.
Based on the outcome of the SREP assessment conducted in 2024 with reference date 31 December 2023 and any other relevant information received thereafter, the ECB has established the minimum capital requirements that, with effect from 1 January 2025, BPER shall maintain on a consolidated basis.

3. MAIN RISKS AND UNCERTAINTIES

3.1 Identification of risks, underlying uncertainties and the approach to manage them

Please refer to the Directors' Report on Group Operations for information on risk management and related uncertainties, because, being an activity that is coordinated at Group level, the same considerations made in the relevant section of the Directors' report on Group operations are also valid for the Bank.

3.2 Disclosure of exposures to sovereign debt held by listed companies

As required by CONSOB Communication DEM/11070007 of 5 August 2011 (and in the letter sent to listed Banking Issuers dated 31 October 2018), details are provided below about the holdings of bonds issued by Central and Local Governments and by Government entities, as well as about the loans granted to them.

Debt securities

(in thousands)

Issuer	Rating	Cat.	Nominal value	Book Value	Fair Value	OCI Reserves	%
Governments (*)			**14,441,054**	**14,232,806**	**13,750,134**	**(3,895)**	**97.68%**
Italy	BBB		**9,604,269**	**9,590,843**	**9,417,948**	**1,041**	**65.82%**
		FVTPLT	49,792	50,418	50,418	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	1,619,000	1,642,777	1,642,777	1,041	
		AC	7,935,477	7,897,648	7,724,753	#	
Spain	A-		**1,007,900**	**1,010,103**	**956,862**	**(1,213)**	**6.93%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	91,000	86,513	86,513	(1,213)	
		AC	916,900	923,590	870,349	#	
U.S.A.	AA+		**890,000**	**846,376**	**703,012**	**-**	**5.81%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	-	-	-	-	
		AC	890,000	846,376	703,012	#	
European Union	AAA		**835,233**	**807,935**	**791,414**	**1,195**	**5.54%**
		FVTPLT	33	29	29	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	250,000	248,675	248,675	1,195	
		AC	585,200	559,231	542,710	#	
Germany	AAA		**674,501**	**631,477**	**563,142**	**43**	**4.33%**
		FVTPLT	1	2	2	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	10,000	10,135	10,135	43	
		AC	664,500	621,340	553,005	#	

(cont.)

(in thousands)

Issuer	Rating	Cat.	Nominal value	Book Value	Fair Value	OCI Reserves	%
European Stability Fund	AA-		**379,000**	**363,357**	**355,752**	**(2,281)**	**2.49%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	178,000	167,917	167,917	(2,281)	
		AC	201,000	195,440	187,835	#	
France	AA-		**260,000**	**261,475**	**259,590**	**(595)**	**1.79%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	50,000	49,373	49,373	(595)	
		AC	210,000	212,102	210,217	#	
Belgium	AA-		**246,400**	**228,197**	**220,314**	**-**	**1.57%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	-	-	-	-	
		AC	246,400	228,197	220,314	#	
Other	_		**543,751**	**493,043**	**482,100**	**(2,085)**	**3.38%**
		FVTPLT	1,751	738	738	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	29,000	26,627	26,627	(2,085)	
		AC	513,000	465,678	454,735	#	
Other public entities:			**365,400**	**338,249**	**322,579**	**(3,092)**	**2.32%**
Italy	-		**14,000**	**13,388**	**13,531**	**-**	**0.09%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	-	-	-	-	
		AC	14,000	13,388	13,531	#	
France	_		**331,400**	**305,475**	**289,662**	**(3,033)**	**2.10%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	52,000	46,910	46,910	(3,033)	
		AC	279,400	258,565	242,752	#	
Other	-		**20,000**	**19,386**	**19,386**	**(59)**	**0.13%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	20,000	19,386	19,386	(59)	
		AC		-	-	#	
Total debt securities			**14,806,454**	**14,571,055**	**14,072,713**	**(6,987)**	**100.00%**

(*) The individual percentages, calculated on book value, shown in the above table may not agree with the total because of roundings.

Figures are expressed in thousands of Euro. The ratings indicated are those of Fitch Ratings at 31 December 2024.

Loans

(in thousands)

Issuer	Rating	Cat.	Nominal value	Book Value	Fair Value	OCI Reserves	%
Governments (*):			**2,216,927**	**2,216,927**	**2,363,996**	**-**	**84.36%**
Italy	BBB+		**2,216,927**	**2,216,927**	**2,363,996**	**-**	**84.36%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	-	-	-	#	
		AC	2,216,927	2,216,927	2,363,996	#	
Other public entities:			**411,046**	**411,046**	**432,126**	**-**	**15.64%**
Italy	-		**411,046**	**411,046**	**432,126**	**-**	**15.64%**
		FVTPLT	-	-	-	#	
		FVO	-	-	-	#	
		FVTPLM	-	-	-	#	
		FVOCI	-	-	-	#	
		AC	411,046	411,046	**432,126**	#	
Total loans			**2,627,973**	**2,627,973**	**2,796,122**	**-**	**100.00%**

(*) The individual percentages, calculated on book value, shown in the above table may not agree with the total because of roundings.

Figures are expressed in thousands of Euro. The ratings indicated are those of Scope Ratings at 31 December 2024.

Based on their book value, repayment of these exposures is broken down as follows:

(in thousands)

	on demand	up to 1 year	1 to 5 years	> 5 years	Total
Debt securities	-	1,219,719	4,662,223	8,689,113	14,571,055
Loans	169,521	35,339	44,330	2,378,783	2,627,973
Total	**169,521**	**1,255,058**	**4,706,553**	**11,067,896**	**17,199,028**

Control over the risks inherent in the portfolio is maintained by the directors who monitor the effects on profitability, liquidity and the Bank's capital base, also through sensitivity analyses. No critical elements have been identified on the basis of these analyses.

4. OTHER INFORMATION

4.1 Corporate events

Shareholders' Meeting of 19 April 2024

On 6 March 2024, the Board of Directors of BPER Banca s.p.a. resolved to call the company's ordinary and extraordinary shareholders' meeting for 19 April 2024 to discuss and resolve on the following agenda:

ORDINARY SESSION
- 2023 Financial Report:
  - Approval of the Separate Financial Report as at 31 December 2023; presentation of the Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors, as well as of the Integrated Report and the Consolidated Financial Report as at 31 December 2023, containing the 2023 Consolidated Non-Financial Statement;
  - Allocation of profit for financial year 2023 and dividend payout
- Appointment of the Board of Directors for the 2024-2026 three-year period.
- Determination of the remuneration of Directors for the 2024-2026 three-year period.
- Appointment of the Board of Statutory Auditors for the 2024-2026 three-year period.
- Determination of the remuneration of Statutory Auditors for the 2024-2026 three-year period.
- Engagement of the independent auditors for financial years 2026-2034 and determination of their fees, in addition to any criteria for fee adjustments during their term of office.
- Remuneration:
  - Report on Remuneration Policy and Compensation Paid, comprising:
    - a1) remuneration policies of the BPER Banca Group for 2024 (binding resolution);
    - a2) compensation paid in 2023 (non-binding resolution).
  - Incentive plan based on financial instruments pursuant to art. 114-bis of Legislative Decree no. 58 of 24 February 1998;
  - Authorisation to purchase and dispose of treasury shares to service the 2024 MBO incentive scheme, the 2022-2025 Long-Term Incentive (LTI) Plan, in addition to any severance payments due.

EXTRAORDINARY SESSION
- The proposal to vest the Board of Directors with the power to supplement, pursuant to Article 2420-ter of the Italian Civil Code, and subject to obtaining the respective approvals from the relevant Supervisory Authorities, the share capital increase resolved upon by the Board in July 2019 to service the conversion of the Additional Tier 1 bond loan issued by the Bank on 25 July 2019, through the issue, in one or more tranches, of maximum 30,000,000 additional ordinary shares to service the conversion of the aforementioned Additional Tier 1 bond loan, for the purpose of conversion price adjustments. Amendment to art. 5 of the Articles of Association. Related and ensuing resolutions.

In relation to the manner in which the above-mentioned Meeting is held, the Company has decided to make use of the option to establish that the parties entitled to attend the Shareholders' Meeting and vote may participate exclusively via the Designated Representative (Computershare s.p.a.) pursuant to art. 135-*undecies* of Legislative Decree 58/1998.

Exclusively through the Designated Representative, a total of 748 Shareholders with voting rights attended the Shareholders' Meeting representing a total of 901,545,146 ordinary shares, equal to 63.675164% of the share capital. The dividend was made payable as of 22 May 2024 (payment date), with date of detachment of coupon (ex-date) on Monday, 20 May 2024 and date of entitlement to payment under art. 83-terdecies of the Consolidated Law on Finance (record date) on Tuesday, 21 May 2024.

The ordinary and extraordinary shareholders' meeting, in one call, chaired by Flavia Mazzarella, passed the following resolutions:
- 2023 Separate Financial Report approved, along with the proposal for the allocation of profit and the proposed distribution of a cash dividend of Euro 0.30 per share for each of the 1,415,850,518 ordinary shares representing the share capital, for a maximum total amount of Euro 424,755,155.40 (net of those which will be held in the portfolio on the ex-date, on which no dividend will be paid);
- new Board of Directors appointed for the three-year period 2024-2026 and remuneration of Directors determined;
- Board of Statutory Auditors appointed for the three-year period 2024-2026 and remuneration of Statutory Auditors determined;
- KPMG s.p.a. engaged as the independent auditing firm for the 2026-2034 financial years, determining the relevant fees and criteria for any fee adjustment during the period of their engagement, in line with the Board of Statutory Auditors' proposal;
- Section I and II of the 2024 Report on Remuneration Policy and compensation paid approved, respectively with a binding and non-binding resolution;

- short-term incentive plan based on financial instruments approved, pursuant to art. 114-bis of the Consolidated Law on Finance, as described in the relevant Information Document;
- purchase and disposal of up to 17,400,000 BPER Banca s.p.a. ordinary shares approved (not exceeding a total value of Euro 53.070 million), with no par value, to service the 2024 MBO incentive scheme and the 2022-2025 Long-Term Incentive (LTI) Plan, in addition to any severance payments due;
- Board of Directors vested with the power to supplement, pursuant to Article 2420-ter of the Italian Civil Code, the share capital increase resolved upon by the Board in July 2019 to service the conversion of the Additional Tier 1 bond loan issued by the Bank on 25 July 2019, through the issue, in one or more tranches, of maximum 30,000,000 additional ordinary shares to service the conversion of the aforementioned Additional Tier 1 bond loan, for the purpose of conversion price adjustments.

In its meeting of 19 April 2024, the Board of Directors of BPER Banca s.p.a. resolved to appoint the Chair of the Board of Directors, the Deputy Chair and the Chief Executive Officer.

Shareholders' Meeting of 03 July 2024

On 30 May 2024, the Board of Directors of BPER Banca s.p.a. resolved to call the company's shareholders' meeting for 3 July 2024 to discuss and resolve on the following agenda.

- Amendments to the 2024 Remuneration Policies of the BPER Banca Group, approved by the Shareholders' Meeting on 19 April 2024; related and ensuing resolutions;
- Amendments to the 2022-2025 Long-Term Incentive Plan (LTI) based on financial instruments approved by the Shareholders' Meeting on 20 April 2022 and later amended by the Shareholders' Meeting on 5 November 2022; related and ensuing resolutions.

In relation to the manner in which the above-mentioned Meeting is held, the Company has decided to make use of the option to establish that the parties entitled to attend the Shareholders' Meeting and vote may participate exclusively via the Designated Representative (Computershare s.p.a.) pursuant to art. 135-*undecies* of Legislative Decree 58/1998.

At its meeting today, the Ordinary Shareholders' Meeting approved:

- the amendments to the 2024 Remuneration Policies approved by the Shareholders' Meeting on 19 April 2024, as detailed in new Section I of the Report on remuneration policy and compensation paid, prepared in view of the Shareholders' Meeting and made available to the public according to the terms and deadlines set by regulations in force;
- the changes to the Long-Term Incentive (LTI) Plan based on financial instruments approved by the Shareholders' Meeting on 20 April 2022 and later amended by the Shareholders' Meeting on 5 November 2022, as detailed in the Information Document relating to the "2022-2024 LTI Plan", prepared in view of the Shareholders' Meeting and made available to the public according to the terms and deadlines set by regulations in force.

Shareholders' Meeting of 19 December 2024

On 7 November 2024, the Board of Directors of BPER Banca s.p.a. resolved to call the company's ordinary and extraordinary shareholders' meeting for 19 December 2024 to discuss and resolve on the following agenda:

ORDINARY SESSION

- Integration of the Board of Statutory Auditors: appointment of the Chair of the Board of Statutory Auditors

EXTRAORDINARY SESSION

- Partial, non-proportional demerger of the e-money part of Bibanca s.p.a.'s assets in favour of BPER Banca s.p.a.; related and ensuing resolutions.
- Proposed amendment to art. 40 of the Articles of Association; related and ensuing resolutions.

In relation to the manner in which the above-mentioned Meeting is held, the Company has decided to make use of the option to establish that the parties entitled to attend the Shareholders' Meeting and vote may participate exclusively via the Designated Representative (Computershare s.p.a.) pursuant to art. 135-*undecies* of Legislative Decree 58/1998.

At its meeting today, the Ordinary Shareholders' Meeting approved:

- the appointment of Silvia Bocci as new Chair of the Board of Statutory Auditors to replace Angelo Mario Giudici, specifying that the mandate of the new Chair of the Board of Statutory Auditors will expire on the same date as the mandate of the other Auditors, on the date of the Meeting called to approve the Financial Report for the year 2026, and that she will receive the annual remuneration established for the role of Chair of the Board of Statutory Auditors during the Meeting of 19 April 2024.

In its extraordinary session, the Shareholders' Meeting further resolved to:
- approve the partial, non-proportional Demerger Plan of the subsidiary Bibanca s.p.a. ("Bibanca" or "Demerged Company") in favour of BPER Banca s.p.a. ("BPER" or "Beneficiary Company"), according to the procedures indicated in the Demerger Plan and, in particular, (i) through the allocation by the Demerged Company to the Beneficiary Company of the going concern relating primarily to the e-money business; (ii) with no issuance nor allocation of shares of the Beneficiary Company nor of the Demerged Company; (iii) through the cancellation of 12,604,828 ordinary shares held by BPER in the Demerged Company, according to the allocation ratio set out in the Demerger Plan and with no cash contribution, subject to prior cancellation of the expressed par value of the shares of the Demerged Company and retention of the shares held in the Demerged Company by the Minority Shareholders. In this regard, the Meeting also resolved to give the Minority Shareholders of Bibanca the right to have BPER purchase the shares they hold in the Demerged Company for a price determined by Bibanca's Board of Directors on the basis of the criteria envisaged for withdrawal, pursuant to art. 2437-*ter* of the Italian Civil Code, already disclosed by Bibanca according to the procedures and the deadlines set forth by law;
- approve the proposal for amendments to art. 40 of the Articles of Association, with the introduction of a new paragraph 3, aimed at vesting the Board of Directors with the mandate to resolve upon the distribution of advances on dividends under the circumstances, the procedures and to the extent permitted by the regulations in force.

The minutes of the Ordinary and Extraordinary Shareholders' Meeting and the Articles of Association have been made available to the public at the Bank's registered office, in compliance with the terms and provisions of the law.

4.2 Information on intercompany and related-party transactions

Relations between the various companies included within the scope of consolidation and with associates and related parties were all of a routine nature and were conducted properly.

For details, as required by art. 2497 bis of the Italian Civil Code and by CONSOB Communication DEM 6064293 of 28 July 2006, reference should be made to Part H of the Explanatory Notes.

In accordance with the Regulation on transactions with related parties adopted by CONSOB with resolution n. 17221/2010 (and subsequent amendments), BPER Banca has adopted specific internal rules to ensure transparency and substantive and procedural correctness of transactions with related parties.

In this context, the Parent Company BPER Banca adopted the "Policy for the governance of non-compliance risk concerning conflicts of interest with Relevant Persons and risk activities with Associated Persons", which was also implemented by the banks and other companies of the Group. This Policy also complies with the Bank of Italy's requirements in terms of "Risk activities and conflict of interest with associated persons" as contained in Circular 285 dated 17 December 2013 - 34th update dated 22 September 2020. The document is published on BPER Banca's website (https://group.bper.it, in the Governance / Documents section) and on the websites of the other Group Banks.

Without prejudice to the disclosure requirements of IAS 24 (see Part H of the Explanatory Notes in relation to the scope of application of the international accounting standard), the following is a summary of transactions with related parties, for which information is provided under Regulation 17221/2010.

At 31 December 2024, the only company belonging to the BPER Banca Group issuing listed shares is BPER Banca.

a) Most significant individual transactions concluded during the reporting period:

No.	Company that initiated the transaction	Name of the counterparty	Nature of the relationship with the counterparty	Object of the transaction	Consideration for each transaction completed (Euro/000)	Other information
1	BPER Banca s.p.a.	Banca Cesare Ponti s.p.a.	Direct subsidiary	Treasury transaction	827,398	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221
2	BPER Banca s.p.a.	Banca Cesare Ponti s.p.a.	Direct subsidiary	Treasury transaction	730,000	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221
3	BPER Banca s.p.a.	Bibanca s.p.a.	Direct subsidiary	Credit line	550,000	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221
4	BPER Banca s.p.a.	Bibanca s.p.a.	Direct subsidiary	Credit line	3,100,000	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221
5	BPER Banca s.p.a.	Finitalia s.p.a.	Direct subsidiary	Credit line	619,800	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221
6	BPER Banca s.p.a.	BPER Factor s.p.a.	Direct subsidiary	Credit line	2,750,000	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221
7	BPER Banca s.p.a.	Sardaleasing s.p.a.	Direct subsidiary	Credit line	1,200,000	Transaction exempt from market disclosure pursuant to art. 14 para. 2 of Regulation 17221

b) other individual transactions with related parties, entered into in the reporting period, that have materially impacted the financial position and results of the company

As required by CONSOB Regulation 17221/2010 with regard to other transactions with related parties, it is confirmed that no transactions have had a significant effect on the balance sheet or results of the Bank.

c) changes or developments in related-party transactions disclosed in the last Annual report that have had a material effect on the financial position or results of the companies during the period

During the period, there have been no changes or developments in the related-party transactions described in the last annual Report that have had a material effect on the financial position or results of the Company and additional to the content that has already been commented on in this Director's Report on Operation or in the Explanatory Notes.

4.3 Information on atypical, unusual or non-recurring transactions

In the course of 2024 there were no atypical or unusual transactions, as defined by CONSOB Communication DEM 6064293 dated 28 July 2006.
It should also be noted that there were no transactions defined as non-recurring during the period.

4.4 Information on the ownership structure (art. 123-bis of Legislative Decree 58/1998)

The information required by article 123-bis of the Consolidated Law on Finance is detailed in a specific report issued by the Board of Directors ("Report on corporate governance and ownership structure"). This Report, pursuant to the aforementioned art.123-bis, paragraph 3, together with the Report on Group Operations, is made available to the public on the Bank's website https://group.bper.it in the Governance - Documents section, as well as on the website of the authorised eMarket Storage system (www.emarketstorage.it).

4.5 Treasury shares

In the period from 11 March 2024 to 13 March 2024 (both dates inclusive), BPER Banca purchased a total of 2,450,000 treasury shares on Euronext Milan, corresponding to 0.17% of its ordinary shares outstanding, at an average purchase price per share of Euro 3.9216, for a total consideration of Euro 9,607,805.

On 13 March 2024, upon completion of its ordinary treasury share buyback programme, BPER Banca announced the terms of the programme to the market in a press release on the same date.

The buyback was carried out under the terms approved by BPER Banca's Shareholders Meeting of 26 April 2023.

The authorisation process was initiated on 19 January 2023 with the application submitted to the European Central Bank (ECB) and was broght to completion on 17 April 2023 with the release of the relevant authorisation for the purchase and disposal of treasury shares to service the:

- payment of bonuses deriving from the application of short-term incentive systems (Management by Objectives - MBO 2023);
- to guarantee the additional availability of shares needed to cover the adjustment of the duration of the Long-Term Incentive (LTI) Plan to that of the duration of the 2022-2025 Business Plan. In this regard, it should be noted that, to ensure full consistency between the duration of the LTI vesting period and the Group's multi-year strategic planning, the latter was initially increased from 3 to 4 years, with payout being equal. The ahead-of-time closure of the BPER e-volution 2022-2025 Business Plan on 31 December 2024 has made it necessary to align the Plan length accordingly, bringing forward to 31 December 2024 the verification of the achievement of the LTI Plan results set for 31 December 2025, thus reducing the vesting period associated with the overall Plan duration to three years, with a consequent pro-rata reduction in the target bonuses for its recipients. The changes to the Long-Term Incentive Plan were approved during the Shareholders' Meeting of 3 July 2024;
- to allow for payment of any Severance due that may require the use of equity instruments.

On 19 January 2024, a further application was submitted to the ECB for authorisation to purchase and dispose of treasury shares in order to provide the funding needed to:

- the payment of bonuses deriving from the application of short-term incentive systems (Management by Objectives - MBO 2024);
- other payments to be made through financial instruments pursuant to the regulatory provisions set forth in the Remuneration Policies submitted for approval to the Shareholders' Meeting on 19 April 2024.

On 20 March 2024, the ECB authorised the purchase.

In light of the above, in the period from 11 November 2024 to 14 November 2024 (both dates inclusive), BPER Banca purchased a total of 4,036,339 treasury shares on Euronext Milan, corresponding to 0.29% of its ordinary shares outstanding, at an average purchase price per share of Euro 5.9834, for a total consideration of Euro 24,151,185.

The purchases were made according to the terms authorised by the shareholders' meeting of BPER on 19 April 2024.

On 14 November 2024, upon completion of its ordinary treasury share buyback programme, BPER Banca announced the terms of the programme to the market in a press release on the same date.

On 17 January 2025, a new application was submitted to the ECB requesting authorisation to purchase and dispose of treasury shares, in order to guarantee payment of instalments due in 2026 in relation to both the 2025 short-term incentive plan ("2025 MBO") and previous instalments of existing short- and long-term incentive plans, as well as other remuneration components payable via financial instruments (e.g. severance, retention bonuses).

During the reporting period, treasury shares were also granted free of charge to employees, in line with the provisions of the Remuneration Policies (e.g. for short-term and long-term incentive and/or severance schemes).

No quotas or shares in Group companies are held through trust companies or other third parties.

(in thousands)

Shares of BPER Banca s.p.a.	Number of shares	Book value
Total as at 31.12.2024	6,112,499	32,029,433
Total as at 31.12.2023	678,397	2,243,974

4.6 Application of MiFID

In 2024, several regulatory documents have been issued, with impacts on the business processes and procedures affected by the Markets in Financial Instruments Directive.

2024 saw the evolution, in the European regulatory framework, of the "Retail Investment Strategy - RIS", i.e. a proposal for an umbrella directive that aims to supplement the investor protection regulatory framework (which relies on five different Directives: MiFID, IFF, Solvency II, UCITS, AIFMD), by further enhancing the protection for retail investors to increase their willingness to invest in financial markets. To date, considering that the trilogue phase between European Commission, the European Parliament and the Council has to be launched, it is expected that the regulatory process might be completed by the end of 2025, and the new regulations might apply as of 2026/2027. With regard to (i) the report published by ESMA on 27 May 2024 on the common supervisory action carried out in 2023 jointly with the National Authorities, regarding the preparation and circulation, by Intermediaries, of marketing communications, and (ii) the recommendations provided by ESMA and EIOPA in the "*Report on Greenwashing*" published in June 2024, BPER Banca took steps to adopt the Supervisory recommendations, in particular in the organisation and in its internal procedures for the management of marketing communications and in their content.

On 30 May 2024, ESMA published its Statement providing guidance for investment firms to introduce solid valuation processes and control policies to measure the use of Artificial Intelligence (AI) technologies in the provision of investment services, controls and monitoring tools, effective systems for the storage and tracking of the use of AI tool. BPER Banca took it into consideration as part of the update if the company's regulation on product governance and the provision of investment and ancillary services.

On 25 July 2024, CONSOB issued a Warning Notice, in which it invited intermediaries to ensure that the information on sustainable finance relating to ESG (Environmental, Social, Governance) issues is always clear, concise and easy to understand also for less sophisticated customers and that customers' preferences and needs on these matters are effectively taken into consideration in evaluating the suitability of investments and product governance. To this end, the Notice lists some examples of good and poor practices identified by CONSOB during its system-wide investigations. In this regard, the Parent Company launched a round table aimed at addressing any improvements deemed necessary, in order to fulfil the expectations of the Supervisory Authorities contained in the Warning Notice. At the same time, the working group also took into consideration the recommendations provided by ESMA in the document "*Guidelines on funds names using ESG or sustainability-related terms*".

Again with regards to the provision of investment services, it should be noted that the Instructions of the Bank of Italy, COVIP (Pension Funds Supervisory Authority), IVASS (Institute for Insurance Supervision) and MEF (Ministry of Economy and Finance) were published in the Official Journal of 7 August 2024 for the exercise of enhanced controls on the authorised intermediaries to counter the financing of companies producing anti-personnel mines and cluster munitions and sub-munitions. Activities are underway to adopt these guidelines.

At the end of 2024, BPER Banca integrated the MIFID profiling questionnaire with additional questions aimed at identifying detailed preferences for the characteristics of "eco-sustainability", "sustainability" and "considering key negative effects on sustainability" or "PAI" of products, as required by MiFID regulations. Therefore, the pre-contractual information document and the advisory report have been updated (the latter in particular through the addition of a disclaimer for the adaptation of the customers' detailed preferences in case one or more recommended products do not meet the sustainability preferences declared during the profiling phase). A dedicated circular and training material for the Branch Network have been prepared. Finally, the information published on the Banks' websites pursuant to the SFDR regulation have been updated.

4.7 Inspections and audits

Note that the disclosure provided below is for information purposes only with regards to the checks carried out as part of the ordinary supervisory activity to which BPER Banca is subject, as it operates in a highly regulated sector. As indicated in the Explanatory notes to this Financial Report, the Directors are of the opinion that the observations that emerged in the various inspection areas do not entail significant impacts in terms of income, assets and cash flows of BPER Banca. In any case, the Bank always prepares suitable action plans to implement the Supervisory Authority's recommendations as quickly as possible.

Information is provided below on the main inspections performed on BPER Banca, by the Supervisory Authority.

European Central bank – ECB

Inspection (2022)

From 10 October 2022 to 3 February 2023, BPER Banca was subject to an on-site inspection regarding credit and counterparty risk with the aim of assessing compliance with and the implementation of the IFRS9 accounting standard, as well as carrying out a Credit Quality Review on selected portfolios and assessing the credit risk processes. The Final Follow up Letter summarising the findings and their recommendations and deadlines was received on 9 January 2024. In response to the recommendations made, on 08 February 2024 BPER Banca submitted an Action Plan containing the remedial actions currently being implemented.

Inspection (2023)

From 20 March 2023 to 16 June 2023, BPER Banca was subject to an on-site inspection regarding the business model and profitability, with the objective of reviewing the corporate governance and strategy management process. On 13 October 2023, the Final Report was received regarding the outcomes of the inspection and the relevant findings. The Final Follow up Letter summarising the findings and their recommendations and deadlines was received on 9 April 2024. In response to the recommendations made, on 09 May 2024 BPER Banca submitted an Action Plan containing the remedial actions currently being implemented.

Inspections (2024)

From 17 June 2024 to 13 September 2024, BPER was subject to an on-site inspection on IT risk, aimed at assessing IT governance, IT operational management and data quality management. The Bank is waiting to learn the decisions of the Supervisory Authority.

Since 4 November 2024, BPER Banca has been subject to an on-site inspection regarding credit and counterparty risk with the aim of assessing compliance with and the implementation of the IFRS9 accounting standard, as well as carrying out a Credit Quality Review on selected portfolios and assessing the credit risk processes.

Since 21 October 2024, BPER Banca has been subject to an on-site Internal Model Investigation (IMI) with the objective of evaluating internal credit risk models.

These inspections are part of the 2024 Supervisory Examination Programme (SEP) set by the ECB for the BPER Banca Group.

Bank of Italy - BI

Inspection (2023)

From 25 September 2023 to 17 November 2023, BPER Banca was the subject of an on-site inspection targeted at verifying, in relation to consumer credit and real estate credit to consumers, the adequacy of the organisational and control structures, and policies and procedures on responsible lending, for protecting consumers in difficulty and preventing the risk of over-indebtedness. On 7 February 2024, the inspection report was received regarding the outcomes of the inspection and the relevant findings. On 7 March 2024, BPER Banca sent to the Bank of Italy its considerations on the findings made by the Supervisory Authority, together with an indication of the measures already taken, or to be taken, to resolve the findings and the related implementation timeframe.

Inspection (2024)

From 19 February 2024 to 10 May 2024, BPER Banca was subject to on-site inspections by the Bank of Italy to verify the adequacy of the Group's Anti-Money Laundering Function and the system of second-level anti-money laundering controls. On 19 September 2024, the inspection report was received regarding the outcomes of the inspection and the relevant findings. On 18 October 2024, BPER Banca sent to the Bank of Italy its considerations on the findings made by the Supervisory Authority, together with an indication of the measures already taken, or to be taken, to resolve the findings and the related implementation timeframe.

5. REMUNERATION OF THE BOARD OF DIRECTORS

We bring to your attention the topic of the determination of the amount of Directors' emoluments, as provided for by art. 11 of the Articles of Association.

The Shareholders' Meeting held on 19 April 2024 established that the amount of fees payable to Directors, in accordance with art. 11 of the Articles of Association, for the financial years 2024-2026 was a total of Euro 1,925 thousand and that this amount was for the payment of emoluments of the members of the Board of Directors as well as additional emoluments payable to the other internal Committees. The shareholders' meeting also established attendance fees of Euro 500 for the Directors, based on their participation in the meetings of the Board of Directors. Excluded, however, were additional emoluments payable to Directors appointed to particular positions in compliance with the Articles of Association (specifically Chair, Deputy Chair and Chief Executive Officer): pursuant to art. 11 of the Articles of Association, this remuneration is established, in fact, by the Board of Directors, on the proposal of the Remuneration Committee and after hearing the opinion of the Board of Statutory Auditors.

The total amount of fees, determined as indicated and charged to the income statement of the year on an accrual basis, in compliance with IAS 19 under "Staff costs – Directors and Statutory Auditors", was Euro 1,771.9 thousand (Euro 1,585.3 thousand at 31 December 2023), below the set limit of Euro 1,925 thousand. In detail, this amount includes the fees due to members of the Board of Directors of Euro 1,267.4 thousand (1,091.1 thousand at 31 December 2023), the fees for participation in various Internal Committees set up to meet the obligations of Corporate Governance of Euro 504.5 thousand (Euro 494.2 thousand at 31 December 2023).
In addition to these amounts, there were also attendance fees for Directors taking part in meetings of the Board of Directors of Euro 135.5 thousand (Euro 126 thousand at 31 December 2023), additional emoluments payable to the Chair and Deputy Chair of Euro 474.8 thousand (Euro 365 thousand as at 31 December 2023) and to the Chief Executive Officer of Euro 1,411.7 thousand (Euro 1,200 thousand as compared to 31 December 2023).

The total amount is therefore Euro 3,793.9 thousand, compared with Euro 3,276.3 thousand for 2023.

6. PROPOSAL FOR THE ALLOCATION OF PROFIT FOR THE YEAR

Having completed our presentation of the results of operations and the various events that took place in the year just ended, we now submit to you the proposed allocation of profit, Euro 1,249,548,502.53, which follows the criteria of prudence and attention to the strengthening of capital, in line with the guidance provided by the Supervisory Authorities. The proposed allocation of profit envisages the allocation of a portion of the 2024 profits, for an amount of Euro 3,464,283.60, to the legal reserve, as is necessary to comply with art. 2430 of the Italian Civil Code, and the allocation of Euro 13,978,368.17, to the restricted reserve under Legislative Decree 38/2005 (art. 6, paragraph 1.a) for unrealised gains, net of the related tax effects.

Taking account of the capital adequacy of the Parent Company and the Group, in accordance with parameters established by prudential supervision regulations, we submit to you the proposed payment of a dividend of Euro 0.60 for each of the 1,421,624,324 shares representing the share capital, excluding those held in portfolio at the ex-dividend date (there were 6,112,499 at 31 December 2024). The total amount allocated for dividends therefore comes to Euro 852,974,594.40, i.e. 68.26% of the profit for the year.

The residual amount of profits, equal to Euro 379,131,256.36, is allocated to the extraordinary reserve.

On the basis of the foregoing, the share of profit for the year to be allocated to equity, net of the portion to be distributed to the Shareholders, amounts to Euro 396,573,908.13.

Trusting that you will grant your consent, we therefore present in accordance with the Articles of Association the following proposed allocation of the profit for the year:

(in Euro)

Profit for the year	**Euro**	**1,249,548,502.53**
- allocation to the legal reserve	Euro	3,464,283.60
- allocation to the restricted reserve - art. 6, para. 1, letter A of Legislative Decree 38/05	Euro	13,978,368.17
- allocation to the extraordinary reserve	Euro	379,131,256.36
- allocation to the Shareholders as a dividend of Euro 0.60 for the 1,421,624,324 shares making up the share capital	Euro	852,974,594.40

According to Borsa Italiana s.p.a.'s calendar, the dividend will be paid as of 21 May 2025 (payment date), with date of detachment of coupon (ex-date) on Monday, 19 May 2025 and date of entitlement to payment under art. 83-terdecies of the Consolidated Law on Finance (record date) on Tuesday, 20 May 2025.

It is important to note that the dividend is subject to withholding tax or forms part of taxable income to a varying extent depending on the status of the recipients.

7. OUTLOOK FOR OPERATIONS

With regard to the macroeconomic context, despite some signs of stagnation in advanced economies, 2024 continued toward a global economic expansion, albeit with varying trends across regions.

In the United States, although the fourth quarter saw a slight slowdown at +2.3% (from 3.1%), the economy closed the year with a growth of +2.8%, accelerating with respect to 2023. According to the International Monetary Fund (IMF), 2025 will see a modest slowdown to +2.7%, followed by a further decline in 2026, while remaining above 2%. In the United Kingdom and Japan, GDP growth slowed, due to weakened domestic and external demand, respectively. China, which grew by +5.4% year-on-year in the fourth quarter of 2024, reached its annual growth target of 5%. However, sluggish consumption and the ongoing crisis in the real estate sector persist.

In the Eurozone, economic growth weakened towards the end of 2024, due to prolonged geopolitical tensions and a downturn in manufacturing. Although GDP grew by only +0.2% quarter-on-quarter in the fourth quarter of 2024, the Eurozone ended the year stronger than in 2023 at +0.9% (up from +0.4%). According to the IMF, Eurozone GDP will grow by +1% in 2025, with further acceleration to +1.4% in 2026 and +1.3% in 2027, although trends will vary across countries. Germany, Europe's now-stalled locomotive, recorded four consecutive quarters of negative growth, with the last at -0.2% quarter-on-quarter (from -0.3%). The country closed its second consecutive year in recession (-0.2%), impacted by industrial slowdown – particularly in the automotive sector – and high energy prices. Berlin's situation may only partly improve in 2025 at +0.3% according to IMF, followed by a sharp recovery in 2026. At the time of writing, future Chancellor Friedrich Merz appears inclined to remove the debt ceiling to unlock spending for defence and infrastructure – the most significant economic stimulus since the fall of the Berlin Wall. Spain, thanks to a stable fourth quarter of 2024 growth rate of +0.8% quarter-on-quarter, closed the year at +3.2% (up from +2.8%), the highest among advanced economies. France, despite political turmoil and deficit issues, also outperformed 2023, with GDP growth at +1.2% (up from +0.9%). However, the IMF predicts a slight slowdown in 2026.

Italy, despite a modest fourth quarter growth of +0.1% quarter-on-quarter (from 0%), recorded a GDP increase of +0.7% at year end (from 0.9%). The IMF forecasts stable growth in 2025. Further implementation of the NRRP (National Recovery and Resilience Plan), as evidenced by accelerating non-residential investment throughout the year, could provide an additional boost to economic growth.

What is certain is that the protectionist policies of the USA could have a significant impact on exports; but the reorganisation of export flows to new emerging economies, both of semi-finished products and consumer goods, could limit the impact of the tariffs policy. This shift is already under way, with double-digit export growth to emerging markets (e.g. Turkey, Vietnam, UAE).

Geopolitical tensions will continue to weigh on the macroeconomic scenario as will the emerging risks associated with US protectionist policies in the form of a new wave of tariffs, that could distort trade flows, disrupt the related global supply chains and raise concerns over possible inflationary impacts[4]. In the Eurozone, a remodelling of export flows to new emerging economies could be implemented, both for semi-finished products and consumer goods, which could limit the impacts of the tariff policy.

On 6 March 2025, the Governing Council of the European Central Bank (ECB) decided to reduce the reference interest rates by 25 bps, marking the sixth cut since June, bringing the deposit rate to 2.50%. The decision was based on the latest inflation projections, the dynamics of core inflation and the strength of monetary policy transmission. Global uncertainty and trade tensions could impact growth and inflation. The ECB stands ready to adapt its tools to ensure price stability.

Within this context, thanks to its high capital strength, the Bank will continue to make pragmatic management choices in 2025 with the aim of sustaining the economic growth; net profit is expected to be slightly above 2024.

Modena, 12 March 2025

The Board of Directors
The Chair
Fabio Cerchiai

4 IMF, World Economic Outlook, update, January 2025.

FINANCIAL STATEMENTS

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Balance Sheet

(in Euro)

Assets		31.12.2024	31.12.2023
10.	Cash and cash equivalents	7,904,463,540	10,367,851,338
20.	Financial assets measured at fair value through profit or loss	1,255,116,193	1,212,994,219
	a) financial assets held for trading	692,599,809	697,194,974
	b) financial assets designated at fair value	-	1,991,000
	c) other financial assets mandatorily measured at fair value	562,516,384	513,808,245
30.	Financial assets measured at fair value through other comprehensive income	5,482,633,502	6,614,109,883
40.	Financial assets measured at amortised cost	104,690,420,797	101,252,319,871
	a) loans to banks	12,361,412,012	12,417,078,743
	b) loans to customers	92,329,008,785	88,835,241,128
50.	Hedging derivatives	649,351,060	1,122,269,444
70.	Equity investments	2,321,574,347	2,256,388,640
80.	Property, plant and equipment	1,837,382,985	1,794,776,311
90.	Intangible assets	528,593,525	464,655,177
100.	Tax assets	1,570,508,287	2,463,248,691
	a) current	379,120,288	862,527,223
	b) deferred	1,191,387,999	1,600,721,468
110.	Non-current assets and disposal groups classified as held for sale	26,104,388	12,405,001
120.	Other assets	5,417,937,117	5,685,478,160
	Total assets	**131,684,085,741**	**133,246,496,735**

(in Euro)

Liabilities and shareholders' equity		31.12.2024	31.12.2023
10.	Financial liabilities measured at amortised cost	113,628,469,903	117,340,739,578
	a) due to banks	12,536,802,246	13,118,455,416
	b) due to customers	89,948,468,877	92,104,319,971
	c) debt securities issued	11,143,198,780	12,117,964,191
20.	Financial liabilities held for trading	252,345,658	331,597,742
30.	Financial liabilities designated at fair value	2,615,611,402	1,909,139,358
40.	Hedging derivatives	210,346,847	250,123,914
50.	Change in value of macro-hedged financial liabilities (+/-)	(81,842,602)	(155,183,866)
60.	Tax liabilities	37,222,782	34,265,632
	b) deferred	37,222,782	34,265,632
80.	Other liabilities	3,060,057,461	3,425,446,444
90.	Employee termination indemnities	108,627,150	130,974,547
100.	Provisions for risks and charges	1,250,948,057	1,203,214,658
	a) commitments and guarantees granted	92,268,360	111,764,352
	b) pension and similar obligations	115,297,293	119,781,912
	c) other provisions for risks and charges	1,043,382,404	971,668,394
110.	Valuation reserves	12,450,580	(49,355,251)
130.	Equity instruments	1,115,596,130	150,000,000
140.	Reserves	4,890,520,255	3,975,545,595
150.	Share premium reserve	1,244,575,939	1,236,525,140
160.	Share capital	2,121,637,109	2,104,315,691
170.	Treasury shares (-)	(32,029,433)	(2,243,974)
180.	Profit (Loss) for the year (+/-)	1,249,548,503	1,361,391,527
	Total liabilities and shareholders' equity	**131,684,085,741**	**133,246,496,735**

Income Statement

(in Euro)

Items		31.12.2024	31.12.2023
10.	Interest and similar income	4,468,505,870	4,243,279,191
	of which: interest income calculated using the effective interest method	4,188,859,200	4,041,926,260
20.	Interest and similar expense	(1,710,129,194)	(1,574,640,815)
30.	**Net interest income**	**2,758,376,676**	**2,668,638,376**
40.	Commission income	1,646,308,803	1,696,513,317
50.	Commission expense	(162,818,049)	(155,955,782)
60.	**Net commission income**	**1,483,490,754**	**1,540,557,535**
70.	Dividends and similar income	208,777,975	134,187,535
80.	Net income from trading activities	91,290,023	147,439,424
90.	Net income from hedging activities	1,856,777	22,194,663
100.	Gains (Losses) on disposal or repurchase of:	67,975,604	63,376,940
	a) financial assets measured at amortised cost	62,528,356	50,374,557
	b) financial assets measured at fair value through other comprehensive income	5,430,549	12,999,230
	c) financial liabilities	16,699	3,153
110.	Net income on other financial assets and liabilities measured at fair value through profit or loss	(131,214,250)	(122,064,094)
	a) financial assets and liabilities designated at fair value	(129,759,652)	(129,328,669)
	b) other financial assets mandatorily measured at fair value	(1,454,598)	7,264,575
120.	**Net interest and other banking income**	**4,480,553,559**	**4,454,330,379**
130.	Net impairment losses/write-backs for credit risk relating to:	(247,756,919)	(343,410,660)
	a) financial assets measured at amortised cost	(247,547,461)	(343,344,555)
	b) financial assets measured at fair value through other comprehensive income	(209,458)	(66,105)
140.	Gains (losses) from contractual modifications without derecognition	(1,286,941)	2,730,381
150.	**Net income from financial activities**	**4,231,509,699**	**4,113,650,100**
160.	Administrative expenses:	(2,568,428,668)	(2,781,406,441)
	a) staff costs	(1,586,052,602)	(1,725,373,847)
	b) other administrative expenses	(982,376,066)	(1,056,032,594)
170.	Net provisions for risks and charges	(48,723,384)	(58,144,390)
	a) commitments and guarantees granted	19,495,992	20,105,363
	b) other net provisions	(68,219,376)	(78,249,753)
180.	Net adjustments/write-backs to property, plant and equipment	(148,786,402)	(142,393,518)
190.	Net adjustments/write-backs to intangible assets	(155,891,868)	(99,906,853)
200.	Other operating expense/income	367,478,786	385,628,853
210.	**Operating costs**	**(2,554,351,536)**	**(2,696,222,349)**
220.	Gains (Losses) of equity investments	31,452,573	6,253,669
230.	Valuation differences on property, plant and equipment and intangible assets measured at fair value	(22,226,588)	(25,425,657)
250.	Gains (Losses) on disposal of investments	911,906	20,447
260.	**Profit (Loss) from current operations before tax**	**1,687,296,054**	**1,398,276,210**
270.	Income taxes on current operations for the year	(437,747,551)	(36,884,683)
280.	**Profit (Loss) from current operations after tax**	**1,249,548,503**	**1,361,391,527**
300.	**Profit (Loss) for the year**	**1,249,548,503**	**1,361,391,527**

Income statement items as at 31 December 2023 were re-stated following reclassification of some cost/income components. More specifically, following this reclassification, "Commission expense" included Euro 15.4 million worth of charges for payment services provided (previously classified under "Other administrative expenses") and "Other operating income" included Euro 11.6 million worth of recoveries of costs for services ancillary to lending (previously classified as "Commission income").

	Earnings per share (Euro) 31.12.2024	Earnings per share (Euro) 31.12.2023
Basic EPS	0.883	0.962
Diluted EPS	0.862	0.939

Statement of Other Comprehensive Income

(in Euro)

	31.12.2024	31.12.2023
10. Profit (loss) for the year	**1,249,548,503**	**1,361,391,527**
Other comprehensive income, after tax, that will not be reclassified to profit or loss	**14,195,318**	**(1,985,915)**
20. Equity instruments measured at fair value through other comprehensive income	44,506,917	(14,102,913)
30. Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	(37,798,363)	(8,147,781)
40. Hedge of equity instruments measured at fair value through other comprehensive income	(5,055,249)	(2,918,530)
50. Property, plant and equipment	12,901,061	34,154,356
70. Defined benefit plans	(359,048)	(10,971,047)
Other comprehensive income, after tax, that may be reclassified to profit or loss	**47,610,514**	**89,185,041**
120. Cash flow hedges	1,118,287	(8,223,028)
140. Financial assets (no equity instruments) measured at fair value through other comprehensive income	46,492,227	97,408,069
170. Total other comprehensive income after tax	**61,805,832**	**87,199,126**
180. Other comprehensive income (Items 10+170)	**1,311,354,335**	**1,448,590,653**

Statement of Changes in Shareholders' Equity as at 31 December 2024

(in thousands)

	Balance as at 31.12.2023	Changes in opening balances	Balance as at 1.1.2024	Allocation of prior year results		Changes during the year								Shareholders' equity as at 31.12.2024
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity						Other comprehensive income as at 31.12.2024	
							Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options		
Share capital:	**2,104,316**	**-**	**2,104,316**	**-**	**-**	**-**	**17,321**	**-**	**-**	**-**	**-**	**-**	**-**	**2,121,637**
a) ordinary shares	2,104,316	-	2,104,316	-	-	-	17,321	-	-	-	-	-	-	2,121,637
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	**1,236,525**	**-**	**1,236,525**	**-**	**-**	**-**	**8,051**	**-**	**-**	**-**	**-**	**-**	**-**	**1,244,576**
Reserves:	**3,975,546**	**-**	**3,975,546**	**937,563**	**-**	**(22,589)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,890,520**
a) from profits	3,480,644	-	3,480,644	937,563	-	(22,589)	-	-	-	-	-	-	-	4,395,618
b) other	494,902	-	494,902	-	-	-	-	-	-	-	-	-	-	494,902
Valuation reserves	**(49,355)**	**-**	**(49,355)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**61,806**	**12,451**
Equity instruments	**150,000**	**-**	**150,000**	**-**	**-**	**-**	**(24,250)**	**-**	**-**	**989,846**	**-**	**-**	**-**	**1,115,596**
Treasury shares	**(2,244)**	**-**	**(2,244)**	**-**	**-**	**-**	**3,974**	**(33,759)**	**-**	**-**	**-**	**-**	**-**	**(32,029)**
Profit (Loss) for the year	**1,361,392**	**-**	**1,361,392**	**(937,563)**	**(423,829)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,249,549**	**1,249,549**
Shareholders' equity	**8,776,180**	**-**	**8,776,180**	**-**	**(423,829)**	**(22,589)**	**5,096**	**(33,759)**	**-**	**989,846**	**-**	**-**	**1,311,355**	**10,602,300**

Statement of Changes in Shareholders' Equity as at 31 December 2023

(in thousands)

	Balance as at 31.12.2022	Changes in opening balances	Balance as at 1.1.2023	Allocation of prior year results		Changes during the year								Shareholders' equity as at 31.12.2023
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity						Other comprehensive income as at 31.12.2023	
							Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options		
Share capital:	**2,104,316**	**-**	**2,104,316**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,104,316**
a) ordinary shares	2,104,316	-	2,104,316	-	-	-	-	-	-	-	-	-	-	2,104,316
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	**1,237,276**	**-**	**1,237,276**	**-**	**-**	**-**	**(751)**	**-**	**-**	**-**	**-**	**-**	**-**	**1,236,525**
Reserves:	**2,865,230**	**-**	**2,865,230**	**1,124,175**	**-**	**(13,859)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,975,546**
a) from profits	2,365,321	-	2,365,321	1,124,175	-	(8,852)	-	-	-	-	-	-	-	3,480,644
b) other	499,909	-	499,909	-	-	(5,007)	-	-	-	-	-	-	-	494,902
Valuation reserves	**(136,557)**	**-**	**(136,557)**	**-**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**87,200**	**(49,355)**
Equity instruments	**150,000**	**-**	**150,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**150,000**
Treasury shares	**(5,672)**	**-**	**(5,672)**	**-**	**-**	**-**	**3,428**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,244)**
Profit (Loss) for the year	**1,293,880**	**-**	**1,293,880**	**(1,124,175)**	**(169,705)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,361,392**	**1,361,392**
Shareholders' equity	**7,508,473**	**-**	**7,508,473**	**-**	**(169,705)**	**(13,857)**	**2,677**	**-**	**-**	**-**	**-**	**-**	**1,448,592**	**8,776,180**

Statement of Cash Flows

Indirect method

(in thousands)

A. OPERATING ACTIVITIES	31.12.2024	31.12.2023
1. Operations	**2,621,631**	**2,743,004**
- profit (loss) for the year (+/-)	1,249,549	1,361,392
- gains/losses from financial assets held for trading and financial assets/liabilities measured at fair value through profit and loss (-/+)	(89,682)	(132,842)
- gains (losses) from hedging activities (-/+)	(1,857)	(22,195)
- net impairment losses/write-backs for credit risk (+/-)	294,073	391,601
- net impairment losses/write-backs to property, plant and equipment and intangible assets (+/-)	326,905	267,727
- net provisions for risks and charges and other expense/income (+/-)	324,148	409,495
- unsettled taxes (+/-)	382,736	427,887
- other adjustments (+/-)	135,759	39,939
2. Cash generated/absorbed by financial assets	**(1,018,175)**	**5,648,264**
- financial assets held for trading	130,131	247,639
- financial assets designated at fair value	1,991	(71)
- other financial assets mandatorily measured at fair value	(57,002)	(577)
- financial assets at fair value through other comprehensive income	1,268,803	1,328,243
- financial assets measured at amortised cost	(3,574,469)	4,925,165
- other assets	1,212,371	(852,135)
3. Cash generated/absorbed by financial liabilities	**(4,100,671)**	**(11,924,853)**
- financial liabilities measured at amortised cost	(3,808,190)	(11,347,720)
- financial liabilities held for trading	(79,252)	(168,957)
- financial liabilities designated at fair value	679,154	1,062,019
- other liabilities	(892,383)	(1,470,195)
Net cash generated/absorbed by operating activities	**(2,497,215)**	**(3,533,585)**

B. INVESTMENT ACTIVITIES	31.12.2024	31.12.2023
1. Cash generated by:	**34,743**	**152,899**
- disposal of equity investments	106,242	5
- dividends collected on equity investments	168,729	104,428
- disposal of property, plant and equipment	13,370	48,466
- purchase of business branches	(253,598)	-
2. Cash absorbed by:	**(538,027)**	**(364,092)**
- purchase of equity investments	(205,584)	(32,185)
- purchase of property, plant and equipment	(113,253)	(111,968)
- purchase of intangible assets	(219,190)	(219,939)
Net cash generated/absorbed by investment activities	**(503,284)**	**(211,193)**

C. FUNDING ACTIVITIES	31.12.2024	31.12.2023
- issue/purchase of treasury shares	(28,663)	2,677
- issue/purchase of equity instruments	989,846	-
- distribution of dividends and other scopes	(423,829)	(169,705)
Net cash generated/absorbed by funding activities	**537,354**	**(167,028)**
Net cash generated/absorbed during the year	**(2,463,145)**	**(3,911,806)**

Key: (+) generated (-) absorbed

Reconciliation

Items	31.12.2024	31.12.2023
Cash and cash equivalents at the beginning of the year	10,367,851	14,279,707
Total net cash generated/absorbed in the year	(2,463,145)	(3,911,806)
Cash and cash equivalents: effect of change in exchange rates	(242)	(50)
Cash and cash equivalents at the end of the year	**7,904,464**	**10,367,851**

EXPLANATORY NOTES
SEPARATE FINANCIAL REPORT

CONTENTS

Key to abbreviations in tables:
FV: Fair value
FV* = fair value calculated excluding value adjustments due to changes in the credit rating of the issuer since date of issuance.
NV: Nominal or notional value
BV: Book value
L1: Fair value hierarchy – Level 1
L2: Fair value hierarchy – Level 2
L3: Fair value hierarchy – Level 3
X: not applicable

PART A
Accounting policies

A.1 – GENERAL INFORMATION

Section 1 – Declaration of compliance with international accounting standards

The Separate Financial Report as at 31 December 2024 has been prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), endorsed by the European Commission, as provided by EU Regulation no. 1606 dated 19 July 2002, and currently in force, including the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

Reference is also made, where necessary, to the "Conceptual Framework for Financial Reporting" and to the documents prepared by the Italian Accounting Body (OIC) and the Italian Banking Association (ABI).
In the absence of a standard or interpretation specifically applicable to a particular transaction, the Parent Company makes use of the professional opinion of its own staff, in particular the Financial Reporting and Reports Department, to develop a rule for accounting recognition that makes it possible to provide a reliable disclosure and to ensure that the Separate Financial Report gives a true and fair view of the financial position, result of operations and cash flows of the Bank, reflecting the economic substance of the transaction and its key aspects.
In formulating these accounting rules, reference is made as far as possible to International Accounting Standards and interpretations dealing with similar or comparable matters.
As part of its guidance and coordination activity, the Bank requires the other Group Banks and Companies to apply the Group's own accounting recognition rules, in the right circumstances.

As required by IAS 8, the following table shows the new international accounting standards or amendments to standards already in force, with the related Approval Regulations, whose application is mandatory from 2024 and whose adoption had no substantial effect on the balance sheet and income statement.

EC Approval Regulation	Title	In force from years beginning
2579/2023	Commission Regulation (EU) no. 2023/2579 of 20 November 2023 adopting IFRS 16 Leasing was published in the Official Journal of the European Union L Series on 21 November 2023. The amendments to IFRS 16 specify how the selling lessee subsequently measures sale and leaseback transactions.	1 January 2024
2822/2023	Commission Regulation (EU) 2023/2822 of 19 December 2023 adopting amendments to International Financial Reporting Standard 1 - Presentation of Financial Statements (IAS 1) was published in the Official Journal of the European Union, L series, on 20 December 2023. These amendments follow those adopted by the IASB on 23 January 2020 in relation to IAS 1, which relate to the implementation of how an entity should present debt and other liabilities with an uncertain settlement date in the statement of financial position. Under these amendments, debt or other liabilities must be classified as current (due or potentially due to be settled within one year) or non-current.	1 January 2024
1317/2024	Commission Regulation (EU) 2024/1317 of 15 May 2024 adopting the "Supplier Finance Arrangements" that amends IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial instruments: disclosures" was published in the Official Journal of the European Union, L Series, on 16 May 2024. The document introduces disclosure requirements about a company's supplier finance arrangements.	1 January 2024

The following table shows the new international accounting standards or amendments to standards already in force, whose application is mandatory from 1 January 2025 or later date.

EC Approval Regulation	Title	In force from years beginning
2862/2024	Commission Regulation (EU) no. 2024/2862 of 12 November 2024 adopting IAS 21 The effects of changes in foreign exchange rates was published in the Official Journal of the European Union L Series on 13 November 2024. Amendments to IAS 21 specify when a currency is exchangeable into another currency and, when it is not, how a company determines the exchange rate to apply, and the disclosures a company is to provide when a currency is not exchangeable.	1 January 2025

The Bank has not availed itself of the option of early application of the Regulations in force from 1 January 2025, given that these amendments are not expected to have significant impacts on the Bank's balance sheet and income statement.

The documents for which, at the date of this Financial Report, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of said amendments, are reported below.

- On 18 December 2024, the IASB published a document called "Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity". The amendment aims to help companies better report the financial effects of structured contracts such as Power Purchase Agreements (PPAs), and in particular, it:
  - clarifies the application of the "own-use requirement";
  - allows for the use of these contracts as hedging instruments under hedge accounting;
  - introduces new disclosure requirements for such instruments.

The amendment will be effective from 1 January 2026. Earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this amendment on the Financial Report.

- On 18 July 2024, the IASB issued a narrow-scope amendment called "Annual Improvements to IFRS Accounting Standards—Volume 11". The document includes clarifications, simplifications and changes for the purpose of improving the consistency of accounting standards IFRS 1, 7, 9, 10 and IAS 7. The amendment will be effective from 1 January 2026. Earlier application is permitted. The directors do not expect the adoption of this amendment to have a significant impact on the Financial Report.
- On 30 May 2024, the IASB published a document called "Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments". In particular, the amendments aim at:
  - clarifying the classification of financial assets with variable returns associated with environmental, social and governance (ESG) objectives and the criteria to be used for the assessment of the SPPI test;
  - determining that the date of settlement of a liability using an electronic payment system is the same as the date in which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to make it possible to derecognise, before the settlement date, a financial liability that will be settled with cash when specified criteria are met.

With these amendments, IASB also introduced further disclosure requirements about investments in capital instruments designated as FVOCI.

The amendments will apply as of the financial reports starting from 1 January 2026. The directors are currently assessing the possible effects of the introduction of the amendment on this Financial Report.

- On 9 May 2024, the IASB published a document entitled "IFRS 19 - Subsidiaries without public accountability: Disclosures". The new principle introduces reduced disclosure requirements with respect to other IAS/IFRS standards. An entity is only permitted to apply IFRS 19 when:
  - it is a subsidiary;
  - it did not issue any debt or equity instruments for trading in a public market and it is not in the process of issuing such instruments;
  - its parent company produces a Consolidated Financial Report that complies with IFRS Accounting Standards.
  - The new standard will be effective from 1 January 2027. Earlier application is permitted.

The directors do not expect the adoption of the amendment to have a significant impact on this Financial Report.

- On 9 April 2024, the IASB published a document entitled "IFRS 18 - Presentation and Disclosure in Financial Statements", which will replace IAS 1 - Presentation of Financial Statements. The new standard aims to improve the presentation of the main financial statements and introduces significant amendments to the income statement. In particular, the new standard requires entities to:
  - classify income and expenses under three new categories (operating, investing and financing), in addition to the income taxes and discontinued operations categories, already included in the income statement;
  - present two new sub-totals, operating profit and profit before financing and income taxes (i.e. EBIT).

The new standard also:
- requires more information on management-defined performance measures;
- adding new principles for grouping (aggregation and disaggregation) of information; and,
- introduces changes to the statement of cash flows, notably: requiring companies to use the operating profit subtotal as the starting point for reporting cash flows from operating activities using the indirect method; and removing some classification options for currently existing items (for example, dividends and interest paid, dividends and interest received).

The new standard will be effective from 1 January 2027. Earlier application is permitted. The directors are currently assessing the possible effects of the introduction of the amendment on this Financial Report.

Section 2 – Basis of preparation

In terms of the schedules presented and its technical form, this Separate Financial Report has been prepared on the basis of the Bank of Italy's Circular no. 262/2005, as amended (most recently by the 8th amendment dated 17 November 2022, effective for annual reporting periods beginning on or after 31 December 2023) – issued in implementation of art. 9 of Legislative Decree 38/2005 – and the additional instructions provided in separate communications[5].

During preparation, account has been taken of the interpretative and support documents for the application of the accounting standards, issued by the Italian and European regulatory and supervisory bodies and by the standard setters, to the extent applicable[6]. In particular, the most recent ones provided guidelines for better management of "Uncertainties in the use of accounting estimates", better highlighted in the next paragraph dedicated to the topic.

Where not already included in the documents mentioned above, Italian laws on the financial statements of companies[7] and the Italian Civil Code have been taken into consideration.

The Separate Financial Report consists of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Statement of Cash Flow and the Explanatory Notes. It is accompanied by the Directors' Report on Operations.

The currency used in the Financial Report is the Euro. Figures are expressed in thousands of Euro[8].

The general criteria underlying the preparation of the Separate Financial Report are presented below:
- Going Concern[9]: assets, liabilities and off-balance sheet transactions are measured in the context of continuity over time.
- Accrual Basis of Accounting: costs and revenues are recognised on the accrual basis, regardless of when they are settled.
- Materiality and Aggregation: each material class of similar items is presented separately in the Financial Report. Items that are dissimilar in terms of their nature or use are only aggregated if they are individually immaterial.
- Offsetting: assets and liabilities, income and expenses are not offset unless required or permitted by a standard or an interpretation, or by the Bank of Italy's regulations for the preparation of the Financial Statements.
- Frequency of disclosures: information must be prepared annually or more frequently; if an entity changes its accounting reference date, the reason must be indicated together with the fact that the information provided is not comparable.
- Comparative Information: comparative information is disclosed in respect of the previous period for all amounts reported in the Financial Statements, unless required otherwise by a standard or an interpretation.
- Consistency of Presentation: the presentation and classification of items is maintained over time to ensure that information is comparable, unless specified otherwise in new accounting standards or their interpretations, or unless a change is required to improve the meaningfulness and reliability of the amounts reported. The nature of changes in account presentation or classification is described, together with the related reasons; where possible, the new criterion is applied on a retroactive basis.

5 These include the indications contained in Bank of Italy Communication of 14/03/2023 (repealing previous communications of 15 December 2020 and 21 December 2021) with provisions concerning the impacts of Covid-19 and the measures to support the economy and amendments to IAS/IFRS.

6 Reference is made, inter alia, to: ESMA's public statements of 24 October 2024, 25 October 2023, 28 October 2022 and 29 October 2021 concerning the "European Common Enforcement Priorities for Annual Financial Reports" and ESMA's public statement of 13 May 2022 "Implications of Russia's invasion of Ukraine on half-yearly financial reports".

7 In particular, Legislative Decree 136 of 18 August 2015 - Implementation of Directive 2013/34/EU relating to Separate Financial Reports, Consolidated Financial reports and related documents of certain types of companies, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Directives 78/660/EEC and 83/349/EEC, for the part relating to the annual accounts and consolidated accounts of banks and other financial institutions, as well as the publication of the accounting documents of branches, established in a Member State, of credit institutions and financial institutions with registered offices outside that Member State, which repeals and replaces Legislative Decree 87 of 27 January 1992.

8 As regards roundings, reference has been made to the instructions given in Bank of Italy's Circular 262/2005 and subsequent updates, entering the amount due to rounding in "Other assets/Other liabilities" in the balance sheet and "Other operating expense/income" in the income statement.

9 Please refer to the paragraph below, dedicated to the going concern principle, for more information on the assessment generally conducted.

Uncertainties in the use of estimates

The preparation of the Financial Report requires recourse to estimates and assumptions that may affect the amounts recorded in the balance sheet and the income statement, as well as the information about contingent assets and liabilities. The development of such estimates involves the use of available information and the adoption of subjective assessments, partly based on historical experience, in order to make reasonable assumptions for the recognition of operating events. By their nature, the estimates and assumptions used may change from period to period and, accordingly, it may be that the actual amounts recorded in the Financial Report in subsequent periods are significantly different as a consequence of changes in the subjective assessments made.

The principal situations in which management is required to make subjective assessments include:

- quantification of the losses arising from the impairment of loans and, in general, other financial assets;
- determination of the fair value of financial instruments, in particular, the use of measurement models to determine the fair value of financial instruments that are not listed in active markets and those that are not routinely measured at fair value;
- determination of the fair value of owned properties;
- quantification of the provisions for employee benefits and the provisions for risks and charges;
- estimates and assumptions about the recoverability of deferred tax assets;
- measurement of other intangible assets.

Also with reference to the IASB document dated 27 March 2020[10], the usual measurement models adopted by the Bank (in particular, the models used to estimate the ECL and determine the Significant Increase in Credit Risk (SICR) within the framework of IFRS 9 impairment) can be supplemented, also on a recurring basis, for example through the application of "post-model adjustments" in relation to the ECL estimate, or through "collective assessments" [11] supplementing the analytical staging rules, if the information needed for their implementation is not characterised by the "reasonableness and sustainability" requirements needed to fully incorporate the effects of some relevant events for quantifying credit risk, but still not managed by the econometric models used to determine the risk parameters.

Given that this situation continued also in 2024, as a result of the events mentioned later in paragraph "*Method for determining the extent of impairment - Risks and uncertainties inherent in the current macroeconomic environment - Management Overlays applied in the assessment of credit risk*" as causes of uncertainty, the valuations as at 31 December 2024 were also carried out by applying Management Overlays, it being understood that these were also consistent with the indications of the IAS/IFRS standards.

Going Concern[12]

In preparing the Separate Financial Report for the year ended 31 December 2024, the Directors considered the going-concern assumption to be appropriate because they did not find any uncertainties related to events or circumstances that, individually or collectively, could give rise to doubts about the going concern. This assessment took account of the capitalisation of the Bank, which has significant buffer capital with respect to the minimum requirement established by the European Central Bank, as well as the liquidity position and related buffer with respect to the regulatory threshold, and the likely outlook for operations despite the uncertainties linked to the current macroeconomic context.

Inspections and audits

Directors believe that the observations arising from the various inspection areas to which the Bank is subject will not have a significant impact on the income, balance sheet and cash flows of the Bank. Nevertheless, in all cases, suitable action plans are prepared by the Bank in order to ensure a timely response to the recommendations made by the Supervisory Authorities[13].

10 IASB 27 March 2020: "IFRS 9 and Covid-19 – Accounting for expected credit losses applying IFRS 9 Financial Instruments in the light of the current uncertainty resulting from the Covid-19 pandemic".

11 Reference is made to IFRS 9 §§ B.5.5.4-B5.5.9 and the "EBA Guidelines on credit institutions' credit risk management practices and accounting for expected credit losses" (EBA/GL/2017/06) of 20 September 2017.

12 As required by document No. 2 issued with joint signature by the Bank of Italy, CONSOB and ISVAP (now IVASS) on 6 February 2009.

13 For the update of events occurred in 2024 in relation to the inspection areas in which the BPER Banca Group has been involved, please refer to paragraph "Inspections and audits" of the Directors' Report on Group Operations.

Section 3 – Events after the reporting period

This Separate Financial Report was approved on 12 March 2025 pursuant to IAS 10 by BPER Banca's Board of Directors, which authorised its publication.

The significant events that took place after the reporting date of this Separate Financial Report, if any, are presented and described in the section of the Directors' Report on Group operations entitled "*Significant events and strategic transactions*", to which reference should be made for details.

Section 4 – Other aspects

Risks and uncertainties inherent in the current macroeconomic environment - Management Overlays applied in the assessment of credit risk

The persistent uncertainty in the general and sectoral macroeconomic scenario, mainly due to the geopolitical tensions caused before by the armed conflicts in Russia-Ukraine and later by the Middle East, accompanied by measures to combat climate risk with unpredictable effects on the economic and production system, have led the Bank to maintain constant control and continuous monitoring in particular of credit risk and its assessment for treatment in the Financial Report.
In this regard, even in 2024 the Bank carried out dedicated analyses, as better explained in the following paragraph "Method for determining the extent of impairment", aimed at identifying the best method of intervention on the credit risk measurement and forecasting systems, later aligning them with the prevailing context and trying to avoid being excessively pro-cyclical in the definition of collective provisions, as indicated by the Regulators (among others especially ESMA and the ECB).

The following is a summary of the changes made to the assessment of the Expected Credit Loss of the Loan portfolio in relation to the Management Overlays applied as at 31 December 2024 and their impact on the year then ended.

(Figures in Euro millions)

Top-down adjustments	Add-on 31.12.2024	Add-on 31.12.2023	P&L impact 2024
Multi-scenario ECL "expert" correction - macroeconomic scenario weights	(71.4)	(47.6)	(23.8)
High-risk economic sectors (particularly energy-intensive and exposed to Russia risk)	(122.4)	(142.7)	20.3
The Emilia-Romagna flooding	-	(49.9)	49.9
Collective Staging "Emilia-Romagna flooding"	(3.4)	-	(3.4)

It should also be noted that some updates to the risk models adopted by the Bank were implemented in 2024; further information on this is provided in the following paragraph dedicated to the Method for determining the extent of impairment, which had economic impacts as changes in accounting estimates.
In particular, it should be noted that the adjustment of the correction factor to the PD parameter estimated in relation to SME Corporate and Large corporate customers operating in sectors identified as vulnerable, to which the in-model adjustment "vulnerable sectors" was applied, resulted in an increase of Euro 9.5 million in ECL (this action and the relevant impact are to be read jointly with the reduction in the "High risk" overlay highlighted in the table, given that the in-model adjustment in question represents the fully operational method of coverage against "emerging risk" previously mitigated by the overlay applied to "High-Risk" sectors).
A +20% correction factor to the LGD parameter was applied to also reflect, under IFRS 9, the changes already applied under the AIRB following the latest inspection and the related actions required by the ECB, which led to an increase of Euro 81.1 million in ECL. In the last quarter of 2024, to anticipate methodological changes in forward-looking projection models (satellite models), an additional provisioning add-on was calculated for the "Financial corporations" and "Individuals" segments, resulting in an increase in ECL of Euro 19.2 million.

Implementation of the global minimum tax rules for multinational and domestic groups under Pillar 2 and related amendments to IAS 12 on income taxes

In 2013, as part of the BEPS (Base Erosion and Profit Shifting) Project, a complex process of reform of international tax standards was launched at the initiative of the OECD and the G20 countries to address the main gaps in national and international regulations and eliminate the mismatch created by the interaction of individual tax systems. Two projects fit into this process:

- project Pillar 1 aimed at revising the profit allocation rules of the largest and most profitable multinational companies;
- project Pillar 2 aimed at ensuring a level playing field for companies worldwide, preventing a race to the bottom in tax rates and promoting efficient investment and localisation of decisions. This competitive equality would be achieved by applying a system of suitable common rules to ensure that the transnational group pays an effective tax rate of no less than 15% (OECD agreed rate) in each jurisdiction in which it is established.

The Pillar 2 system of rules developed at international level on the basis of the OECD technical guidance was implemented at EU and single market level with Directive No. 2022/2523/EU, adopted by the Council of the European Union on 14 December 2022 and published in the Official Journal of the European Union L 328/2022 of 22 December 2022, which also extended the scope of application to national Groups of EU countries.

The European provisions were then implemented in Italy by Legislative Decree no. 209 of 27 December 2023, published in the Official Gazette of the Italian Republic No. 301 General Series of 28 December 2023 (the "Decree"). However, in order to define the full regulatory framework, it is necessary to await the publication of an implementing ministerial decree, which has not yet been issued.

In particular, the Decree establishes a taxation additional to the ordinary income taxes (the Top-Up Tax), which consists of a minimum supplementary tax (IIR) payable by the Italian-based parent company of multinational or national groups in relation to companies belonging to the group subject to an effective tax rate of less than 15% and a domestic minimum tax (so-called QDMTT) applied by companies belonging to a multinational or national group located in Italy subject to low taxation, until the minimum effective rate of 15% is reached. The purpose of this second tax is to allow supplementary tax to be levied in the country where a low level of taxation has occurred, thus avoiding that all tax is levied in the country of location of the direct or indirect parent company.

The subjective scope of application of the new taxes is limited to companies belonging to multinational and domestic groups with annual revenues of Euro 750 million or more, resulting from the Consolidated Financial Report of the parent company in at least two of the four financial years preceding the financial year under consideration.

The provisions of the Decree apply with respect to financial years beginning on or after 31 December 2023 (1 January 2024 for entities whose financial year coincides with the calendar year).

In view of the imminent entry into force of the new Pillar 2 tax provisions in some jurisdictions, the IASB, responding to stakeholders' concerns about the potential implications of applying the new tax provisions in some jurisdictions, approved a number of amendments to IAS 12 on income taxes on 23 May 2023. In particular, the amendments to the standard introduce a temporary mandatory exception to the recognition of deferred tax assets and liabilities related to the minimum additional tax introduced with the implementation of the Pillar 2 regulations and some specific disclosure requirements both for periods when the Pillar 2 legislation is in force or substantially in force but not yet effective, and for periods when the regulations will be effective. These disclosure requirements can be applied as from annual financial statements beginning on or after 1 January 2023.

Specifically, an entity is asked to:

- disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes;
- disclose separately its current tax expense (income) related to Pillar 2 income taxes;
- in periods in which Pillar 2 legislation is enacted or substantively enacted but not yet in effect, an entity shall disclose known or reasonably estimable information that helps users of the Financial Report understand the entity's exposure to Pillar 2 income taxes arising from that legislation.

In order to meet the disclosure objective, the entity shall disclose qualitative and quantitative information about its exposure to Pillar 2 income taxes at the end of the reporting period. This information does not have to reflect all the specific requirements of the Pillar 2 legislation and can be provided in the form of an indicative range. To the extent information is not known or reasonably estimable, an entity shall instead disclose a statement to that effect and disclose information about the progress in assessing its exposure.

In subjective terms, the Bank meets the quantitative requirement of the new Pillar 2 regulation and is therefore potentially impacted by it; for this reason, it is closely monitoring the progress of regulations in Italy and Luxembourg, where it currently operates.

The exposure to Pillar 2 income taxes for the Bank essentially derives from the effective tax rate, which is calculated separately for each financial year and for each country of operation. This rate is equal to the ratio of the country's adjusted relevant taxes to the country's relevant net income.

To limit the administrative and compliance expenses for multinational groups and fiscal administrations, called upon to respectively apply and monitor the correct application of the global minimum tax rule during the initial period (for periods starting before 31 December 2026 and ending not after 30 June 2028), operators that meet specific requirements are given the possibility to use 'transitional safe harbours' based on data mostly deriving from the Country-by-Country Report. With regard to Italy, the implementing provisions of the aforementioned transitional safe harbours are set out in the Ministerial Decree of 20 May 2024, published in the Official Journal of 28 May 2024, issued pursuant to art. 39, paragraph 3, of Italian Legislative Decree n. 209 of 23 December 2023 which, in line with the common approach, completed the regulatory framework on global minimum tax rules.

On the basis of the estimates and data available to date, the Bank appears to meet the requirements to access the transitional safe harbours and, thus, is not subject to the obligation to pay the minimum additional tax. For this reason, no Pillar 2 current taxes have been recognised in the Separate Financial Report as at 31 December 2024, nor have any deferred taxes been recognised with reference to the regulation in question, in compliance with the temporary exemption in this regard set by IAS 12.

Domestic tax group election

BPER Banca has exercised the option as the consolidating company together with its subsidiaries listed in the table below for the "domestic tax consolidation" regime, governed by Articles 117-129 of the Consolidated Income Tax Act and introduced by Legislative Decree No. 344/2003 and subsequent amendments.
Domestic tax consolidation consists of a scheme, applicable on an optional binding basis for three years, by individual companies connected by a relationship of control pursuant to article 117 of the Consolidated Income Tax Act, whereby, for the consolidating company or entity, a single IRES tax base (taxable income or tax loss) is determined for the group of companies calculated as the algebraic sum of the tax base of the individual companies adhering to this scheme, as emerges from their respective tax returns.

2023 was the final tax period during which the option exercised by Sardaleasing s.p.a. and Bibanca s.p.a. was effective. However, during 2024, these companies and the consolidating company resolved to renew the option for the scheme in question for the three-year period 2024-2026. This renewal was formally communicated to the tax authorities through the submission of the income tax return of the consolidating company for the 2023 tax period.
As at 31 December 2024, the option expired for Banco di Sardegna s.p.a., BPER Trust Company s.p.a., and BPER Real Estate s.p.a.; however, it is expected that the option will be renewed for the three-year period 2025-2027 when the company's tax return for the 2024 tax year is submitted.

Consolidated companies	2022	2023	2024	2025	2026
Banca Cesare Ponti s.p.a.		x	x	x	
Bibanca s.p.a.			x	x	x
Banco di Sardegna s.p.a.	x	x	x		
BPER Factor s.p.a.		x	x	x	
Sardaleasing s.p.a.			x	x	x
BPER Trust Company s.p.a.	x	x	x		
BPER Real Estate s.p.a.	x	x	x		
Finitalia s.p.a.		x	x	x	
Arca Fondi SGR s.p.a.		x	x	x	
Arca Holding s.p.a.		x	x	x	

Information on public disbursements pursuant to art. 1, paragraph 125 of Law 124 of 4 August 2017 ("Annual market and competition law")

Law 124 of 4 August 2017 "Annual law for the market and competition" (hereafter Law 124/2017) introduced a series of measures designed to ensure transparency in the public disbursements system (art. 1, paragraphs 125[14] to 129). In particular, this law states that companies should provide in the Explanatory Notes to the Separate Financial Report and in the Consolidated Explanatory Notes, if any, information relating to "grants, contributions, remunerated offices and economic advantages of any type" (hereinafter referred to as "public disbursements") received from Public Administrations and other subjects indicated by the said law. Non-compliance with the disclosure requirement results in an administrative penalty of 1% of the amount received, with a minimum of Euro 2,000. At a later stage, the law requires return of the public disbursement[15].
In order to avoid publishing insignificant information, there is no disclosure requirement for public disbursements of less than Euro 10,000 received by the same party.
Since August 2017, the National State Aid Register has been active in the Executive Board for incentives to companies of the Ministry of Economic Development, in which State aid and de minimis aid payments to any company by subjects that grant or manage such aid have to be published. For individual aid granted to the Bank, please refer to the "Transparency of the Register" section, whose access is publicly available.
That said, in compliance with the provisions of art. 1, paragraph 125, of law 124 of 4 August 2017, the amounts collected during 2024 by BPER Banca and by the subsidiaries by way of "grants, contributions, remunerated offices and economic advantages of any type" are listed below.

(in thousands of Euro)

Companies	Type of grants	Amounts received in 2024
BPER Banca s.p.a.	Regulation for inter-professional funds for continuing education for the granting of exempted State aid pursuant to EC regulation 651/2014 and under a de *minimis* aid scheme pursuant to EC regulation 1407/2013	2,380
BPER Banca s.p.a.	Grants for photovoltaic incentives	18
BPER Banca s.p.a.	Company nursery/kindergarten contributions	3

Audit

The Separate Financial Report of BPER Banca s.p.a. as at 31 December 2024 has been audited by Deloitte & Touche s.p.a., which was appointed for the period 2017-2025 at the Shareholders' Meeting held on 26 November 2016, as required by Legislative Decree 39 of 27 January 2010.

14 Paragraph expanded by art. 35 of Law Decree 34/2019. Paragraphs 126 to 129 not amended.
15 As stated in Assonime Circular no. 32 dated 23 December 2019.

A.2 – MAIN ITEMS IN THE FINANCIAL STATEMENTS

Classification of Financial assets - Business Model and SPPI test (items 20, 30 and 40)

IFRS 9 requires financial assets represented by loans and receivables and debt securities to be classified into three accounting categories, using the following criteria:

- the business model used to manage them;
- the contractual characteristics of the cash flows of financial assets (or SPPI tests).

The classification of financial assets depends on a combination of these two criteria, as indicated below:

- Financial assets measured at amortised cost (AC): assets that include the “Hold to collect” business model (HTC) and pass the SPPI test;
- Financial assets measured at fair value through other comprehensive income (FVTOCI): assets that include the “Hold to Collect & Sell” business model (HTCS) and pass the SPPI test;
- Financial assets measured at fair value through profit or loss (FVTPL): assets that provide for an “Other” business model or, on a residual basis, assets that cannot be classified in the previous categories due to the negative outcome of the SPPI test.

Business Model

The Bank has identified its own Business Models taking into consideration the core business sectors in which it operates, the strategies adopted to date in order to realise the cash flows of the assets in portfolio, as well as the strategic forecasts of business development.

The Bank’s core business is related to the generation and management of credit relationships for the Retail and Corporate sectors (including Large Corporate) and, therefore, follows a logic of holding them presumably until they expire in order to collect the contractual cash flows. According to IFRS 9, this operation is attributable to a “Hold to Collect” type Business Model.

Another sector of activity for the Bank, supporting the pursuit of banking objectives, is the Finance sector which includes the balance sheet and income statement items of the Bank deriving from treasury activities, management of proprietary portfolios, access to financial markets and specialist operational support to the sales network.

For the purpose of identifying the Business Model in the Finance sector, the analysis linked the relevant activities carried on by the finance department to management of the proprietary portfolios.

- Investment Banking Book, consisting of the set of instruments managed collectively in order to reduce volatility on the interest margin. This type of portfolio mainly pursues a strategy of holding financial instruments to maturity, thereby sterilising market risk. The strategy of this portfolio therefore involves management of the principal risks such as credit risk, interest rate risk and sovereign risk.
  In application of IFRS 9, this portfolio has been included in the “Hold to Collect” Business Model.
- Liquidity Banking Book, consisting of a set of financial instruments whose strategy is aimed at holding them in order to manage liquidity and optimise the risk-return profile. This type of portfolio pursues investment strategies in order to:
  - optimise net interest income;
  - increase the amount of assets that can be readily liquidated to mitigate the Bank’s exposure to liquidity risk;
  - diversify credit risk.

  The strategy of this portfolio involves management of the principal risks such as liquidity risk, credit risk, interest rate risk, market risk and sovereign risk. In application of IFRS 9, this portfolio has been included in the “Hold to Collect & Sell” Business Model.
- Trading portfolio, consisting of a set of financial instruments for trading purposes (government securities, ETFs, structured securities, UCITS units, ABS, etc.), guaranteeing the management of market risk. The profit purpose of this portfolio is mainly pursued through the change in the fair value of the instruments.
  The strategy of this portfolio involves management of the principal risks such as market risk, credit risk, interest rate risk and sovereign risk. In application of IFRS 9, this portfolio has been included in the “Other” Business Model.
- Customer Trading Portfolio, consisting of financial assets repurchased from customers, or held to offer an investment service to them (residual portfolio). In application of IFRS 9, this portfolio has been included in the “Other” Business Model.
- Capital Market, consisting of financial instruments held for market making on securities (government, supranational, corporate, covered bond and government guaranteed debt securities), guaranteeing the management of market risk. The profit purpose of this portfolio is mainly pursued through the change in the fair value of the instruments. The strategy of this portfolio therefore involves management of the principal risks such as market risk, credit risk, interest rate risk and sovereign risk. In application of IFRS 9, this portfolio has been included in the “Other” Business Model.

IFRS 9 envisages the possibility of modifying the Business Model, highlighting that the situations that lead to this change are “very infrequent”, to be attributed to significant events (internal or external) that affect the management strategy (and therefore

derive from decisions of Senior Management of the Entity); in addition, they must be adequately supported by resolutions and linked to events or objective facts evidenced also towards third parties.
The change in business model must also take place before the consequent reclassification of the assets affected by that change, which is possible only on the first day of the next reporting period.

Regarding the combination of frequency and significance thresholds, the Bank has defined quantitative limits (both in relative terms with respect to the portfolio size, and in absolute terms) to be applied to sales made on the "Hold to Collect" portfolio.
It also defines the concepts of "proximity to maturity", identifying the 12 months prior to the repayment date, and "increasing credit risk" in line with the staging criteria described below (classification in Stage 2 allows the sale of instruments).

SPPI Test

In order to analyse the characteristics of the contractual cash flows deriving from financial assets (loans and receivables, and debt securities), BPER Banca has defined an SPPI test based on 12 decision-making trees, so as to consider all the contractual characteristics relevant to the test.
BPER Banca has also adopted some assumptions regarding both the loan portfolio and the debt securities portfolio. The main choices are shown below:

- in relation to the debt securities portfolio, the mutual fund units, both open and closed-end, fail the SPPI test. In relation to the securities issued as part of securitisation transactions, for the purposes of credit risk assessment it has been assumed that the mezzanine and junior tranches generally bear a higher credit risk than the average risk of the underlying portfolio of instruments and, consequently, fail the test;
- in relation to the Benchmark Cash Flow Test (BCFT) required in situations of mismatch between "tenor" and periodicity of the "refixing" of interest rates, it was agreed that the change in the "time value of money element" should be considered significant for instruments indexed to parameters with a tenor higher than a year and, consequently, these fail the SPPI test.

Below are the references to the accounting recognition criteria (criteria for Recognition, Classification, Measurement, Derecognition of assets and liabilities, as well as criteria for Recognition of income) adopted for the main balance sheet items/ transactions carried out in the preparation of this Separate Financial Report.

1. Financial assets measured at fair value through profit or loss

Recognition

Financial assets represented by debt or equity instruments are initially recognised on the settlement date, while derivative contracts are recognised on the date of signature.
In particular, any changes in the fair value of the asset to be received between the settlement date and the earlier arrangement date are recognised at the time of settlement, in the same way in which the asset acquired is recorded.
Financial assets measured at fair value through profit or loss are initially recorded at fair value; unless stated otherwise, this is represented by the consideration paid for the transaction, without considering any related costs or income attributable to them, which are recorded directly in the income statement.

Classification

a) financial assets held for trading

Financial assets held for trading comprise those whose business model is defined as "Other". This business model applies to financial assets whose cash flows will be generated from their sale.
This also includes equity securities held for trading, for which it is not possible to exercise the irrevocable choice to present subsequent changes in fair value in the statement of other comprehensive income.
Additionally, the model includes investments in mutual funds that are held for trading and trading derivatives.

b) financial assets designated at fair value

This category comprises the financial assets for which the fair value option has been exercised.

c) other financial assets mandatorily measured at fair value

This category includes financial assets whose business model is defined as "Hold to Collect" or "Hold to Collect & Sell", but which fail the SPPI test and therefore do not satisfy the requirements for classification therein.
It also includes equity instruments not held for trading for which no irrevocable election was made to recognise subsequent changes in fair value in the statement of other comprehensive income.
Additionally, the category includes investments in mutual funds that are not held for trading.

Measurement

Subsequent to initial recognition, these assets continue to be measured at fair value. If the fair value of derivatives classified as "*Financial assets held for trading*" becomes negative, this item is recognised as a financial liability in the "*Financial liabilities held for trading*".
The methods used to determine the fair value are reported in the chapter "Information on fair value".

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows deriving from them expire, when substantially all the risks/benefits associated with them are assigned, or when substantial changes are made to them.
If the Bank sells a financial asset classified among the "*Financial assets measured at fair value through profit or loss*", it is derecognised on the transfer date (settlement date).

Criteria for the recognition of income

The positive components of income, represented by the interest income deriving from financial assets classified as "*Financial assets measured at fair value through profit or loss*", are recognised on an accruals basis in the "interest" item of the income statement.
Gains and losses deriving from changes in the fair value of "*Financial assets measured at fair value through profit or loss – financial assets held for trading*" are recognised in income statement item "*Net income from trading activities*".
Gains and losses deriving from changes in the fair value of financial assets designated at fair value are recognised in income statement item "*Net income on other financial assets and liabilities measured at fair value through profit or loss: a) financial assets and liabilities measured at fair value*", while the other financial assets mandatorily measured at fair value are recognised in item "*Net income on other financial assets and liabilities measured at fair value through profit or loss: b) other financial assets mandatorily measured at fair value*".

2. Financial assets measured at fair value through other comprehensive income

Recognition

Financial assets represented by debt or equity instruments are initially recognised on the settlement date, while loans are recognised on the pay-out date.
On initial recognition, these financial assets are recorded at their fair value, which usually corresponds to the consideration paid, inclusive of the transaction costs or income directly attributable to the instruments concerned.

Classification

This category comprises:

- financial assets whose defined business model is "Hold to Collect & Sell" (HTC&S) and whose contractual terms pass the SPPI test;
- investments in equity instruments, held for purposes other than trading, for which an irrevocable election was made on initial recognition to record subsequent changes in fair value in the statement of other comprehensive income.

Measurement

Subsequent to initial recognition, these financial assets continue to be measured at fair value. Changes in the fair value of financial assets included in the HTC&S business model (debt securities) are classified in a specific equity reserve, net of Expected Credit Losses and the related tax effect. Changes in the fair value of investments in equity instruments for which the above irrevocable election was made are also classified in a specific equity reserve, net of the related tax effect.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows deriving from them expire, when substantially all the risks/benefits associated with them are assigned, or when substantial changes are made to them.

If the Bank sells a financial asset classified among the "*Financial assets measured at fair value through other comprehensive income*", it is derecognised on the transfer date (settlement date).

Recognition of components affecting the income statement

The components of income deriving from "*Financial assets measured at fair value through other comprehensive income*", excluding investments in equity instruments for which the above irrevocable election has been made, are recognised as described below:

- interest is calculated using the effective interest rate, i.e. the rate that exactly discounts cash flows over the expected life of the instrument (IRR rate). The IRR is determined taking into account any discounts or premiums on the acquisition, costs or commissions that are an integral part of the carrying amount;
- Expected Credit Losses recognised during the period are recorded in the item "Net impairment losses for credit risk relating to: b) financial assets measured at fair value through other comprehensive income";
- on derecognition, the amount accumulated in the specific equity reserve is released to the income statement item "*Gains/ Losses on disposal or repurchase of: b) financial assets measured at fair value through other comprehensive income*".

With regard to investments in equity instruments for which the above irrevocable election has been made, only the related dividends are recognised in the income statement, in the item "*Dividends and similar income*". Changes in fair value subsequent to initial recognition are recorded in a specific equity reserve; on derecognition, the amount accumulated in the above reserve is not released to the income statement, but is reclassified among the profit reserves of equity.

3. Financial assets measured at amortised cost

Recognition

Financial assets represented by debt instruments are initially recognised on the settlement date, while loans are recognised on the pay-out date; this item includes:

- loans to banks[16];
- loans to customers.

The initial value reflects the fair value of the financial instrument, generally representing the amount of the loan granted inclusive of the costs/income directly attributable to each instrument, or the subscription price in the case of debt instruments.

Classification

This category comprises the financial assets whose defined business model is "Hold to Collect" and whose contractual terms pass the SPPI test.

The "*Financial assets measured at amortised cost*" item includes loans to customers and loans to banks.

These items comprise commercial loans, repurchase agreements, loans originated by finance leases (recognised using the "financial method" pursuant to IFRS 16) and debt securities.

The Bank has classified financial instruments (loans) purchased without recourse as "*Financial assets measured at amortised cost*", after checking that no contractual clauses prevent the transfer of substantially all risks and benefits. Advances paid to the assignor of portfolios purchased with recourse are also classified in that category.

Measurement

After initial recognition, loans are valued at their amortised cost, corresponding to the initially recognised amount less principal repayments, net adjustments and amortisation - calculated using the effective interest method – of the difference between the amount paid out and the amount repayable on maturity, which is generally attributable to the costs/income directly allocated to the individual loans.

The effective interest rate is the rate that discounts the flow of estimated payments over the expected duration of the loan back to its initial net book value, inclusive of directly-related costs and revenues. In financial terms, this method of recognition distributes the economic effect of these costs and revenues over the expected residual life of the loan.

The amortised cost method is not used in relation to short-term loans (up to 12 months), since the effect of discounting would be negligible. These loans are stated at historical cost.

Costs and revenues relating to loans without a fixed term or repayable on demand are recorded directly in the income statement.

At each reporting date, financial assets measured at amortised cost are adjusted for impairment by recognising any Expected Credit Losses - ECL. Any adjustments are recorded in the income statement.

16 In accordance with the Bank of Italy Circular 262, all on demand loans to banks and central banks in the technical forms of deposits and current accounts, are recognised in item 10 "Cash and cash equivalents", despite continuing to respect the criteria for the recognition, measurement, derecognition and recognition of components affecting the income statement of the category "Assets at amortised cost".

The following items fall within this sphere, with specific assessment methods:

- Non-performing loans (in "Stage 3") which have been assigned the status of bad, unlikely to pay or past due loans in compliance with the current rules of the Bank of Italy's supervisory regulations, in line with IAS/IFRS and European supervisory regulations[17]. The amount of the adjustment of each balance is equal to the difference between its book value at the time of measurement (amortised cost) and the present value of expected future cash flows. The estimate of expected cash flows, as part of the internal recovery scenario (known as: "workout scenario"), comes from assessing analytically the position of bad loans and unlikely-to-pay loans with exposures above the thresholds set by internal procedures. The expected losses on bad loans and UTP loans below the thresholds established by internal regulations and on past due loans are determined using statistical impairment methodologies. The alternative scenario to internal recovery, i.e. related to the sale of non-performing loans on the secondary market (known as the "disposal scenario"), generally involves flows estimated on a statistical basis[18]. For further details on the models adopted by the Bank to estimate the Expected Credit Losses (ECL) on non-performing loans, please refer to the paragraph below, entitled "*Methods for determining impairment losses - Impairment*". Any adjustments are recorded in the income statement.
- The original value of loans is reinstated in subsequent periods, to the extent that the reasons for the provisions made cease to apply, on condition that this assessment is objectively linked with events that took place subsequent to such impairment loss. Possible write-backs, also recognised in the income statement, may not exceed the amortised cost that the loan would have had if no impairment losses had been previously recognised.
- Ordinary loans, classified as performing loans, feed "Stage 1" and "Stage 2"; the measurement is carried out periodically in a differentiated manner, according to the ECL model adopted by the Bank, at 12 months or lifetime, respectively, the characteristics of which are summarised in the paragraph below "*Methods for determining impairment losses - Impairment*".

Forborne exposures, which by their nature can be classified as either non-performing or performing, are subject to the same valuation methods described above. If these are performing loans, the classification is in Stage 2. Any contractual modifications made subsequent to initial recognition generally result, for Forborne exposures, in a change in the amount of the loan, with an impact on the income statement item "Gains (Losses) from contractual modifications without derecognition".
With regard to the way in which Forborne receivables are identified, please refer to the Part E -Credit risk of these Explanatory Notes.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows deriving from them expire, when they are assigned with transfer of substantially all the risks/benefits associated with them, or when substantial changes are made to them (including, for example, change of the debtor, modification of the reference currency, modification of the technical form of disbursement, or introduction of clauses that could modify the positive outcome of the SPPI test).
The partial write-off of non-performing exposures, made in accordance with the Bank's policies set out in the paragraph "Write-offs" of Part E, Section 2.1 - Credit Risk of these Explanatory Notes, also constitute grounds for partial derecognition.
If the Bank sells a financial asset classified among the "*Financial assets measured at amortised cost*", it is derecognised on the transfer date (settlement date).

Recognition of components affecting the income statement

The interest on instruments measured at amortised cost (loans to banks and loans to customers) is calculated using the effective interest method, i.e. using the rate (IRR) that discounts the related cash flows exactly over the expected life of the instrument concerned. The IRR and, therefore, the amortised cost are determined having regard for any acquisition discounts or premiums, costs or commissions that are an integral part of the discounted cost.
Interest on non-performing loans is calculated on the net exposure of the Expected Credit Losses.
Write-downs or write-backs deriving from the model of adopted Expected Credit Losses are recognised in the income statement in the item "*Net impairment losses for credit risks*".
Amounts deriving from alignment of the carrying amounts of financial assets to reflect changes in their contractual cash flows that do not result in accounting derecognition are recognised in the income statement item "*Gains (losses) from contractual modifications without derecognition*".

17 The scope of non-performing loans (or those in default) defined in art.178 of EU Reg. 575/2013 (CRR) complies with EBA Guidelines for applying the definition of default and the subsequent EU Reg. 1845/2018. The application of this regulations involved the following:
- alignment of internal classifications within the Group;
- application of the materiality thresholds to credit obligations past due, without any offset between lines of credit;
- application of the concept of "unlikely to pay", in relation to which a change in NPV of more than 1% following contractual modifications is considered substantial;
- application of the "classification contagion" rules to counterparties that are associated with or belong to groups of connected customers;
- application of rules for managing the cure period that, in addition to an observation period of 12 months for forborne positions, envisages a minimum period of 3 months for other UTP positions.

18 Counterparties classified as "Individuals" are always assessed on a statistical basis, regardless of the defined threshold.

4. “Hedging transactions”

BPER Banca has adopted Chapter 6 Hedge Accounting of IFRS 9. Only macro-hedging is still accounted for under IAS 39.

Recognition

Hedges are arranged to neutralise losses that may be incurred in relation to a given element or group of elements, as a consequence of a given risk, via profits that would be earned on another element or group of elements should that particular risk crystallise. There are two types of hedge:

- fair value hedges: arranged to hedge the exposure to changes in the fair value of a balance sheet item;
- cash flow hedges: arranged to hedge the exposure to changes in future cash flows attributable to specific balance sheet items.

Classification

Financial instruments are designated as hedges when the relationship between the hedged and the hedging instrument is adequately documented and formalised, if the hedge is effective both at the start and prospectively throughout its life.

Measurement

Hedging derivatives are measured at their fair value.
The method of accounting for the gains and losses deriving from changes in fair value depends on the type of hedge:

- fair value hedge: the change in the fair value of the hedged element representing the hedged risk is recognised in the income statement, together with the change in the fair value of the derivative instrument; any difference, which represents the ineffective portion of the hedge, determines the consequent net economic effect.
- cash-flow hedge: to the extent that the hedge is effective, changes in the fair value of the derivative are recognised in shareholders’ equity; they are only recognised in the income statement when changes in the cash flows from the hedged item need to be offset, or when the hedge becomes ineffective.

Micro-hedging

In application of the IFRS 9, hedging relationships must satisfy the following requirements:

- there has to be an economic relationship between the hedged item and the hedging instrument;
- there must not be a predominance of credit risk within the fair value changes relating to this economic relationship;
- the definition of a hedge ratio that identifies the quantities of hedged items and hedging instruments considered in the hedging relationship, so as not to create a mismatch that generates an element of ineffectiveness that does not correctly reflect the objectives of the hedge.

BPER Banca monitors compliance with these requirements when defining the hedging strategy and throughout its duration; in particular, the presence of an economic relationship between the hedged item and the hedging instrument is identified in the first instance through a qualitative analysis of the characteristics of the two instruments and, in the event that they are imperfectly matched, a further quantitative analysis is carried out to verify the presence of a high degree of prospective correlation between the two (so-called “prospective hedge effectiveness testing” as explained below).

Even if not required by IFRS 9, for the sole purpose of further confirming the qualitative verification that there is an economic relationship between the hedged item and the hedging instrument, BPER Banca has chosen to maintain the pre-existing system of quantitative tests to verify the effectiveness of hedging relationships (adapted to the new characteristics of the relationships) according to the so-called “Dollar Offset Method”. This method involves comparing the change in fair value of the hedging instrument with that of the hedged instrument within a given time frame. The two changes must be attributable only to the type of risk being hedged.
The Bank confirms the existence of the economic relationship when changes in the fair value of (or cash flows from) the hedging instrument, caused by the hedged risk factor, almost entirely offset those of the hedged instrument (the percentage limits fall into the range between 80% to 125%).
This monitoring is carried out on a quarterly basis, using:

- prospective tests that justify the application of hedge accounting, by demonstrating the expected effectiveness of the hedge, especially in situations of imperfect matching between the characteristics of the hedging instrument and the hedged item;
- retrospective tests that show the effectiveness of the hedge during the period under review. In other words, they measure by how much the actual results differ from the perfect hedge, even if they no longer provide binding elements with respect to maintaining the relationship.

Macro-hedging

Pursuant to para. 78 c) of IAS 39, the hedged item in a portfolio hedge of interest rate risk can be a portion of the portfolio of financial assets or financial liabilities that share the risk being hedged. Designation of a net amount including assets and liabilities as a hedged item is not permitted.

All of the assets or liabilities from which the hedged amount is drawn must be:
- items whose fair value changes in response to changes in the interest rate being hedged; and
- items that may be individually fair value hedged.

In the case of a portfolio hedge, the changes in the fair value of the hedged instrument are recognised as a gain or loss in profit or loss, but with no need for them be allocated to individual assets or liabilities. These changes are in fact classified in a separate Balance Sheet item that includes the adjustments to the value of the assets or liabilities that make up the hedged item (if the hedged items are financial assets: the item "*Change in value of macro-hedged financial assets"; if they are financial liabilities: the item "Change in value of macro-hedged financial liabilities*").

As part of the identified hedging relationship, the methodology used to identify the hedged amount and to measure the effectiveness of the hedge must be specified. In particular, BPER Banca provides for the following to be indicated:
- the methodology used to determine repricing dates;
- the number and duration of the repricing period;
- the expected frequency of effectiveness tests;
- the methodology used to determine the amount of assets/liabilities that is designated as the hedged amount;
- the methodology used to test the effectiveness of hedges.

The hedge effectiveness test is carried out periodically, specifically on a quarterly basis. The method chosen for conducting the test is the Dollar Offset Method, with relevant thresholds for the ratio of the change in fair value between the hedged item and the hedging instrument set at 80% - 125%.

Derecognition

If transactions do not meet the effectiveness test, hedge accounting - as described above - is terminated and the derivative contract is reclassified as an instrument held for trading, with recognition of the related impacts in the income statement. Hedge accounting is also terminated in the following situations:
- the hedged item is sold and redeemed;
- the hedging instrument expires, is sold, terminated or exercised.

Recognition of components affecting the income statement

Income elements are allocated to the relevant income statement items on the following basis:
- spreads earned on derivatives that hedge interest-rate risk (and the interest on the hedged positions) are allocated to the items "*Interest and similar income*" or "*Interest and similar expense*";
- capital gains and losses deriving from the measurement of hedging instruments and the positions covered by fair value hedges are allocated to the "*Net income from hedging activities*" item;
- capital gains and losses deriving from measurement of the effective part of cash flow hedges are allocated to a specific valuation reserve in equity called "*Reserve for cash flow hedges*", net of the related deferred tax effect. Gains and losses relating to the ineffective part of such hedges are recorded in the "*Net income from hedging activities*" item of the income statement.

In the case of hedging equity instruments for which the option for recognition in the statement of other comprehensive income of subsequent fair value changes has been irrevocably exercised, the capital gains and losses deriving from the measurement of hedging derivatives, relating to the hedged component, are allocated to the same shareholders' equity item.

5. Equity investments

Recognition

Equity investments are recognised on the settlement date. Equity investments are recorded at cost on initial recognition, including any costs and revenues directly attributable to the transaction.

Classification

This item includes:
- subsidiaries;
- jointly controlled companies;
- lower-value investments.

Measurement

IAS 27, IAS 28 and IFRS 11 require that subsidiaries, companies subject to joint control and associates shown in the company's Financial Statements should be measured either at cost, the solution that which the Bank has chosen, or at fair value, in compliance with IFRS 9, or according to the equity method.

If there is evidence that an investment in an associate may be impaired, its recoverable amount is estimated with reference to the present value of future cash flows, including the expected proceeds from the future sale of the investment.
If the recoverable amount is lower than the carrying amount, the difference is charged to the income statement under item "*Gains (Losses) on equity investments*", as described in the paragraph below "*Methods for determining impairment losses - Impairment*"
If the reasons for making the impairment loss cease to apply as a result of an event subsequent to recognition of the impairment loss, the related write-back is credited to the income statement without exceeding the amount of the impairment loss previously recorded.
The Parent Company's share of any losses of the investee, exceeding the book value of the investment, is recorded in a specific reserve to the extent that the company is required to fulfil legal or implicit obligations of the investee, or, in any case, to cover its losses.

Derecognition

Equity investments are derecognised when the contractual rights to the cash flows deriving from them expire, or when they are assigned with transfer of substantially all the risks/benefits associated with them.

Recognition of components affecting the income statement

Dividends are recorded in the "*Dividends and similar income*" item when the right to collection is established.
Any impairment losses/write-backs relating to the impairment of equity investments and gains or losses on the disposal of equity investments are recorded in the item "*Gains (Losses) of equity investments*".

6. Property, plant and equipment

Recognition

Property, plant and equipment are initially recorded at purchase price, including all directly attributable costs of purchasing and bringing the asset to working condition.
Expenditure on improvements that will generate future economic benefits is added to the value of the assets concerned, while routine maintenance costs are charged to the income statement.
Leases (in which the Bank is the lessee) are recognised (pursuant to IFRS 16) using the "right of use" model. At the initial recognition date, the value of the right of use is equal to the initial recognition value of the lease liability, adjusted for the following components:

- payments due for leases made on or before the effective date, net of lease incentives received;
- direct initial costs incurred by the lessee;
- an estimate of the costs that the lessee will incur for the dismantling and removal of the underlying asset and for the restoration of the site on which it is located or for the restoration of the underlying asset under the conditions set by the terms and conditions of the lease.

When the asset is made available to the Bank for its use (initial recognition date), the related right of use is recognised.

In identifying the rights of use, the Bank applies the "simplifications" permitted by IFRS 16; contracts with the following characteristics are therefore not considered:

- "Short-term", i.e. with a residual life of less than 12 months;
- "Low-value", i.e. with an estimated value of the asset of less than Euro 5,000.

As regards the other application choices adopted by the Bank, it should be noted that:

- with reference to the duration of the "property" leases, the Bank considers as "reasonably certain" only the first renewal period, subject to contractual clauses and specific circumstances that involve considering different contractual durations;
- as regards "Cars" and "Other contracts", the Bank makes use of the practical expedient by which the lessee is allowed to not separate the lease components from the other components, treating them as a single lease component. As regards property leases, the Bank considers the non-lease component as not material.

Classification

Property, plant and equipment comprise land, property used for operating purposes, installations, furniture, furnishings and all types of equipment.
These are property, plant and equipment that will be used for more than one accounting period and which are held for use in the

production of business or the supply of goods and services, for rental to third parties or for administrative purposes.
Rights of use acquired under leases (in the capacity of lessee) are included, if these rights relate to assets classified as property, plant and equipment.
This item also includes assets awaiting finance lease and assets under construction intended for finance leasing (in the capacity of lessor), in the case of contracts "with retention of risks", as well as assets granted under operating leases (again as lessor).
The item also includes Property, plant and equipment classified according to IAS 2 "Inventories".
This item also includes leasehold improvements, relating to identifiable and separable property, plant and equipment.

Measurement

After their initial recognition, property, plant and equipment, including rights of use, are measured under the cost model, net of accumulated depreciation and impairment, with the exception of the following categories:
- own properties used in operations (IAS 16), which are measured under the revaluation model, according to which property, plant and equipment, whose fair value can be reliably determined, are recognised at a restated value, equal to the fair value at the date of the restatement, net of accumulated depreciation and any accumulated impairment losses;
- properties held for investment purposes (IAS 40), including rights of use, which are measured according to the fair value method, by which all property investments are measured at fair value and no longer subject to depreciation or impairment test;
- Inventories of property (IAS 2), which are measured at the lower of cost and net realisable value, represented by the estimated selling price less the estimated costs of completion and other costs necessary to make the sale.

After initial recognition, at the end of each financial period, the following accounting entries may take place for properties used in operations (IAS 16):
- if the carrying amount has increased following a restatement, the increase must be recognised in a specific revaluation reserve in shareholders' equity. However, the increase has to be recognised in the income statement to the extent that it reinstates a write-down of the same asset previously recognised in the income statement;
- if the carrying amount has decreased following a restatement, the decrease must be recognised in the income statement. However, the decrease has to be recognised in the statement of other comprehensive income as a revaluation surplus, to the extent that there are any credit balances in the revaluation reserve that refer to this asset. The decrease recognised in the statement of other comprehensive income reduces the amount accumulated in equity under the revaluation reserve.

When a property used in operations (IAS 16) is revalued, the carrying amount of the asset is brought into line with the revalued amount by eliminating accumulated depreciation against the gross carrying amount of the asset (a.k.a."elimination approach").
For properties held for investment purposes (IAS 40), on the other hand, following initial recognition and at each reporting date, the following is recognised in the income statement:
- a positive income component in the event of a positive difference between the fair value and the carrying amount;
- a negative income component in the event of a negative difference between the fair value and the carrying amount.

For more information on how to determine the fair value of properties, please refer below to paragraphs - "*Information on fair value*", "*Methods and frequency of identifying the fair value of own properties*".

Property, plant and equipment are systematically depreciated over their useful life, identified by single homogeneous category or, for real estate assets, charged to the individual property at the time of initial registration, adopting the straight-line method of depreciation, with the exception of:
- land acquired separately or included in the value of property (excluding value in use on buildings), since it has an indefinite useful life. The value of land included in property is deemed to be separable from the value of buildings; the division between the value of the land and the value of the building takes place on the basis of independent expert appraisals;
- properties held for investment purposes as, being valued at fair value, they are not subject to depreciation;
- works of art, since the useful life of a work of art cannot be estimated and its value normally appreciates over time;
- inventories classified in accordance with IAS 2.

The useful life of business assets is reviewed at least once a year, at the end of each accounting period, and any change with respect to the previous year is treated as a change in accounting estimate, governed by IAS 8. It is therefore accounted for prospectively, determining an impact on the depreciation charge of the year in which the change takes place and on the depreciation charges of subsequent years.
If there is any evidence at a reporting date that the value of an asset may be impaired, its carrying amount is compared with its recoverable value, being the higher of its fair value net of any selling costs or its value in use, as represented by the present value of the cash flows generated by the asset, as explained in the paragraph below "*Methods for determining impairment losses - Impairment*". Any adjustments are recorded in the income statement.

Property held for investment purposes is excluded from impairment testing.
If the reasons for recognising an impairment loss cease to apply, the loss is written back but without exceeding the carrying amount that the asset would have had (net of depreciation) if no impairment losses had been recognised in prior years.
Properties used in operations, measured under the revaluation model, any loss due to impairment of a revalued asset must be treated as a decrease in the revaluation up to its amount, after which any difference is recognised in the income statement.
Assets recognised pursuant to IAS 2 are measured at the lower of cost or net realisable value. Any adjustments are recognised in the income statement.

Change of use of properties

BPER Banca only transfers properties between the various categories (regulated respectively by IAS 16, IAS 40 and IAS 2) if there is an effective change in the use of the property. In the event of a change in use from being an property held for investment recognised at fair value to being a property used in operation by the owner or held for sale in inventory, the fair value at the date of the change in use must be considered as a replacement for the cost of the property for subsequent accounting, according to the provisions of IAS 16, IFRS 16 or IAS 2.
If a property used in operation becomes a property held for investment that has to be recognised at fair value, BPER Banca applies IAS 16 for its own properties and IFRS 16 for properties held by the lessee as an asset consisting of the right of use until the date on which the change of use occurs. BPER Banca treats any difference existing at that date between the carrying amount of the property in accordance with IAS 16 or IFRS 16 and the fair value in the same way as a revaluation, in accordance with IAS 16.
Up to the date on which a property used by the owner becomes a property held for investment recorded at fair value, BPER Banca depreciates the property (or the right of use asset) and recognises any impairment that may occur. BPER Banca treats any difference existing at that date between the carrying amount of the property in accordance with IAS 16 or IFRS 16 and the fair value in the same way as a revaluation, in accordance with IAS 16. In particular, any resulting decrease in the carrying amount of the property is charged to profit or loss for the year. However, to the extent that the amount is included in the revaluation reserve of that particular property, the decrease is recognised in the statement of other comprehensive income and reduces the revaluation reserve included in shareholders' equity.
Any resulting increase in the carrying amount is treated as follows:

- to the extent that if the increase adjusts a previous loss due to a reduction in the value of that property, it is charged to the income statement. The amount recognised in the income statement must not exceed the amount needed to restore the carrying amount that would have been (net of depreciation) if no impairment loss had been recognised;
- any remainder of the increase is recognised in the statement of other comprehensive income and increases the revaluation reserve included in equity. At the time of subsequent disposal of the property held for investment, the revaluation reserve included in shareholders' equity is transferred to retained earnings. The transfer from the revaluation reserve to retained earnings does not go through the income statement.

Derecognition

Property, plant and equipment are derecognised on disposal, or when the assets concerned are permanently taken out of use and no further economic benefits are expected from their disposal. In the case of property, plant and equipment held for use (IAS 16) to which the revaluation criterion is applied, any gain arising from disposal/derecognition, including that accumulated in the item "Valuation reserves", is transferred directly to the item "*Reserves - Retained earnings (losses) carried forward*", without passing through profit or loss.

Recognition of components affecting the income statement

Depreciation, calculated pro-rata temporis, of assets measured at cost or fair value in accordance with the requirements of IAS 16 are recognised in the income statement under "*Net adjustments to property, plant and equipment* ".
Positive restatements of properties used in operations are recognised in equity under "*Valuation reserves*", unless they are restoring a decrease in the value of the asset previously recognised in the income statement (in this case, the positive changes in value are recognised in the income statement under "*Gains (Losses) on property, plant and equipment and intangible assets measured at fair value*").
Negative restatements of properties used in operations are recognised in the income statement under "*Gains (Losses) on property, plant and equipment and intangible assets measured at fair value*" unless the "Valuation reserve" for the specific property is not sufficiently large (in which case, the negative changes are recognised in equity as a decrease in the "*Valuation reserve*").
Any adjustments or write-backs due to the impairment of property, plant and equipment valued under the cost or revaluation models are recognised in the income statement under "*Net adjustments to property, plant and equipment*", unless, for the assets measured under the revaluation model, the valuation reserve relating to the specific property is not sufficiently large.
The changes in fair value, both positive and negative, relating to properties held for investment purposes are recognised in the income statement under "*Gains (Losses) on property, plant and equipment and intangible assets measured at fair value*".
Any write-downs on inventories of property, plant and equipment (IAS 2) resulting from the application of measurement at the lower of cost and net realisable value, are recognised under "*Net adjustments to property, plant and equipment*" in the income statement.
Disposal gains and losses are however recorded in the income statement item "*Gains (Losses) on disposal of investments*".

7. Intangible assets

Recognition

Intangible assets other than goodwill are initially recognised at cost, as represented by the purchase price paid plus any directly-related costs incurred to obtain use of the assets concerned.
Goodwill may be recognised as an intangible asset when the positive difference between the acquisition cost of an equity interest (including related charges) and the fair value of the net assets acquired, including those identified as part of the Purchase Price Allocation (PPA), is representative of the investee's ability to generate income in the future (goodwill).
If the difference is negative (badwill) or the goodwill is not justified by the investee's ability to generate income in the future, the difference is recognised in the income statement.

Classification

Intangible assets are identifiable, non-monetary assets without physical form that are expected to generate economic benefits. The qualifying characteristics of intangible assets are:
- identifiability;
- control over the resources concerned;
- expectation of economic benefits.

In the absence of any one of the above characteristics, the acquisition or internal production costs are expensed in the year incurred.
Goodwill is represented by the difference between the acquisition cost of an equity investment and the fair value, at the acquisition date, of the assets and liabilities acquired.
Other intangible assets are recognised if they are identifiable and reflect legal or contractual rights. Among these, rights of use acquired under operating leases (in the capacity of lessee) and relating to the use of an intangible asset are not included since BPER Banca, with respect to the faculty given by IFRS 16.4, has decided not to apply IFRS 16 to any operating leases on intangible assets other than those that can be acquired under licence.

Intangible assets include licensed software that satisfies the conditions specified in IAS 38. More specifically, with reference to the indications provided in the IFRIC Staff Paper dated November 2018 (Agenda ref 5 – Customer's right to access the supplier's software hosted on the cloud (IAS 38)), BPER Banca has identified the following conditions as significant for the recognition of purchased software as an intangible asset:
- existence of an exclusive right of use (linked to the user licence acquired);
- right and ability to obtain copies of the software ("download right");
- possession and real ability to use the copy of the software acquired, recognised if installed on its servers.

If these three conditions are satisfied in relation to purchased software, BPER Banca will recognise it an intangible asset to be amortised over its estimated useful life. The initial expenses incurred (even in the form of external services) to set-up, customise and implement the software can also be considered part of the initial carrying amount of the intangible asset, if linked to the functional analyses and subsequent implementation phases.

By contrast, if the above conditions for the recognition of an intangible asset are not satisfied, the purchase will relate to services giving access to software that, in substance, remains in the possession of the provider (these situations generally arise in relation to Cloud software). These purchased services are recognised as "*Administrative expenses: b) other administrative expenses*" on an accruals basis; when the initial cost incurred refers to a long-term time horizon it can be deferred (prepaid expenses – Other assets) and released to the income statement over the duration of the entire contract. If the total fee paid to the supplier for access to the software covers a variety of services, the cost will be allocated and recognised on an accruals basis with reference to each specific service.

Measurement

An intangible asset with an indefinite useful life, such as goodwill, is not amortised, but is tested periodically for impairment. An impairment test is performed annually, or whenever there is an indication of impairment, as explained in the paragraph below "*Methods for determining impairment losses - Impairment*". Any impairment loss is recognised in the income statement and the reversal thereof is prohibited.
In contrast to the treatment of goodwill, the cost of intangible assets with a finite useful life is amortised on a straight-line basis or, possibly, by use of the reducing balance method based on the flow of economic benefits expected from the asset. If there is any evidence of impairment, it is envisaged that an asset would be assessed for impairment by comparing its recoverable value to its carrying amount.
An estimate of recoverable value is made if there is any evidence of asset impairment at the reporting date. The impairment loss, expensed to income statement, is the difference between the book value of an asset and its recoverable amount, if the latter is lower, as explained in the following paragraph "*Methods for determining impairment losses - Impairment*".

Derecognition

Intangible assets are derecognised on disposal and when no further economic benefits are expected.

Recognition of components affecting the income statement

Both the amortisation charge and any net adjustments to intangible assets other than goodwill are recorded in the item "Net adjustments to intangible assets" of the income statement.
Disposal gains and losses are however recorded in the "Gains (Losses) on disposal of investments" item.
Any impairment losses to the value of goodwill are recorded in the item "Impairment losses on goodwill".

8. Non-current assets and disposal groups classified as held for sale

Recognition and classification

Non-current assets and groups of assets/liabilities subject to a disposal process (tangible, intangible and financial assets) are classified in the asset item "Non-current assets and disposal groups classified as held for sale" and the liability item "Liabilities associated with assets classified as held for sale", when such sale is deemed to be highly probable.

Measurement

These assets and liabilities are valued at the lower of their carrying amount, determined according to the relevant IFRS, and their fair value, less costs to sell, unless they are properties held for investment purposes, which, on the basis of paragraph 5 of IFRS 5, even if they are classified in "Non-current assets and disposal groups held for sale", are valued in accordance with IAS 40 and therefore at fair value through profit or loss.

Derecognition

Non-current assets or groups of assets/liabilities held for sale and discontinued operations are derecognised from the balance sheet upon disposal.

Recognition of components affecting the income statement

Income and charges (net of tax effect) relating to disposal groups held for sale are classified in the "*Gains (Losses) from non-current assets and disposal groups classified as held for sale after tax* " item of the income statement.

9. Current and deferred taxation

Taxes for the period were calculated by applying the regulations in force at financial reporting date, also taking into account the changes introduced by the latest Finance Act.
Deferred tax assets and liabilities are recorded following the positive outcome of the probability test required by IAS 12 relating to temporary changes, tax losses and tax credits. The Bank has adopted a time horizon of 5 years when forecasting recoveries, consistent with other types of estimate made by projecting future results.

Recognition and classification

Current taxation comprises the net balance of income tax payable for the year and the current tax receivable due from the tax authorities consisting of advances and other withholding tax credits or other tax credits recoverable by future offset.
Current tax assets also represent tax credit that the Group companies have requested the relevant authorities to reimburse.
Deferred taxes represent the income taxes recoverable in future periods as a result of deductible temporary differences and past tax losses (deferred tax assets), and the income taxes payable in future periods as a result of taxable temporary differences (deferred tax liabilities).

Measurement

Deferred tax assets, representing the future tax benefit deriving from deductible temporary differences and tax losses carried forward, are recognised to the extent that their recovery is highly likely. The estimate is made by performing the "probability test", as required by IAS 12. This test is based on an economic forecast developed over a prospective 5-year horizon, adjusting the pre-tax profit to consider future temporary and permanent changes in accordance with the tax legislation in force at the measurement date, so as to arrive at an estimate of the future tax profits able to reabsorb the deferred tax assets.

Derecognition

Net current taxes are generally derecognised from the balance sheet at the time of payment of the tax charge in the reference year.
Deferred tax assets and deferred tax liabilities are instead derecognised following the realignment of the tax and financial statement accrual for each income statement or balance sheet component that originated the deferred tax asset or liability.

Deferred tax assets are also derecognised from the balance sheet for any portion no longer deemed recoverable following the "probability test" carried out periodically.

Recognition of components affecting the income statement

Changes in tax assets and liabilities are normally recorded in the "Income taxes on current operations" item.
As an exception, those deriving from transactions recognised directly in equity are treated in the same way, and those deriving from business combinations are included in the calculation of goodwill (or badwill).

10. Provisions for risks and charges

Recognition

The provisions for risks and charges cover liabilities whose timing and extent are uncertain, when all the following conditions are met:

- a current obligation exists at the reporting date, deriving from a past event. The origin of the obligation must either be legal (deriving from a contract, regulation or the provisions of law) or implicit (arising when the business causes third parties to expect that commitments will be met, even if these do not fall into the category of legal obligations);
- a financial outflow is likely;
- the extent of the obligation can be estimated reliably.

No provision is recognised for liabilities that are only possible and not probable, but information on the related contingencies is provided in the Explanatory notes.

Classification

This item includes the provisions relating to long-term benefits and post-employment benefits governed by IAS 19, discussed in the paragraph "Other Information" - "*Employee benefits*" below, and the "Provisions for risks and charges" governed by IAS 37.
Sub-item "commitments and guarantees granted" comprises the credit risk provisions for funding commitments and financial guarantees given that are subject to the impairment rules of IFRS 9 (see para. 2.1, letter e); para. 5.5; appendix A), as well as the provisions for other commitments and other guarantees not subject to IFRS 9 impairment rules.

Measurement

Where the time element is significant, the provisions are discounted using current market rates. Provisions are charged to the income statement.
The measurement of "commitments and guarantees granted" is described in the paragraph "*Method for determining the extent of impairment*".

Derecognition

The allocated provisions are re-examined as at each financial reporting date and adjusted to reflect the best current estimate. When the use of resources aimed at producing economic benefits to fulfil the obligation becomes unlikely, the provision is cancelled.
In addition, each provision is used solely to cover outgoings for which it was originally established.

Recognition of components affecting the income statement

Impairment losses and write-backs of commitments and other guarantees granted are recorded in item "*Net provisions for risks and charges – commitments and guarantees granted*" of the income statement.
Provisions for risks and charges and the related write-backs, including the effects of the passage of time, are classified in item "*Net provisions for risks and charges – Other net provisions*" of the income statement. The provisions for employee remuneration recognised pursuant to IAS 19 are classified in income statement item "*Administrative expenses - a) Staff costs*".

Provisions are made on the basis of the best estimate of the amount that the company would reasonably pay to settle the obligation or to transfer it to third parties on the reporting date. When the financial effect of time is significant and the payment dates of obligations can be reliably estimated, the provision is calculated by discounting the expected future cash flows taking into account the risks associated with the obligation; the increase in the provision due to the passage of time is recognised in the income statement.

11. Financial liabilities measured at amortised cost

Recognition

These liabilities are initially recognised at their fair value, usually corresponding to the amount collected or the issue price, plus any additional costs/proceeds directly attributable to the individual funding transaction or issue.
This item includes:

- due to banks;
- due to customers;
- debt securities issued;
- lease liabilities.

On the start date, the lessee measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are discounted using the interest rate implicit in the lease contract, if that rate can be readily determined, or at the incremental borrowing rate that, for the Bank, is the Internal Transfer Rate (ITR) of funding.

The future lease payments to be included in the measurement of the lease liability comprise the following:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Classification

"*Due to banks*", "*Due to customers*" and "*Debt securities issued*" comprise the various forms of interbank and customer funding. These items also include liabilities recognised by the lessee under leases, as well as funding through certificates of deposit and debt securities in issue, net of any repurchases.

Measurement

Following initial recognition, financial liabilities are measured at amortised cost using the effective interest method, except for current liabilities given the negligible effect of the time factor. Modifications to the contractual conditions of the medium-long term items (also including lease liabilities) will entail the adjustment of the carrying amount by discounting the flows envisaged by the revised contract to the original effective interest rate, without prejudice to the changes made to lease liabilities which, as clarified in IFRS 16, shall use a revised discount rate (for example if there is a change either in the lease term or in the lease payments).
Debt securities issued are recognised net of the repurchased amount.

Derecognition

Financial liabilities are derecognised when they expire or are settled. The repurchase of debt securities in issue in prior periods results in their derecognition.
In the event of a change in the contractual conditions, if the discounting of the new flows would lead to a change in the carrying amount of the liability greater than 10%, the change is deemed by the Bank to be "substantial" and relevant for the purpose of derecognition of the original liability.
The difference between the carrying amount of the liability and the amount paid to repurchase it is recorded in the income statement.

Recognition of components affecting the income statement

The negative elements of income represented by interest and similar expense are recorded in the interest items of the income statement on an accruals basis, using the effective interest method.
Costs/revenues relating to short-term payables are recorded directly in the income statement.
The difference between the carrying amount of a liability and the amount paid to acquire it is recorded in income statement item "*Gains (Losses) on disposal or repurchase of financial liabilities*".

12. Financial liabilities held for trading

Recognition

These financial instruments are recognised at their fair value on the subscription or issue date, without considering any transaction costs or income directly attributable to them.

Classification
This category of liabilities includes trading derivatives with a negative fair value, as well as derivatives with negative fair value that are embedded in complex contracts - in which the primary contract is a financial liability - but not closely correlated with them and therefore they are represented separately in the financial statements.

Measurement
All financial liabilities held for trading are measured at fair value. The methods used to determine fair value are described in the following section "Information on fair value".

Derecognition
Financial liabilities held for trading are derecognised on expiry of the contractual rights over the related cash flows, or when the financial liability is assigned with the transfer of substantially all the risks and benefits deriving from its ownership.

Recognition of components affecting the income statement
The criteria applied for the recognition of income components of financial assets held for trading are adopted with suitable modifications.

13. Financial liabilities designated at fair value

Recognition
These liabilities are initially recognised at fair value, net of transaction costs or revenues.

Classification
A financial liability is designated at fair value if one of the following conditions applies:
- classification in this category eliminates "accounting mismatch", i.e. it makes it possible to significantly reduce a lack of consistency in the valuation or recognition of assets and liabilities that would otherwise lead to the recognition of gains/losses on a different measurement basis;
- it is part of groups of liabilities, or of assets and liabilities, managed together whose performance is measured at fair value, according to a documented risk-management strategy;
- there is a hybrid contract containing one or more embedded derivatives and the embedded derivative is such that it would significantly alter the cash flows that would otherwise be under the contract.

The option to designate a liability at fair value is irrevocable, is made on the individual financial instrument and does not require the same application to all instruments with similar characteristics. However, the designation at fair value of only a portion of a financial instrument attributable to a single component of risk to which the instrument is subject is not allowed.

Certificates issued
The Bank classifies its issuances of certificates as "*Financial liabilities designated at fair value*".
Certificates are securitised derivative instruments issued by the Bank and traded on multilateral trading facilities that replicate, with or without leverage, the performance of the underlying assets. Such products may provide for protection of the amount subscribed by the client or a portion thereof unconditionally with respect to the performance of the financial parameters to which they are indexed. From a substantive point of view, certificates can be defined as combinations of derivative strategies or of basic financial assets and derivatives, thanks to which it is possible to generate financial instruments with their own characteristics, substantially different from those of the assets from which they originate.
In general, market practice has traced certificates back to the following two main types of instruments:
- *Certificates with unconditional capital protection:* these are products that provide an unconditional guarantee of more than 50% of the capital initially invested. For accounting purposes, these instruments are considered "structured securities", given the preponderance of the guaranteed component over the variable component based on the performance of the certificate's underlying;
- *Other certificates:* these are products without any protection, with conditional protection, or with unconditional protection of the initial capital of 50% or less. For such products, the value depends exclusively or predominantly on the performance of the parameter to which it is indexed. For this reason, they are classified as "derivative financial instruments", and in particular among the options issued. For such instruments, the only permissible accounting portfolio is "Financial liabilities held for trading".

That said, BPER Banca issues unconditionally protected capital certificates, mainly for funding purposes and classified in the accounting portfolio of "*Financial liabilities measured at fair value*". The aforementioned classification derives primarily from the reconciliation of these liabilities to the portfolios managed by the Capital Market, which, according to Bank policy considering the objectives pursued and related reporting on performance, are measured at fair value. In addition, this classification makes it possible to pursue a kind of "natural hedge" with respect to derivatives stipulated in order to "balance" the risks assumed with derivatives embedded in issued liabilities.

With reference to the criteria for recognising the balance sheet and income statement components of certificates recognised under "Financial liabilities measured at fair value" and the related management hedging instruments, it is noted that:
- the profit and loss components related to the issues under review are included in the item "Net income on other financial assets and liabilities measured at fair value through profit or loss - financial assets and liabilities designated at fair value". This item also includes the valuation effects related to the measurement of fair value, resulting from changes in the market parameters to which the certificate is indexed, as well as spreads paid to customers, either periodically or at maturity. The effects attributable to changes in own creditworthiness, recognised in a specific equity reserve ("Valuation reserves") are the only exception;
- derivatives that are, in management terms, linked to financial liabilities measured at fair value are classified in the assets under "Financial assets measured at fair value through income statement : a) Financial assets held for trading" or in the liabilities under "Financial liabilities held for trading". Capital losses and valuation gains, as well as any spreads received and paid, are recognised in the Income statement under the item "Net income from trading activities".

Measurement
Subsequent to initial recognition, these assets continue to be measured at fair value: the methodologies used in this regard are described in the section "*Information on fair value*".
The accounting treatment required by IFRS 9 for such liabilities requires that changes in fair value associated with the creditworthiness of the issuer must be recognised as a contra-entry to a specific equity reserve. The standard also establishes that the amount recognised in the specific equity reserve must not be "released" to the income statement, even if the liability is settled or expires.

Derecognition
Financial liabilities measured at fair value are derecognised when they expire or are settled.
The repurchase of debt securities in issue in prior periods results in their derecognition.
The renewed placement of treasury securities subsequent to their repurchase is deemed to represent a new issue, with recognition at the new placement price, with no effect on the income statement.

Recognition of components affecting the income statement
The entire margin related to the issues under review is included in the item "*Net income on other financial assets and liabilities measured at fair value through profit or loss: a) financial assets and liabilities designated at fair value*". Only the valuation effects attributable to changes in own creditworthiness are recognised as opposite entries to a specific equity reserve (item "*Valuation reserves*").

14. Foreign currency transactions

Recognition
On initial recognition, foreign currency transactions are recorded in the reporting currency, by translating the foreign currency amounts using the exchange rates prevailing on the transaction dates.

Measurement
At each reporting date, the amounts originally denominated in a foreign currency are measured as follows:
- monetary items are translated using the closing rate for the period;
- non-monetary items carried at historical cost are translated using the exchange rate on the date of the transaction;
- non-monetary items carried at fair value are translated at the rates at the end of the reporting period.

Classification
These comprise all assets and liabilities not denominated in euro.

Derecognition
The criteria applying to the balance sheet items concerned are used. The exchange rate applying on the settlement date is used.

Recognition of components affecting the income statement
Exchange differences deriving from the settlement of monetary items or from the translation of monetary items using rates other than the initial translation rate, or the closing rate at the end of prior periods, are recorded in the income statement for the period in which they arise.

When gains or losses relating to a non-monetary item are recorded in shareholders' equity, the related exchange differences are also recorded in shareholders' equity. Conversely, when gains or losses are recorded in the income statement, the related exchange differences are also recorded in the income statement.

15. Other information

Treasury shares

Treasury shares held following repurchase are stated at purchase cost and shown with a negative sign in item "Treasury shares" under liabilities in the balance sheet. Profits or losses deriving from their subsequent sale are recorded as changes in shareholders' equity in the item "*Share premium reserve*" under liabilities in the balance sheet.

Leasehold improvement expenditures

These costs are classified as "*Other assets*", since they cannot be recorded as part of "Property, plant and equipment", as required by Bank of Italy instructions.
The related amortisation is recorded in the "*Other operating expenses (income)*" item.

16. Income statement: Revenues

In addition to the information about the principal balance sheet items provided above in the sections on the "Recognition of components affecting the income statement", it is noted that revenue from contracts with customers is recognised, as required by IFRS 15, at an amount equal to the consideration that the Bank is entitled to collect in exchange for the transfer of goods or services to the customer. Revenues may be recognised:

- at a specific point-in-time, when the entity fulfils the obligation to transfer the promised goods or services to the customer, or
- over time, as the entity fulfils the obligation to transfer the promised goods or services to the customer.

In this context, goods are transferred when, or over the period in which, the customer obtains control over them.
The price of the transaction is the amount of consideration that the entity is entitled to receive in exchange for the transfer to the customer of the promised goods or services, excluding any amounts collected on behalf of third parties (e.g. sales taxes). In order to determine the price of the transaction, the Bank considers the contract terms and conditions and its normal business practices, including all the following elements to the extent applicable:

- variable consideration, if it is highly likely that the amount will not be adjusted in the future;
- restrictions on the estimates of variable consideration;
- existence in the contract of a significant financial component;
- non-monetary consideration;
- consideration payable to the customer.

BPER Banca has identified types of revenue linked to services provided to customers only as regards item "Commission income". The Bank has not identified any significant situations in relation to:

- fees relating to various performance obligations given to customers;
- costs incurred and suspended to obtain and fulfil contracts with customers.

Other types of revenue, such as interest and dividends, are recognised applying the following criteria:

- interest on instruments measured at amortised cost is calculated using the effective interest method;
- dividends are recognised when the shareholders' right to receive payment is determined.

17. Income statement: Costs

In addition to the information about the principal balance sheet items provided above in the sections on the "Recognition of components affecting the income statement", costs are recognised in the income statement on an accruals basis; as already highlighted, no costs were identified for obtaining and fulfilling contracts with customers to be recognised in the income statement in a manner correlated with the related revenue.
Recruitment incentives for financial advisors, paid in connection with the acquisition of new contracts with customers (investment services), are instead qualified as "costs incurred to obtain a contract" pursuant to IFRS 15 and are amortised over a seven-year period, corresponding to the average expected duration of the contractual relationships acquired.
Marginal costs and revenues directly attributable to the acquisition of an asset or issue of a financial liability measured at amortised cost are recognised in the income statement together with the interest on the financial asset or liability using the effective interest method.

18. Employee benefits

Classification

Employee benefits, excluding short-term amounts such as wages and salaries, comprise:
- post-employment benefits;
- other long-term benefits.

Post-employment benefits are, in turn, divided into defined-contribution plans and defined benefit plans, depending on the nature of the benefits envisaged:
- under defined contribution plans, the employer makes fixed contributions and has no legal or constructive obligation to make further contributions if the fund does not hold sufficient assets to pay all employee benefits;
- defined benefit plans are all post-employment benefit plans other than defined contribution plans.

Pursuant to Law 296 dated 27 December 2006 (2007 Finance Law):
- the employee termination indemnities earned from 1 January 2007 are deemed to be a defined contributions plan for which no actuarial calculations are required;
- the employee termination indemnities already earned up to the date indicated above, on the other hand, continue to be treated as a defined benefits plan, even though such benefits have already been fully earned. As a consequence, the actuarial value of the liability must be restated at every accounting date subsequent to 31 December 2006.

Other long-term benefits comprise employee benefits that are not due entirely within twelve months of the end of the year in which employees accumulated their right to them.

Recognition and measurement

The value of a defined-benefit obligation is represented by the present value of the future payments necessary to settle the obligations deriving from work performed by employees in the current and prior years.
This present value is determined using the "Projected Unit Credit Method".
The employee benefits included as other long-term benefits, such as long-service bonuses that are paid on reaching a pre-determined level of vintage, are recorded for an amount determined at the reporting date using the "Projected Unit Credit Method".
Employee termination indemnities are recorded as a separate liability, while the other post-employment benefits and long-term benefits are recorded among the "*Provisions for risks and charges*".

Recognition of components affecting the income statement

Service costs are recorded as staff costs, together with the related accrued interest.
Actuarial gains and losses (remeasurements) relating to post-employment, defined benefit plans are recorded in shareholders' equity in the year they are identified. These actuarial gains and losses are reported in the "Statement of other comprehensive income", as required by IAS 1.
The actuarial gains and losses (remeasurements) relating to other long-term benefits are recognised in full as part of staff costs in the year in which they arise.

19. Share-based payment plans

In general, share-based payments to employees (or other equivalent parties) represent consideration for services received.
In 2019 the first share-based payment plan was approved. This plan envisages granting without charge a certain number of ordinary shares in the Bank to beneficiaries who are considered Material Risk Takers at BPER Banca level, without any increase in capital and therefore by using outstanding shares temporarily purchased by the Bank for this purpose (by contrast, no stock option plans have been activated).
In accordance with IFRS 2 - Share-based payments, the cost of employee compensation plans based on own equity instruments is recognised in the income statement with reference to their fair value on the grant date spreading the related charge over the vesting period.
Since it is difficult to measure reliably the fair value of the services received in exchange for the equity instruments, reference is made to the fair value of the latter, determined on the grant date. Based on the instructions contained in IFRS 2, this date corresponds to the moment in which the parties to the agreement become aware of its existence.
The charges relating to share-based compensation plans are recognised on an accruals basis as a cost in income statement item "*Administrative expenses: a) staff costs*", with a matching entry to equity item "*Reserves*".

Long-Term Incentive Plan – LTI of BPER Banca Group

The LTI Plan (in its two releases: "2019-2021" and "2022-2024", respectively approved at the Ordinary Shareholders' Meetings held on 17 April 2019 and 20 April 2022[19]) is a share-based incentive plan for the key personnel of the Parent Company and other Group companies. Preparation is underway for the Long-Term Incentive Plan (LTI Plan 2025-2027), the new version of which will be submitted for approval at the Ordinary Shareholders' Meeting on 18 April 2025.
The LTI Plan is designed to award beneficiaries an incentive that will be paid exclusively in BPER Banca ordinary shares, in compliance with the relevant regulations and consistent with the Group Business Plan.
As part of the remuneration policies adopted by the Bank, the LTI Plan pursues the following objectives:

- align management's interests with the creation of long-term shareholder value;
- motivate management to achieve the objectives of the Business Plan, within a framework of healthy, prudent risk management and ESG sustainability;
- strengthen key persons' sense of belonging in order to implement the Bank's medium-long term strategy.

Implementation of the Plan is subject to achieving predetermined access conditions that guarantee not only profitability, but also the Bank's capital stability and liquidity.
The bonus recognised at the end of the performance period - the size of which also depends on the achievement of specific objectives in terms of results, stock performance and sustainability - is paid by means of a free allocation of BPER Banca ordinary shares, subject to deferral and retention clauses.
The bonus is deferred between 55% and 60%, depending on the amount recognised at the end of the three-year reference period. Deferral lasts for five years, during which the deferred portion is allocated in five annual instalments of the same amount, subject to verification of the malus conditions. Each portion that is allocated, whether up-front or deferred, is then subjected to a retention period of one year.

The LTI Plan of the Bank is an operation with payment settled using equity instruments and, therefore, is governed by IFRS 2.
The overall cost of the plan is equal to the sum of the cost of each tranche, calculated with reference to the fair value of BPER Banca shares at the grant date "grant date" considering in each case the period until the expected vesting date), multiplied by the number of shares that may vest in relation to the performance condition.
This cost is allocated over the vesting period of 8 years, starting from the date on which the parties become aware of its existence or, in the specific case of the BPER Banca plan, the date on which the individual plan beneficiaries were informed about their participation. The cost of the services (work) provided by the employees/recipients only includes the costs associated with the LTI Plan from that date. The costs recognised are matched by a specific equity reserve.

20. Targeted Longer-Term Refinancing Operation – TLTRO-III

Generally speaking, Targeted Longer-Term Refinancing Operations (TLTRO) have since their introduction offered banks in the Eurozone loans with multi-year maturities designed to improve the functioning of the monetary policy transmission mechanism, supporting the provision of bank credit to the real economy.
In March 2019, the Governing Council of the ECB announced a third series of Targeted Longer-Term Refinancing Operations TLTRO-III) to be carried out quarterly from September 2019 to December 2021.
In connection with the Covid-19 emergency, the Governing Council had introduced more favourable conditions for these transactions until June 2022.
Lastly, on 27 October 2022, the Governing Council of the ECB decided to adopt monetary policy measures aimed at quickly returning inflation to the ECB's 2% medium-term target. As part of said set of measures, the Governing Council established that, effective from 23 November 2022 and until the maturity date or the date of early reimbursement of each transaction in place, the interest rate applied to each transaction in place is indexed to the average reference interest rates of the ECB applicable to said period.

Based on the guidance provided by the ECB Governing Council over time, the characteristics of the TLTRO-III operations are considered to be such that it is impossible to equate them easily to cases specifically dealt with in IAS/IFRS; to identify the accounting treatment of the following situations in particular:

- change in the estimates of achievement of the objectives;
- recording of economic effects, "special interests" in particular,
- management of early repayments,

it is thought that reference can be made by analogy to "IAS 20 - Accounting for government grants and disclosure of public assistance" or to "IFRS 9 - Financial instruments".

19 The terms of the second release were subsequently amended by the Shareholders' Meeting of 5 November 2022 and by the Shareholders' Meeting of 3 July 2024. This last meeting has been deemed necessary to ensure full consistency between the vesting period of the LTI Plan and the Bank's multi-year strategic planning. The ahead-of-time closure of the BPER e-volution 2022-2025 Business Plan on 31 December 2024 has made it necessary to align the LTI Plan length accordingly, bringing forward to 31 December 2024 the verification of the achievement of the LTI Plan results set for 31 December 2025, thus reducing the vesting period associated with the overall Plan duration, with a consequent pro-rata reduction in the target bonuses for its recipients.

The choice made by the Bank in accounting for such transactions is to refer to IFRS 9, given that the funding to which banks have access through the ECB's TLTRO is at market conditions. The Bank considers, in fact, that the ECB rates can be considered as "market rates" since it is the ECB itself that establishes the level, keeping this level in line with the lending objectives to be achieved (monetary policy operations). The ECB also has the power to change the TLTRO III interest rate at any time. This right of modification by the ECB has to be traced back to what is indicated in para. B.5 4.5 of IFRS 9 (floating rate loans), resulting in a change in the Internal Rate of Return (IRR) of the loan to reflect changes in the benchmark rate. On the other hand, the situation is different where the lending rate gets changed because of a modification of the forecasts of whether the benchmark will be reached in terms of net lending; in this situation, with the same IRR, a modification in the future flows can only lead to a change of the loan at amortised cost[20].

21. Purchase of tax credits originated from benefits mentioned in the "Cura Italia" and "Rilancio" Decree Laws (the so-called "Ecobonus" and "Sismabonus")

In order to counter the negative economic effects of the spread of the Covid-19 pandemic, by Law no. 77 of 17 July 2020 converting, with amendments, Decree-Law no. 34 of 19 May 2020 (the so-called "Relaunch" Decree) containing urgent measures in the field of health, support for work and the economy, Parliament issued a series of measures which, among other things, make it possible under certain conditions to benefit from a deduction of the expenses incurred for specific interventions (e.g. interventions to increase the level of energy efficiency of existing buildings or reduce their seismic risk).
The law also introduced the possibility for taxpayers to opt, instead of using the deduction directly, for an advance contribution in the form of a discount from the suppliers of goods or services ("invoice discount") or, alternatively, for the assignment of the credit corresponding to the deduction due to other entities, including therein credit institutions and other financial intermediaries. The Italian Government further ruled on the subject by issuing Decree Law no. 50/2022 "Decreto Aiuti" - Aid Decree) primarily by restructuring the target of potential of re-assignees.
As part of its commercial policies, the Bank has decided to operate as an assignee of tax credits to its customers.
The transferee bank may in turn use these credits to offset tax payments through the F24 form or, alternatively, transfer these credits to other parties.
Italian Decree Law no. 39/2024 has provided that the initial allocation of the tax deduction over 4/5 years be extended to 10 years for all expenses incurred starting from 2024. By way of derogation, the decree includes a safeguard clause for these deductions in the event that they are subject to invoice discounting or transfer. Therefore, if the Bank acts as the assignee, the previous timing regime is maintained.
The portion of the tax credit not used during the year cannot be used in subsequent years and cannot be requested as a refund.
The same Decree has imposed that the instalments of traceable credits purchased by banks with annual amounts equal to or greater than 2025 must be mandatorily divided into 6 equal instalments, replacing the original instalment plan, unless the same instalments were purchased at a price greater than 75% of the deduction due.
Decree Law 39/2024 has introduced a ban on offsetting, applicable only to financial intermediaries, of superbonus and related credits with tax liabilities, with significant effects on tax capacity estimates starting from 1 January 2025.
As regards the responsibilities as to the existence of the credit, the law provides that:

a) suppliers and buyers of credits are liable only for any use of the tax credit that is irregular or for a larger amount than the tax credit received;
b) if the Revenue Agency finds out that one does not have all or some of the requisites that give the right to a tax deduction, it will recover the amount of the deduction not due from those to whom the bonus was granted (i.e. the seller). In addition, Decree Law no. 11 of 17 February 2023, amending article 121 of Decree Law 34/2020, established that the liability of the assignee is limited solely to cases of wilful misconduct if it demonstrates that it has acquired the credit and is in possession of the series of documents listed in the decree. The exemption of liability also applies to entities that acquire the credits from banks, following the certification of possession of the documentation.

With reference to the accounting treatment to be adopted in the Financial Report of the buying bank, since the case in question is not subject to clear instructions in the IAS/IFRS, in application of the provisions of IAS 8, paras. 10 and 11, various possible scenarios were assessed concerning the applicability of the following international accounting standards by analogy:

a) IAS 20 "Accounting for government grants and disclosure of government assistance";
b) IAS 12 "Income Taxes";
c) IAS 38 "Intangible Assets";
d) IFRS 9 "Financial Instruments".

The choice made by the Bank is to refer by analogy to the indications of IFRS 9, considering that these tax credits are in essence financial assets, as they can be:

- used to pay off a debt (e.g. a tax debt);

20 This accounting choice is consistent with the Public Statement issued by ESMA on 6 January 2021 dedicated to "[...] the third series of the ECB's Targeted Longer-Term Refinancing Operations (TLTRO III)"

- incorporated in a HTC business model, or with a hold-to-maturity strategy for offsetting, if acquired within the limits of its tax capacity;
- incorporated in a HTC&S business model, or according to a mixed strategy of holding and/or sale by the date of offsetting, if the technical/business conditions are satisfied;
- incorporated in a trading business model when already in excess of its tax capacity at the purchase date;
- classified in item "Other assets".

Furthermore, the tax credits are bought by the Bank at a price that discounts both the time value of money and the ability to use/sell them within a certain time limit. So at the time of initial recognition the tax credit is recognised at the price of the individual transaction - equating it to the fair value of a Level 3 instrument, as there are no official markets or comparable transactions - and thereby allowing to satisfy the condition set by IFRS 9 according to which financial assets and liabilities are to be initially recognised at fair value.

The subsequent valuation (measurement) of said assets, always in accordance with the guidelines of IFRS 9, is carried out:
- at amortised cost, if classified as HTC;
- at fair value through other comprehensive income, if classified as HTC&S;
- at fair value through profit or loss, if classified in the trading portfolio.

The amortised cost is defined considering: i) the time value of money; ii) the use of a correct effective interest rate; and iii) the uses made of the tax credit through offsets.
The effective interest rate is originally set so that the discounted cash flows of the estimated future offsets over the expected duration of the tax credit equal the purchase price of the tax credits.
In relation to the determination of fair value, owing to the unique nature of these instruments, fair value fluctuations are linked to changes in market interest rates with respect to the internal rate characterising the individual transaction.
In addition, if the Bank were to revise its estimates of the use of the tax credit through offsets, it would have to adjust the gross carrying amount of the tax credit to reflect the estimated, actual and restated uses of the tax credit through offsets. In such situations, as part of the HTC Business Model, the Bank would recalculate the gross carrying amount of the tax credit as the present value of the new estimated uses of the tax credit through offsets discounted back to the original effective interest rate. In this restatement, taking into account that there is no chance of reimbursement by the counterparty (i.e. the Treasury), an impairment loss due to any failure to use the tax credits bought would be included. Within the trading Business Model, the revision of its recoverability estimates would be reversed directly in the fair value measurement of the instruments.

Considering the operations arranged by BPER Banca, it is believed that the risk of losses/a negative change in the fair value resulting from the non-use as offsetting is unlikely given that, with reference to the HTC business model, the balances acquired are consistent with the Bank's overall tax capacity (constantly monitored); in relation to the trading portfolio (and, if applicable, in the case in which the technical/business conditions apply, in relation to the HTC&S portfolio), in respect of the credits acquired, assignment agreements are gradually stipulated with counterparties identified from the Bank's corporate customers, with the objective of ensuring the recoverability of the credit booked under assets.

Moreover, as part of the remeasurement at amortised cost, not finding a counterparty credit risk as realising the instrument takes place exclusively through offsetting against tax liabilities and not by receiving money from the counterparty, the IFRS 9 rules on Expected Credit Losses are not applicable.

22. Macro Fair Value Hedge on Demand (PAV) items

Within the Bank, the macro fair value hedge regime is currently applied to hedge the interest rate risk inherent in formally sight funding items.

Macro Fair Value Hedge on Demand (PAV) items

Within the Bank, the macro fair value hedge regime is currently applied to hedge the interest rate risk inherent in formally on-demand funding items, limited to the portion of such items with "inelastic core" funding characteristics, i.e. those that are substantially characterised by a tendentially fixed cost and a stable duration over time, according to the results of the behavioural model adopted by the Bank.

"Inelastic core" funding is therefore assimilated to a portfolio of fixed-rate deposit liabilities, each with a rate of return equal to the fixed market rate relative to its maturity. More specifically, the elaborated model is constructed as a series of monthly fixed-rate deposits with different maturities and periodic interest payments. Liabilities identified as fixed-rate by the behavioural model are therefore considered hedged items and are subject to macro fair value hedges for accounting purposes.

Any change in the amounts identified by the behavioural model with these characteristics, resulting from the periodic updating of the estimates themselves (either in relation to the parameters used by the behavioural model, or in relation to the decrease in the amount of funding), does not give rise to ineffectiveness in the relationship until the amount of funding included in the bucket reaches the minimum level hedged (a decrease exceeding the amount of unhedged funding). In such a case, the withdrawal of part of the hedge constitutes voluntary discontinuing.

23. Method for determining the extent of impairment[21]

A. Financial assets

Impairment models

The calculation of adjustments of financial assets according to the Expected Credit Losses (ECL model envisaged by IFRS 9 is the result of a complex process of estimates that includes numerous subjective variables regarding the criteria used to identify a significant increase in credit risk, for the purpose of allocating financial assets to the stages provided for in the Standard; it also involves defining models for measuring expected losses, with the use of assumptions and parameters, which take into account current and future (or "forward-looking") macroeconomic and environmental information (physical and transition risks) including, for non-performing exposures, possible sale scenarios where the Bank's strategy envisages recovery of the loans by selling them.
In accordance with the instructions contained in the standard, the impairment model adopted by the Bank is based on the concept of "forward-looking" evaluation, i.e. on the concept of expected loss, whether calculated for the next 12 months (Stage 1) or for the residual life of the instrument (Stage 2 and Stage 3), based on the concept of a Significant Increase in Credit Risk (SICR) with respect to the date of origin of the instrument. According to the Expected Credit Loss model, the losses must be recorded not only on the basis of objective evidence of impairment losses already manifest as of the reporting date, but also on the basis of the expectation of future losses in value not yet manifest as of the reporting date, and must reflect:
- the probability of occurrence of the various system scenarios;
- the discounting effect using the effective interest rate;
- historical experiences and current and future assessments.

To this end, the Bank has adopted a model for calculating the expected lifetime loss of the financial instrument, applied to instruments classified in Stage 2, which takes into consideration the following multi-period parameters:

$$LtEL_t = \sum_{t=1}^{T} PDF_t \times LGD_t \times EaD_t \times D_t$$

where:
- PDF_t is the Probability of Default Forward between 1 and t;
- LGD_t is the Loss Given Default at a forward default event between 1 and t;
- EaD_t is the Exposure at Default at time t;
- Dt is the discounting factor for the expected loss at time t, up to the current reporting date, determined using the effective interest rate;
- T is the contract maturity date.

The calculation parameters contained in the Lifetime Expected Loss formula, as they are multi-period, they evolve over time, or in the time frame coinciding with the expected life of the exposure that must be evaluated. In particular, the criteria adopted by the Bank envisage that:
- the EaD evolves in accordance with the amortisation plans, if they exist, and with the contractual repayment plans in general, possibly amended by "behavioural" hypotheses (e.g. loans with pre-payment options);
- the PD and LGD parameters evolve as a result of the changes in the credit quality observed over time and represented, as for PD, by the transition or migration matrices (e.g. migrations between rating classes).

The calculation of the expected 12-month loss (applied to instruments classified in Stage 1) can therefore be considered as the sum of expected multi-period losses for the first prospective year, or less if the deadline is within 12 months, of the Lifetime Expected Loss:

$$EL = EaD \times LGD \times PD \times D$$

where:
- EaD is Exposure at Default;
- LGD is the Loss Given Default;
- PD is the 12-month Probability of Default;
- D is the discounting factor for the expected loss, discounted for 12 months from the first period subsequent to the reporting date.

21 As required by document No. 2 issued with joint signature by the Bank of Italy, CONSOB and ISVAP (now IVASS) on 6 February 2009.

Lastly, for loans already classified in Stage 3 whose amount is lower than the threshold set in the Bank's internal regulations for analytical assessment, a statistical write-down is applied using the following formula:

$$LtEL_t = EaD \times LGD$$

where:
- EaD is Exposure at Default;
- LGD is the loss resulting from; a default event, which can differ according to the administrative status at the calculation date.

For the purposes of a homogeneous application of the impairment model described to the financial asset portfolios of the Bank, the same methods of calculating the value adjustments described above are applied, in addition to the on- and off-balance sheet scope of the loans, also to the portfolio of debt securities. With regard to the latter portfolio, it should be noted that, where the risk information deriving from internal models (PD and LGD) is missing, external information from qualified info providers was used.
The Expected Credit Loss (ECL) model adopted by the Bank is based on the use of risk parameters estimated for regulatory purposes (disclosure of which is given in the relevant internal regulations and in Part E of the Explanatory Notes, to which reference should be made), appropriately amended to guarantee full consistency with the requirements of IFRS 9. The main changes concerned the following aspects:
- introduction of "point-in-time" elements in the regulatory parameters estimated according to "through-the-cycle" logic;
- implementation of components based on forecast information (scenario analysis);
- extension of the time horizon (multi-year) of the credit risk parameters.

Estimate of the PD parameter

The Probability of Default (PD) represents the probability that the individual debtor (or pool of debtors) will go into default.
The introduction of a Lifetime Expected Loss model implies the need to estimate the probability of default not only in the twelve months following the reporting date, but also in subsequent years.
For this purpose, multi-year PD dynamics accumulated by rating class were defined for each model of the internal rating system based on the product among the matrices of Point-In-Time (PIT) migrations conditioned to the expected economic cycle in the first three years and among the matrices of Through-The-Cycle (TTC) migrations conditioned to the "Current Policy" climate scenario from the fourth year onwards.
More specifically, the cumulative PD curves are determined, for the first three years from the reporting date, by multiplying future PIT matrices derived from the conditioning of PIT matrices, according to the application of satellite models, to different weighted macroeconomic scenarios with the relative probabilities of occurrence. From the fourth year onwards, climate elements are also introduced through the introduction of the "Current Policy" climate scenario, which envisaged an inertial behaviour of the economic system with respect to the energy transition and a temperature rise well above the limits agreed in Paris. Due to its characteristics, the scenario adopted is the most conservative of those available from the infoprovider. Consequently, the TTC ESG matrices obtained by conditioning the long-term TTC matrices (obtained as an average of the historical PIT migration matrices) to the "Current Policy" scenario according to the application of the same satellite models applied in the first three years are used.
The ordinary "satellite models", used to link risk parameters to the evolution of macroeconomic variables, have been supplemented by some elements aimed at intercepting emerging risks which, if activated, generate more conservative default rate forecasts. The currently active models include:
- "trend" adjustment, which is an econometric mechanism to reduce the sharp decline in default rates in recent years so that the long-term component of the time series is given more weight in forecasts;
- sectoral adjustments resulting from the application of the framework for the identification of vulnerable sectors (only on the SME Corporate and Large Corporate segments), aimed at identifying the geo-sectoral clusters most sensitive to the contingent macroeconomic context, so as to be able to activate the appropriate risk control mechanisms. To take account of the vulnerabilities, adjustments are expected to be made to the IFRS9 PD marginal curves for geo-sectoral clusters identified as vulnerable[22].

The introduction of these prudential elements is, moreover, optional, as a operational management choice made by the Bank depending on the observed evolution of the macroeconomic context and the consequent perceived risk of the loan portfolio.

Estimate of the LGD parameter

Loss Given Default (LGD) is the percentage of loss incurred by the Bank in the event of a debtor default.
The need to implement a long-term approach, also through the inclusion of "forward looking" factors has involved the removal of the corrective components required for regulatory purposes ("downturn", indirect costs and margins of conservatism) and conditioning to the expected economic cycle to obtain point-in-time and forward-looking parameters by using satellite models. In particular, the conditioned components requiring specific satellite models include the probability of migration to bad loan status and the loss given default of bad loans.

22 The framework for the identification of vulnerable sectors and the relative correction measure have been implemented, to an extent limited to the SME Corporate and Large Corporate segments, but with the prospect of an extension to other segments in the fully operational solutions.

Moreover, with the aim of bringing forward also to the accounting area the effects of the remediation plan of the recent inspection on internal models, the Bank provided for the extension of the 'ECB limitation' (increase of the LGD AIRB parameter used for performing exposures equal to 20%) also to the LGD IFRS9 parameter[23].

Estimate of the EAD parameter

Exposure At Default (EAD) is the expected exposure value in the event of a counterparty default. EAD is one of the factors required for the entire credit risk measurement process and its quantification is required not only for Basel II purposes and the calculation of the RWA IRB, but also for accounting purposes in order to determine collective provisions in accordance with the International Financial Reporting Standard IFRS 9.
The concept of exposure (EAD) considered in the various future payment moments foreseen in the amortisation plan is based on the residual debt, increased by any unpaid or overdue instalments.
With reference to off-balance sheet exposures (guarantees and margins), EAD is determined by applying a credit conversion factor (CCF) to the nominal value of the exposure.

Multi-scenario approaches used for estimating ECL:

a) Macroeconomic scenarios and forward-looking factors

As required by IFRS 9, the Bank's impairment model is reflected in the risk parameters used to calculate the ECL (and the stage assignment explained below):

- current conditions in the economic cycle (Point-in-Time risk measures);
- forward-looking information about risks, considering the dynamics of the (external) macroeconomic factors that affect the lifetime expected loss;
- the probability that three possible scenarios might occur (Probability weighted).

Therefore, all the risk parameters (with the exception of Exposure At Default, for which the econometric conditioning model was not applied due to the volatility of the parameter, in favour of stability) are conditioned by macroeconomic scenarios.
With reference to the multiple prospective scenarios similar to those used to estimate the ECL, the Bank has decided to use the same scenarios used by the Bank's main processes such as Planning and Budget, Risk Appetite Framework (RAF) and Lending Policies, limiting the forward-looking time horizon to a maximum of 3 years following the date of each assessment[24].

b) Application of the disposal scenario for non-performing loans

Paragraph B5.5.41 of IFRS 9 states that the purpose of estimating expected credit losses is neither to estimate the worst-case scenario nor to estimate the best-case scenario. Instead, an estimate of expected credit losses must always reflect the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the most likely outcome is no credit loss.
As described in the ITG "Inclusion of cash flows expected from the sale on default of loans" from the staff of the IFRS Foundation and in the "Guidelines for banks on non-performing loans (NPL)" published by the ECB in March 2017 to encourage their proactive management, the Bank has included forward-looking factors in the assessment of non-performing loans (classified in particular as bad and UTP loans) by forecasting recoveries on a multi-scenario basis. More specifically, in line with the current processes of recovery of non-performing assets, which envisage their realisation also through sale on the market, the impairment model has integrated a sale scenario (so-called "Disposal Scenario), in line with what is defined in the Bank's NPE Strategy plans for the management and reduction of the non-performing portfolio, as a possible method of recovering exposures, as an alternative to internal recovery ("Workout Scenario").
When envisaged and possible, loans classified in Stage 3 are therefore measured by weighting their estimated realisable value determined under the two possible scenarios ("workout" and "disposal") by applying a probability of occurrence to each. To this end, the Bank has adopted a model for calculating the multi-scenario net value of impaired financial assets, which considers the following parameters:

$$\text{NBV}_{\text{Multiscenario}} = \mathit{FMV} \times \mathit{Disposal\ Scenario}\ \% + \text{NBV}_{\text{Workout}} \times (1 - \mathit{Disposal\ Scenario}\ \%)$$

where:

- FMV is the best estimate of the "disposal" price;
- $\text{NBV}_{\text{Workout}}$ is the net book value of the loan according to internal management logic ("workout");
- Disposal Scenario % is the probability of occurrence of the disposal scenario;
- (1 – Disposal Scenario %) is the probability of occurrence of the workout scenario.

23 The extension of the "ECB limitation" to the LGD parameter used to estimate ECL IFRS 9 has taken place starting from 31 March 2024. At steady state, this correction is expected to be absorbed into the additional update of the AIRB model, as required by the ECB to the Bank.

24 As at 31 March 2024, an updated criterion to assign the probability of occurrence of macroeconomic scenarios was implemented as part of the Expected Credit Loss estimate, which involved the assignment of a more robust weight to alternative scenarios (adverse and favourable) compared to the weight given to base scenarios. Also to prepare this Separate Financial Report, the Management overlay was applied, which consists in the 'expert' attribution of the probability of occurrence of the macroeconomic scenarios considered, de facto overwriting the effects of this model update.

This methodology for measuring Stage 3 exposures provides the best representation of possible recoveries from, on the one hand, the application of routine internal procedures and, on the other, market disposals in implementation of the specific strategies (NPE Strategy) and targets that the Bank has committed to achieving in communications with the financial community.
The measurement process therefore retains unchanged the methodology for identifying recoverable value under the workout scenario, but is supplemented by an assessment based on market parameters under the disposal scenario. The two measurement processes are carried out in parallel and their results are summarised by determining a weighted average based on the relative probabilities of occurrence.

The resulting impairment model requires the parameters used for both the workout scenario and the disposal scenario to be updated constantly. Specifically with regard to the first scenario, the internal assessment of the recoverability of the exposure is revised constantly, based on the rescheduling/recovery strategies/actions implemented by the workout managers both in relation to the results of the statistical model applied to exposures of a unit amount below the identified materiality threshold; with reference to the second scenario, the FMV is updated regularly (every quarter) with reference to the information available about disposal conditions until the selling prices are matched by a "welcome" binding offer from a potential purchaser (probability of disposal close to 100%). The best estimate of the disposal price of the individual positions is determined by considering, where available, the potential market value of the portfolio concerned and, where unavailable, the likely disposal value of each position under a mark-to-model approach.
The probability of disposal is determined by taking into account the expected timing of the disposal, the type of transaction contemplated and the characteristics (also in terms of expected classification at the time of disposal) of the exposures identified for disposal.
The probabilities associated with the workout and disposal scenarios for each position are not fixed over time, but in turn are subject to amendments and changes due, principally, to conditions in the NPE market and cumulative achievement of the objectives established in the current NPE Strategy of the Bank. Dynamic management of the Bank's non-performing portfolio in fact requires the addition of new positions and the exclusion of others initially identified for disposal, depending on the interest of operators in the NPE market and the internal assessments carried out by Bank management; these circumstances must be recognised as entirely physiological and unavoidable in such a dynamic context, with accounting consequences in terms of loan impairment losses and write-backs.
Notably, during the time dedicated to the selection of disposal opportunities and completion of the operation, the positions concerned are still managed in accordance with the normal workout procedures that, understandably, often result in resolution of the problem before the positions are actually sold. It follows that the ideal disposal perimeter identified originally must be updated constantly, in terms of quality, quantity and provisions, to keep it aligned with the objectives established in the NPE Strategy.

Criteria for the classification of financial instruments in Stages

The Stage Assignment Framework adopted by the Bank establishes the requirements for classifying financial instruments with reference to the actual "deterioration" of credit risk, consistent with the requirements of IFRS 9, applying an approach that is consistent among the various portfolios. This classification in stages of increasing risk is determined using all the significant information contained in Bank processes, as supported where applicable by updates and the credit monitoring processes.
Specifically, financial assets are classified into three stages of risk, each of which applies a different method to calculate the related impairment adjustments, while consistently applying the "Expected Loss" or "Expected Credit Losses" (ECL) concept:

- Stage 1: includes all performing loans (originated or acquired) for which there is no "significant increase in credit risk" (SICR) since initial recognition; impairments are equal to the expected losses that could occur if a default occurs in the next 12 months (12-month ECL);
- Stage 2: comprises all performing loans with a "SICR" since initial recognition; the impairment adjustments reflect the expected losses that might arise on default at any time in the life of the financial instrument (lifetime ECL);
- Stage 3: comprises all accounts in default at the reporting date, the impairment adjustments for which consider the lifetime ECL.

In particular, regarding the classification of loans in Stage 2, it is essential to identify correctly the SICR criteria used in the stage assignment process. For this purpose, the Bank has structured a framework designed to identify the increase in credit risk before the credit lines granted show clear signs of impending default.
While the distinction between performing and non-performing is made at counterparty level, classification into stages of risk is carried out at account level. In order to distinguish loans within the performing portfolio that do not show SICR (Stage 1) from those that do (Stage 2), the Bank has decided to use all the following available significant factors as criteria for the analysis of credit quality:

- relative quantitative criteria, reflected in the internal thresholds of change between the PD identified on originating the contractual relationship and the PD at the measurement date, that identify a significant increase in credit risk if exceeded. In this context, a framework is in use to identify the changes in PD, which makes reference to the Lifetime PD curves, containing forward-looking information derived from the application of the reference macroeconomic scenario in the first three years and information derived from the application of the "Current Policy" climate scenario from the fourth year onwards. The

SICR thresholds, with the quantitative criterion being triggered if breached, are differentiated by counterparty risk segment, residual maturity cluster of the financial instrument and rating class at origination. From 30 September 2024, a "multi-scenario" lifetime PD delta[25] was used, which is then compared with the estimated SICR thresholds.

The table below offers a summary view of the granularity of definition of the relevant "lifetime PD delta" thresholds for SICR, i.e. the internal thresholds of change between the PD identified on originating the contractual relationship and the PD at the measurement date and used by the Bank:

Rating class at origination	PD Model segment IFRS9	Residual maturity cluster
From 1 to 9 years	Large Corporate	<= 2 years
		<= 5 years
		> 5 years
	Holding	<= 3 years
		<= 8 years
		> 8 years
From 1 to 13 years	SMEs Corporate	<= 16 years
		> 16 years
	Real Estate - Multi-annual SMEs Centre South Islands	<= 2 years
		<= 5 years
		<= 10 years
		> 10 years
	Real Estate - Multi-annual SMEs North	<= 5 years
		<= 9 years
		<= 10 years
		> 10 years
	Retail SMEs - Centre South Islands	<= 3 years
		<= 4 years
		<= 5 years
		<= 9 years
		> 9 years
	Retail SMEs - North	<= 4 years
		<= 8 years
		<= 13 years
		> 13 years
	Private individuals - Centre South Islands	<= 3 years
		<= 4 years
		<= 5 years
		<= 7 years
		<= 16 years
		> 16 years
	Private individuals - North	<= 3 years
		<= 4 years
		<= 5 years
		<= 6 years
		<= 7 years
		<= 13 years
		<= 16 years
		> 16 years
	Small Business Operators	<= 5 years
		> 5 years
	Financial corporations	<= 5 years
		> 5 years

25 The "multi-scenario" lifetime PD delta is calculated as the weighted average of the stand-alone lifetime PD deltas calculated under different types of scenario and using as weights the probabilities of occurrence assigned to each scenario (favourable, baseline and adverse).

- absolute qualitative criteria that, via the identification of a risk threshold, identify the transactions to be classified in Stage 2 based on the specific risk information available. This category includes the adverse events impacting credit risk that are identified by the Early Warning credit performance monitoring system ("watchlist"). In order to avoid overlapping, some qualitative counterparty information has not been included among the staging criteria, as it is already considered in the rating models;
- backstop indicators, including:
  - the presence of exposures with a significant past due balance for more than 30 days;
  - the presence of a regulatory probation period of 24 months for forbearance measures;
  - the absence of a rating or the presence of a default status at the credit origination date;
  - the presence of exposures with a rating class at the reporting date that is considered "high risk";
  - the presence of a threefold increase in PD lifetime at the reporting date compared to PD lifetime at origin ("Threefold increase").

For a homogeneous application of the impairment model between portfolios of the Bank, the classification criteria in stages for the portfolio of debt securities were taken, where possible, from the staging logic applied to the loan portfolio. Specifically, the Bank has defined a staging model for debt securities based on the following criteria:
- management of an "inventory" of debit securities for staging purposes, applying the FIFO method to relieve sold tranches from the portfolio;
- model for identifying significant increases in credit risk, in order to classify debt securities in Stage 1 or Stage 2, based on the following criteria:
  - primary use of the internal rating model and, if unavailable, reference to an external rating agency;
  - determination of the rating downgrade threshold based on a comparison of rating classes at origination with rating classes at the measurement date (notching between rating classes);
- classification in Stage 3 of all debt securities in default at the reporting date, applying the definition of default contained in the ISDA document entitled "Credit Derivatives Definition" of 2003.

The standard also envisages the possible use of a practical expedient, intended to reduce the implementation burden for transactions that, at the measurement date, have a low credit risk and can be classified in Stage 1 without first carrying out the SICR test. The standard considers an asset to have a low credit risk if the debtor is well able to meet the short-term cash flow requirements deriving from its contractual obligations and adverse changes in the long-term economic situation might reduce that ability, but not necessarily.
The Bank has decided not to adopt this practical expedient.
Should the conditions giving rise to the SICR cease to apply at a subsequent measurement date, the financial instrument is once again measured with reference to the 12-month ECL, which might result in a write-back to the income statement.
It should be noted, however, that in the event of reclassification of a loan from non-performing (Stage 3) to performing, the Bank does not deem necessary a forced classification in Stage 2 with the application of a Lifetime ECL, since no probation period has been set for the return from Stage 3 to Stage 1. In this case, the stage assignment approach mentioned previously will be valid. In line with this approach and with the regulatory requirements, also in the event of a return from Stage 2 to Stage 1, probation periods are not envisaged as the combination of the various SICR rules implemented already permits an adequate level of prudence in the case of a return to Stage 1.
The only exception to this concerns the application of the regulations on "forborne exposures", for which the Bank expects that the official rating valid on the day the forborne attribute is activated may not be changed before twelve months have elapsed.

Lastly, to replace the overlay dedicated to the extreme flood event that hit the Emilia-Romagna Region, as part of the correct quantification of emerging risk factors, and therefore of the impact on the Expected Credit Loss, a Collective Staging Assessment of specific clusters of the portfolio is envisaged to maximise available and relevant information, with appropriate modification of the Stage 2 classification of the positions falling into these clusters through the implementation of a 'Collective Staging Assessment', in the event that emerging risk factors cannot be adequately intercepted on individual counterparties by the risk models for the evaluation of the Significant Increase of Credit Risk (SICR).

Risks and uncertainties inherent in the current macroeconomic environment - Management Overlays applied in the assessment of credit risk

The general and sectoral macroeconomic scenario is still subject to considerable uncertainty caused by the geopolitical tensions that have spread to the Middle East following the outbreak of the Russia-Ukraine conflict and the international sanctions that followed; there is also a growing international awareness of climate risk and the measures being taken to address it.
Said elevated uncertainty prompts BPER Banca to continuously control and monitor, in particular, credit risk and the related balance sheet assessments.
In this regard, the Parent Company has carried out analyses to identify the best methods of intervention on the credit risk measurement and forecasting systems, later aligning them with the prevailing context and trying to avoid being excessively pro-cyclical in the definition of collective provisions, as indicated by the Regulators (among others especially ESMA and ECB).

An explanation is provided below of the method of application of the Management Overlays as 'correction factors' applied to the ECL, already introduced in the previous paragraph "Uncertainties in the use of estimates", including:

- the "expert" attribution of the probability of occurrence of the macroeconomic scenarios considered by the model (so-called "multi-scenario") of ECL, in particular by intervening on the choice of the adverse scenario considered (so-called "extreme adverse" scenario as the most pessimistic macroeconomic scenario, formulated by the provider used by BPER Banca and customised by BPER according to the guidelines of its Market Study, Research and Innovation office), and increasing the relative probability of occurrence to 50%. The probability of occurrence of the "baseline" scenario was also set at 50%, leading to the absence of impact of the remaining "best" scenario - probability of occurrence equal to 0%;
- the application of a prudential correction factor to the ECL, downstream of the model's results, which pays special attention to the "high-risk" economic sectors, in order to take account of the probability of the customer encountering financial difficulties, also considering fears of negative effects on the economy stemming from the potential exacerbation of energy costs and raw materials due to the outbreak of crisis in the Middle East, as well as the ongoing conflict between Russia and Ukraine. Similarly, the adjusting provisions of direct exposures to banks resident in Russia were booked to the same overlay. Following the introduction of the new framework for the identification and the management of vulnerable sectors which acts on the performing loan portfolio, this correction factor was removed from the performing component (Stage 1 and 2) of the SME Corporate and Large Corporate segments, but was maintained for the non-performing component (Stage 3).

Lastly, with respect to the Stage 2 classification as proposed by the Bank's analytical staging model, the Bank applied a corrective 'Collective staging assessment' to resident customers or to businesses operating in the provinces most affected by the weather event of May 2023 in Emilia-Romagna in order to take into account the possibility that such entities may experience financial difficulties.

B. Purchased or Originated Credit Impaired (POCI) financial assets

If a credit exposure (including those acquired through business combinations) classified at the time of initial recognition in balance sheet item "*Financial assets measured at fair value through other comprehensive income*" or in item "*Financial assets measured at amortised cost*" becomes impaired, it is identified as "Purchased or Originated Credit Impaired - POCI".
By convention, POCI financial assets are classified in Stage 3 on initial recognition.
Should these assets become performing, following an improvement in the creditworthiness of the counterparty, they are reclassified to Stage 2.
They can never be classified in Stage 1, as the expected credit loss must always be calculated over the residual duration.
In addition to what was said above, the Bank identifies as POCI financial assets any credit exposures originating from the restructuring of impaired exposures that resulted in the granting of significant new funds.

C. Intangible assets with an indefinite useful life

As regards testing goodwill for impairment, when preparing the Financial Report, BPER Banca carries out specific impairment tests on an annual basis as required by the accounting standards, normally at 31 December of each year, unless there have been changes or there are completely new situations that are likely to have had a material impact on the carrying amounts of assets and on the assumptions used the previous time the assets were measured (particularly the assumptions used to calculate the discount rate (Ke) and profit forecast (budget and business plans) of the Companies or CGUs whose goodwill is to be tested, i.e. subsidiaries and associates).
Para. 9 of IAS 36 requires an assessment to be made on each reporting date about whether or not an asset may be impaired; in addition, paras. 12 to 14 of IAS 36 describe certain situations that might be evidence of impairment.
In the case of goodwill, the cash generating unit (CGU) to which it has been allocated is tested for impairment. Any reduction in the value of goodwill is based on the difference between the recoverable amount of the CGU and its carrying amount if the latter is higher, up to the amount of goodwill on the books. The recoverable amount is the higher of the cash-generating unit's fair value, net of any selling costs, or its related value in use. The difference between the book value and the value in use is recognised in the income statement as "*Net adjustments to intangible assets*".

D. Equity investments

The Bank's equity investments are also subjected to impairment testing. In particular, the impairment test is carried out on an annual basis as required by the accounting standards, normally as at 31 December each year, unless there are changes or situations of discontinuity of particular importance with respect to the values and assumptions taken as a point of reference in the previous test; if specific impairment triggers are identified, the recoverable amount shall be determined, represented by the higher of the asset's fair value less costs of disposal and its value in use. These valuations are conducted in accordance with best market valuation practices (such as mainly income/financial valuation methods and, only residually, equity methods).

E. Property, plant, equipment and intangible assets with a finite useful life

Property, plant, equipment and intangible assets with a finite useful life, with the exception of properties held for investment purposes, are subjected to impairment testing if there is evidence that their carrying amounts may no longer be recoverable. The recoverable amount is determined with reference to the fair value of the property, plant and equipment or intangible asset, less costs of disposal, or to its value in use if this can be determined and exceeds fair value.
With regard to property, plant and equipment consisting in Property used in operations (IAS 16), paragraph 5 of IAS 36[26] applied by the Bank leads to the conclusion that the only difference between an asset's fair value and its fair value less costs of disposal is the direct incremental costs attributable to the disposal of the asset. Two options are therefore possible:

- If the disposal costs are negligible, the recoverable amount of the revalued asset is necessarily close to its revalued amount. In this case, after the revaluation requirements have been applied, it is unlikely that the revalued asset is impaired;
- If the disposal costs are not negligible, the fair value less costs of disposal of the revalued asset is necessarily less than its fair value. Therefore, the revalued asset will be impaired.

If there is an indication that the remaining useful life of property may need to be significantly reviewed, this may be also be relevant for the recognition of an impairment.

In relation to the methods for determining the fair value, please refer to the following paragraph "Information on fair value".

As with property owned by the Bank, the right-of-use assets recognised in relation to leased buildings used in operations (IFRS 16) are also subjected to periodic impairment tests that consider their expected use (decisions to close branches and related contract amendments already carried out) and suitable market indications regarding the costs to be incurred in order to rent them out.

24. Business combinations: purchase price allocation

Introduction

The following description covers the general process required by IFRS 3 for the recognition of business combinations, being transactions or other events in which a company acquires control over one or more business activities and expects to consolidate the assets, liabilities and contingent liabilities acquired at their respective fair values, including any identifiable intangible assets not already recorded in the financial statements of the acquired business.
According to IFRS 3[27], a specific analysis to identify the characteristics of "Company's Business", has to be carried out with respect to the acquired entity, in order to identify a business combination to be accounted for according to the Acquisition Method.
BPER Banca then proceeds with a qualitative analysis of the characteristics of the assets acquired in order to verify the simultaneous presence of i. Factors of production, ii. Processes, iii. Production as defined in IFRS 3, in particular with respect to the concept of Substantive Process.
Subsequently, on the basis of the Acquisition Method and on the date of acquisition of control, BPER Banca allocates the price of the combination (Purchase Price Allocation - PPA) by recognising the assets acquired, liabilities assumed (including contingent liabilities) and minority interests to the related fair value, in addition to identifying the implicit intangible assets previously not accounted for in the accounts of the acquiree. Any differences that emerge between the price paid for the acquisition (also measured at fair value and considering any "potential consideration") and the fair value (net of tax effect) of the assets and liabilities acquired are, if positive, recognised as goodwill in the balance sheet and, if negative, credited to the income statement as badwill (or "gain on a bargain purchase").
IFRS 3 allows for the final allocation of the cost of the business combination to be made within twelve months of the acquisition date.

Fair value of purchased assets and liabilities

When accounting for a business combination, the Bank determines the fair value of the assets, liabilities and contingent liabilities purchased. Such amount is only identified separately if, at the acquisition date, the following criteria are met:

- in the case of assets other than intangible assets, it is likely that the purchaser will obtain any future economic benefits;
- in the case of liabilities other than contingent liabilities, it is likely that their settlement will require the use of resources capable of producing economic benefits;
- in the case of an intangible asset (IAS 38) or a contingent liability (IAS 37), the related fair value can be measured in a reliable manner.

26 Pursuant to para. 5 of IAS 36, impairment tests apply to assets that are recognised in accordance with other IFRSs, such as the revaluation model in IAS 16 (i.e. fair value at the date of the revaluation less any subsequent accumulated depreciation).

27 The amendments made to IFRS 3 with Commission Regulation (EU) 2020/551 have i) modified para. 3 and ii) introduced paras. B7 - B12D, substantially revising the definition of "business" for the purpose of identifying transactions that can be classified as "business combinations".

Financial assets and liabilities must be measured at their fair value on the date of the business combination, even if they are measured using other criteria in the financial statements of the acquired company. The fair value of financial instruments not listed in active markets is determined in the manner described in chapter “Information on fair value”, applying the internal measurement model that is most appropriate for the instrument concerned.

Identification of intangible assets

Depending on the characteristics of the business acquired, an analysis is performed to identify any unrecorded assets that should be recognised separately, for example customer-related intangibles or client relationship, and marketing-related intangibles (brand name).

Customer-related intangible assets: these are recognised as intangible assets when they are separable and can be measured reliably, even though they may not always derive from contractual rights such as marketing-related intangibles.
This category includes:

- client lists: these comprise all the information held about clients (database containing: names, addresses, transaction history, demographic information etc.) that has a recognised market value, on condition that it can be rented or exchanged; such information cannot be treated as an intangible asset if it is considered so confidential that the combination agreement forbids its sale, rental or exchange in other forms;
- contracts with clients and the client relationships established as a consequence: contracts with clients satisfy the contractual/legal requirement for the recognition of an intangible asset, even if the combination contract forbids their sale or transfer separately from the business acquired; this category also includes long-established contacts with clients, even if there is no formal contract, and all other non-contractual relationships that can be separated and measured on their own;
- non-contractual relations with clients: this category includes all intangible assets that, being separable and transferable independently of the business acquired, may be valued individually and recognised as intangibles.

Marketing-related intangible assets: trademarks, commercial names, service brands, collective names and quality marks that derive from contractual rights or which are usually separable. Such assets reflect the collection of productive conditions that are economically correlated with the commercial name, the relationship with the market, and the reach of distribution.
An intangible asset must be measured initially at cost. If acquired as part of a business combination, its cost is its fair value at the time control is obtained.
Fair value, in this context, reflects market expectations about the likelihood that the owner will obtain the future economic benefits deriving from the asset. The entity must assess the probability of obtaining future economic benefits using reasonable and justifiable assumptions that reflect Management’s best estimate of the economic conditions that will apply over the useful life of the asset.
The accounting standards do not specify the methodology to be used to measure the fair value of such assets but, among the possible alternatives, preference is given to those making reference to observable market prices. Failing this, the accounting standards allow the use of valuation models that include assumptions which are generally used and recognised by the market.
The fair value of customer-related intangible assets is determined by discounting the profit flows generated by deposits over the expected residual period of the relationships outstanding at the time of acquisition.
In general, brands are valued using market methods as well as methods based on the flows deriving from their management or a royalty recognised by the market.

Determination of Goodwill (Gain on a bargain purchase or “Badwill”)

Goodwill represents the unallocated amount of purchase cost, being the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired (including those intangibles and contingent liabilities that satisfy the requirements for recognition in the financial statements).
This represents the consideration recognised by the purchaser in exchange for the future economic benefits deriving from assets that cannot be identified individually and recognised separately. In substance, this includes the value of the expected synergies, the corporate image of the company acquired, its know how, its professionalism, its procedures and other non-specific factors.
The goodwill acquired as a result of a business combination is not amortised. The Bank verifies each year, or at the end of the period in which a business combination was carried out and whenever there is evidence of possible impairment, that the recorded value of goodwill has not been impaired (impairment test).
If the residual amount allocated to the purchase value is negative, it is recognised as a benefit in the income statement under item “*Gain on a bargain purchase*”.

Business combinations among entities under common control

A business combination involving entities or businesses under common control ("Business combination under common control") is a business combination in which all of the entities or businesses are ultimately controlled by the same party or parties both before and after the combination and such control is not transitory[28],
This type of transaction[29] is excluded from the scope of IFRS 3[30].
In the event that such transactions occur, the Bank defines their accounting treatment in accordance with Assirevi preliminary guidelines on IFRS (OPI) No. 1 "Accounting treatment of "business combinations under common control" in the Separate and Consolidated Financial Report and No. 2 "Accounting treatment of mergers in the Separate Financial Report".
With particular reference to transactions that do not have economic substance (or that do not have a significant influence on the future cash flows of the net assets transferred), the Bank applies the "Principle of continuity of values", which results in the recognition in the statement of financial position of values equal to those that would have resulted if the combined companies had always been combined[31].

28 IFRS 3 § B1:

29 Except for own mergers.

30 IFRS 3 § 2(c).

31 The net assets of the entity acquired and of the acquiring entity are recorded at the book values that they had in their respective accounts before the transaction. Subsequent accounting entries continue by carrying forward the values used for the previous entry. The income statement is the sum of the income statements of the two integrated entities as of the date of the transaction. Adjustments are made to standardise the application of accounting policies and to eliminate intercompany items.

A.3 – INFORMATION ON TRANSFERS OF FINANCIAL ASSETS BETWEEN PORTFOLIOS

No financial assets were reclassified during the year.

A.4 – INFORMATION ON FAIR VALUE

Qualitative Information

Techniques for the determination of fair value

Paragraph 9 of IFRS 13 defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".
When determining whether the fair value at initial recognition equals the transaction price, it is necessary to take into account factors specific to the transaction and to the asset and liability. It follows that, if the transaction price (consideration) differs from fair value, the difference should be recognised in the income statement.
It is also established that fair value excludes transaction costs.
In addition to the measurement of stand-alone financial instruments at fair value, the Bank may also measure groups of similar assets and liabilities at fair value, where it is permitted to do so.
Measurement at fair value assumes that the transaction to sell an asset or transfer a liability takes place in a principal market, defined as the market with the greatest volume and level of trading for the asset or liability to be measured. In the absence of a principal market, reference should be made to the most advantageous market, which is the market that maximises the amount that would be received to sell an asset or minimises the amount that would be paid to transfer a liability, after taking into account transaction costs.

Identification of active markets

The process for measurement of fair value starts with determining whether there is an active market with regularly available quoted prices.
In order to consider a market as active, the Bank takes account of the following factors:
- number of participants;
- frequency of price quotation or price update;
- the presence and size of a bid-ask spread;
- trading volume.

Whether a financial instrument qualifies as traded on an active market can only be determined through extensive research of all the existing markets in order to identify the principal or most advantageous market, taking into account "all information that is reasonably available" (IFRS 13 § 17). This needs to be done for each financial instrument for which the fair value has to be determined.
To determine whether, based on the information that is available, a market can be considered to be active, the Bank assesses the importance and relevance of factors that include the following:
- low level of recent trading activity;
- available prices are not current;
- available prices vary significantly over time or between market-makers;
- it can be demonstrated that indices that previously had a close correlation with the fair value of an asset or a liability no longer have this correlation based on recent indications of fair value of that asset or liability;
- the presence of a significant increase in the embedded risk premiums (or default rates) of the transactions being considered or in quoted prices;
- the presence of a wide bid-ask spread or of a significant increase in it;
- a significant decline in the level of trading activity;
- a lack of publicly available information.

If compliance with the necessary requirements is verified periodically, a financial instrument can be considered to be traded on one or more active markets. Within the possible markets, a search is undertaken to identify the principal market or, in the absence of a principal market, the most advantageous market.
Fair value is determined with reference to:
- the closing bid price for assets held or liabilities to be issued;
- the closing ask price for liabilities already issued or assets to be purchased.

Closing bid and ask prices are the bid and ask prices referred to by the entity that regulates the market on which an instrument is traded.

In the absence of reference bid and ask prices, the last price set by the entity which regulates the market could be taken, provided that this price has the following features: advertising, liquidity, prompt adaptation to changing conditions and availability as envisaged by the standards.

For assets and liabilities with offsetting positions in market risks, the average of the bid and ask price can be used, provided that this is commonly used by market participants and is consistent with the objective of measuring fair value in accordance with IFRS 13.

In the case of open-ended mutual funds, the Bank considers the Net Asset Value (NAV) as the best expression of the fair value of the instrument. No adjustments are made to the NAV to take into account the interval between the date redemption is requested and the actual redemption date (considered insignificant).

In the case of listed closed-end funds, the fair value is derived from the market quotation.

With regard to foreign shares, if these are listed on regulated stock exchanges, then they are considered to be traded in an active market. The price provided for this type of share, if the bid-ask spread is not available, is the last price. On the contrary, equity trading in OTC markets is not considered to take place in an active market.
Listed derivatives are measured using the last prices supplied by the clearing house.
Financial instruments listed on non-active markets are considered as “unlisted” instruments.

With regard to bonds not listed on regulated markets, in view of the role played by the Bank in the institutional market for financial instruments, the Bloomberg Professional system has been identified as an active market for front office operations, if the prices recorded therein have the appropriate features mentioned above.

Identification of the fair value of financial instruments not listed on active markets

If the market for a financial instrument does not meet the conditions required to qualify as an active market, the fair value of the instrument is determined through the use of valuation techniques.
Valuation techniques indicated by international accounting standards are:
- market approach: this uses prices and other relevant information generated by market transactions involving comparable assets;
- cost approach: this reflects the amount that would be required currently to replace the service capacity of an asset (“current replacement cost”);
- income approach: this converts future cash flows or income and expenses to a single current amount.

For the Bank, the following valuation techniques are valid:
- market approach for identical or comparable assets and liabilities;
- use of matrix pricing;
- present value techniques;
- option pricing models;
- the multi-period excess earnings method.

These techniques may be used if:
- they maximise the use of market data, while minimising the use of Bank estimates and assumptions;
- they reasonably reflect how the market expects the price to be determined;
- the fair value measurement is determined on the basis of the value indicated by current market expectations and the risk and yield of the instrument being valued;
- they reflect the assumptions that market participants would use when pricing an asset or liability;
- they are consistent with commonly accepted methodologies;
- they are periodically subjected to verification and calibration to verify their capability to determine a fair value in line with actual trading prices for the instrument being valued.

In summary, the Bank’s preference is to adopt a market approach for the determination of fair value, even if an active market does not exist. Only in the event that it is not possible to apply the above valuation techniques, quantitative valuation methods may be used.

It is apparent that regulations governing valuation techniques do not authorise a neutral and objective use of quantitative methods. However, their use should be understood to be the development by the Bank of an internal process that matches the fair value measurement with a price at which an instrument could be exchanged in a market transaction at current conditions.
As part of this process, it would thus appear necessary to give priority to the use of recent transaction prices (prices on non-active markets, prices provided by third-party participants), or the prices of similar instruments. In this context, quantitative

methods can provide a benchmark to supplement, or correct, any differences between the instrument being valued and that observed in the market, or to reflect the impact of changes in the economic environment on market transactions.
Valuation techniques used to measure fair value are applied consistently. A change in a valuation technique or its application is appropriate if the change results in a measurement that is equally or more representative of fair value in the circumstances. That might be the case if any of the following events take place:
- new markets develop;
- new information becomes available;
- information previously used is no longer available;
- valuation techniques improve;
- market conditions change.

A.4.1 Fair value Levels 2 and 3: valuation techniques and inputs used

Valuation techniques

Specific techniques are applied in relation to particular types of financial instrument, in order to correctly identify their characteristics.

Equity instruments

For all unlisted shares, the valuation methodologies set out above apply. Failing this, they are measured at cost.
For unlisted shares, other than equity investments, the methods used the most for fair value measurement fall into the following categories:
- discounted cash flow;
- the use of multiples.

These methods require the availability of a significant amount of data to estimate future cash flows generated by a company or to identify the correct market multiples. They use uncertain estimates of various parameters (cash flows, dividends, beta, risk premium, cost of capital, asset values, etc.), the measurement of which is subjective and which do not always reflect market conditions. This leads to a valuation of a distribution of theoretical fair values. Where it is not possible to reliably determine the fair value with the above methods, securities and instruments are measured at cost.
As an alternative to the valuation techniques above, the value of the share may be based on book value, computed as the ratio between equity and the number of issued ordinary shares.

Plain vanilla debt securities

With regard to plain vanilla debt securities, the valuation technique applied is discounted cash flow analysis. There are three steps:
- mapping of cash flows: recognition of the cash flows expected from the instrument and their distribution of the duration of the contract;
- selection of the discounting curve, having regard for the risk factors affecting the cash flows;
- calculation of the present value of the instrument at the measurement date.

Having identified the cash flows, the appropriate discounting curve is calculated using the discount rate adjustment approach, which takes account of both rate risk and credit/liquidity risk. This information is used to calculate the instrument's fair value, as the sum of the present values of its cash flows.

Structured debt securities

With regard to certificates issued by the Company, in the absence of observable prices in active markets, measurement is performed using valuation techniques based on a discounted cash flow model, capable of considering all factors deemed relevant by market participants in determining the price of a hypothetical transaction.
In particular, to determine its creditworthiness, BPER Banca uses market prices, if available, or the spreads implicit in comparable issuances in active markets (Euro TLX).
The derivative components embedded in the instruments are valued using the most widely accepted derivative valuation techniques on the market, as described below.

Closed-end funds

In order to take into account certain specific problems of unlisted closed-end real estate funds, such as the underlying's lack of liquidity, the absence of a liquid market and the specificity of the underlying, the most up-to-date NAV available may be corrected by a difference that takes account of the various components deemed relevant to determine the cash flows that are expected from the disposal of the underlying assets (a.k.a. Liquidity Adjustment).

Private equity funds

Closed-end private equity funds are first measured at the NAV determined from time to time by the SGR concerned. In addition, the NAV determined using the principles envisaged by the Bank of Italy for the preparation of management reports is compared periodically with the NAV determined by calculating the fair market value of the initiatives underlying[32] the fund, in order to identify any differences that might be reflected immediately in market value, but not in the NAV calculated in the normal way. Should the market value of a fund turn out to be lower than the official NAV or should additional evidence become available compared to market valuation of the instruments in question, further analyses are required in order to correct the NAV and determine the fair value to be recognised in the financial statements.

Funds that specialise in managing NPLs

In order to take into consideration some specific problems of unlisted closed-end funds that invest in non-performing loans (NPLs), such as the fair value measurement of the underlying and the absence of a liquid market, the most up-to-date NAV available is used as input, together with the other market parameters generally used in measuring this type of asset at fair value (mainly the expected rate of return), in a model that is able to simulate the perspective of an operator in the NPL market, considering its limited liquidity.

Asset-Backed Securities (ABS)

With regard to the Asset-Backed Securities (ABS) held in the portfolio, the Bank has defined specific measurement criteria that maximise the use of market information, applying the following hierarchy:
- “qualified” contributions (contribution approach);
- method based on market information (comparable approach);
- internal measurement model (waterfall).

Derivative instruments

The fair value of derivatives is determined using quantitative models that differ depending on the type of instrument concerned. In particular, a distinction is made between:
- Over-The-Counter (OTC) options represented by either stand-alone options or options embedded in complex financial instruments. Pricing techniques include:
  - options with pay-off that can be calculated precisely, priced using models generally accepted by the market (e.g. Black & Scholes and variants);
  - options with pay-off that cannot be calculated precisely, usually priced using simulation techniques (typically “Montecarlo” simulations);
- Interest Rate Swaps (IRS): the fair value of IRS is determined using net discounted cash flow analysis. In the case of a structured IRS, the instrument is decomposed into a plain component and an optional component (“building blocks”), so that their separate values can be determined and summed;
- Forward Outright contracts: the fair value measurement of FX Forward Outrights is given by the amount to be traded forward times the strike price, adjusted for the current difference between the spot exchange rate and the forward exchange rate.
- Credit default swaps (CDS): for the fair value measurement of CDS, the Standard ISDA model (v1) developed by Markit Group Ltd. is used
- Commodity Swap: the “net discounted cash flow analysis” technique is used for fair value measurement, applied to both fixed price flows (strike) and variable price flows;
- FX Swap: the “net discounted cash flow analysis” technique is used for FX Swap measurement, applied to the spot leg and the forward leg.
- Equity Swap: the “net discounted cash flow analysis” technique is used for fair value measurement, applied to the leg referring to the underlying stock and the fixed rate leg.

Tax credits classified in the trading portfolio

Depending on the characteristics of the assets in question, the fair value at initial recognition - which represents the total price paid to acquire the tax credit (including any additional charges) - incorporates the time value of money and the ability to use it within the relevant maturity period, thus incorporating elements of uncertainty related to the absence of an active market. At subsequent measurement dates, fair value is determined by discounting the future cash flows, as specified in the forward sale agreements entered into by BPER Banca (dates and forward sale prices set), at current market risk-free rates, increased by the same risk/commercial spread determined at initial recognition (which is not expected to change significantly over time), so that only the change in the risk-free component that has occurred since the purchase date is recognised.

32 Fair market value included, for example, in the EVCA reports.

Forward currency transactions

These transactions are measured with reference to the forward rates at period end for maturities corresponding to those of the contracts to be priced.

Balance sheet items measured at amortised cost

For financial instruments measured at amortised cost, the fair value is determined for the sole purpose of providing appropriate information in the Financial Report.
The fair value of loans with a contractual duration of less than twelve months is estimated to be their book value; the fair value of other loans is obtained by discounting the contract cash flows, net of the expected losses determined with reference to the credit rating of the borrower, using the corresponding rate curve for their maturities.

Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA)

Current regulations state that the pricing of a derivative, in addition to being based on market factors, should also reflect the Credit risk of the counterparty determined by a Credit Valuation Adjustment (CVA) and a Debit Valuation Adjustment (DVA).
To assess the credit risk of the counterparty, the Bank adopts the following methodology.
The term Credit Valuation Adjustment (CVA) refers to an adjustment in order to properly reflect the credit risk of the derivative counterparty made on the valuation of an OTC derivative (on positions with a positive fair value) transaction entered into by the Bank with an external counterparty and may be considered to be the market value of a potential loss amount derived from changes in market prices, due to a worsening of the credit or default risk of the counterparty.

Conversely, the term Debit Valuation Adjustment (DVA) refers to an adjustment in order to properly reflect the Bank's own default risk made on the valuation of an OTC derivative (on positions with a negative fair value) entered into by the Bank with an external counterparty, i.e. the market value of a potential gain derived from changes in market prices, due to a worsening of the Bank's credit or default risk.
For the quantification of a CVA and a DVA, under certain conditions, IFRS 13 refers to a calculation that must be made by netting set or by counterparty and, thus, based on net exposure and not at individual contract level. In addition, it is necessary to consider whether any collateral has been provided or if there are any netting agreements.
The Bank currently makes use of bilateral agreements for the netting of derivative contracts, in accordance with which the reciprocal mark to market receivable and payable positions are offset automatically on a daily basis, leading to a single net balance, without any novation: this results in margin settlement being made solely by the net creditor. The foregoing has led to a considerable reduction in exposure to credit risk and, consequently, the impact of CVAs and DVAs on fair value.
In particular, for the Bank, there are two factors that mitigate the impact of creditworthiness on fair value:

- the signing of ISDA (International Swap and Derivatives Association, the international standard of reference on OTC derivatives) agreements with major corporate counterparties and all institutional counterparties in OTC derivatives. Credit Support Annexes(CSA) were also concluded with institutional counterparties to regulate the pledging of collateral and further reduce the current exposure and resulting risk;
- the entry into force of the new platform on EMIR (European Market Infrastructure Regulation), with reference to the exclusion of derivatives stipulated on this platform/market from the scope of the CVA/DVA. On the basis of the assessments made, it is presumable that a large part of derivative transactions will be included in the new system as they are mainly composed of derivatives eligible for the purposes of the regulation.

IFRS 13 does not indicate a specific methodology for the calculation of CVAs and DVAs, but it requires the use of valuation techniques that, on the one hand, must be appropriate for the data available and, on the other hand, maximise the use of observable market data.
With reference to the above, in order to align with the best market practice, the Bank decided to make use of use the bilateral CVA approach that considers the presence of two components to the calculation, with the aim of including the potential loss/gain arising from changes in the credit risk of the counterparty/Bank, but taking into account the joint probability of default by counterparties.

Market parameters

The following types of yield curve are used:

- "par swap" curves;
- bond curves derived from baskets of bonds;
- corporate curves by issuer, rating, and sector.

The following are derived from the "par swap" curves:

- zero coupon curves;
- forward rate curves;
- discount factor curves.

The zero coupon rate curves are obtained using the bootstrapping technique. These are used to extrapolate the discount factors used to determine the present value of the cash flows generated by the financial instruments to be priced. The forward rates are implicit in the zero coupon curve are determined with reference to the non-arbitrage theory.
The issuer curves are obtained by adding to the par swap rates the spreads that reflect the credit rating of the instrument's issuer. These are used to price unlisted bonds.
The credit rating curve of the Bank is obtained by creating a basket of its own issues and by banking issuers that have similar characteristics and ratings. This is used to price all issued bonds.
The prices thus obtained are applied daily to organised systems of trading for the bonds issued by the Bank (HI-MTF) that are reflected in the fair value valuation in the financial statements.

Volatility and other parameters

Volatilities and correlations are used principally to price unlisted derivatives. The volatilities are classified as follows:
- historical volatilities, estimated as the standard deviation of a time series of daily observations of the logarithm of the yields of the underlying concerned;
- contributed volatilities, obtained from information providers;
- implicit volatilities, obtained from the market prices of listed options.

With regard to the correlations, multi-variant derivatives are priced using historical correlations.

Methods and frequency of identifying the fair value of own properties

For the purpose of determining the fair value of its properties, the Bank uses an independent external firm of expert appraisers. The mandate given to this firm envisages the possible methods of estimating fair values, depending on the characteristics, intended use and potential of each property, with the most relevant ones including[33]:
- comparative method: the value of the property derives from a comparison with current market prices for comparable properties through an adjustment process that appreciates the peculiarities of the property being valued with respect to the characteristics of the comparable properties. Specifically, unit market values and lease payments are determined on the basis of surveys of the reference real estate market for each individual asset, using the "Asking Prices" and "Asking Rents" found for similar assets at the date of the estimate, appropriately adjusted to reflect the characteristics of the assets being measured. Data from past transactions was not used as the information available is limited and does not reflect the most recent macroeconomic/financial conditions.
- Discounted Cash Flow (DCF) method: the value of the property derives from discounting the cash flows expected from the lease agreements and/or from the proceeds of sales, net of costs pertaining to the property; the procedure applied to determine the discount rates and capitalisation (or return) rates used in the DCF model was the "BuildUp Approach" was applied, according to which spreads commensurate with the investment risk related to each individual asset are added to the "risk-free" financial yields (10-year BTPs and 10-year EURIRS) found at the date of the estimate. Additional risk-outs were also prudently considered for the rates of return. The rates of return thus obtained were also compared, where available, with data obtained from the real estate market of reference;
- transformation method: transformation value means the market value of the asset in the hypothesis of its transformation according to the use envisaged by the urban planning instruments. The transformation value is obtained by determining the final market value of the property after the transformation, after deducting the costs to be incurred to carry out the transformation, taking into account the element of risk related to the uncertainty of the timing of the intervention and the future trend of the property market.

Real estate valuations also take due account of "climate risk", understood as the physical risk and transition risk to which the properties themselves are exposed, considering that: i. the parameters used for the valuations vary according to the geographical area in which the properties are located and the degree of exposure to extreme climatic events; ii. the valuations specifically implement certain certifications (e.g. "well", "lead" or "breem") on the individual property, while the Energy Performance Certificates - APE (Attestazioni di Prestazione Energetica) are already summarised in the valuation parameters used.

With regard to the frequency of evaluation updates, for properties held for investment purposes, for properties used in operations and for property inventories[34], the Bank requests a "desktop" valuation every year from a firm of expert appraisers, according to which the fair value is determined on the basis of the average value of comparable properties, without requiring an on-site inspection. Only for properties (individual buildings) with a value greater than the materiality threshold internally defined or in the event of a significant difference in value compared with the previous year, the Bank requests a "full" valuation

33 The specific characteristics of some assets could require different valuation methodologies from those indicated, whose application is shared by the specialised company with the competent functions of BPER Banca, once the consistency with the need to determine a fair value has been evaluated.

34 Construction sites in which an amount exceeding the internally defined materiality threshold is capitalised are subject to a "full" valuation.

from appraisal firms, according to which the fair value is determined on the basis of all information relating to the property, also acquired through an on-site inspection.
A "full" valuation is also provided for in the event of unexpected and non-recurring events affecting specific properties, which could impact their value.
For the purposes of determining the fair value and useful life, the external appraiser takes into account any extraordinary maintenance costs (e.g. costs incurred for the expansion, modernisation or improvement of the structural elements of the property).

A.4.2 Measurement process and sensitivity

Financial assets and liabilities measured at fair value and classified in Level 3 of the fair value hierarchy mainly consist of:
- minority equity investments (unlisted equity instruments), often held in order to preserve local roots, or for the development of commercial relationships (measured at fair value mainly on the basis of equity methods);
- investments in asset-backed securities (ABS) classified as "*Financial assets measured at fair value through profit or loss - other financial assets mandatorily measured at fair value*[35];
- investments in closed-end real estate investment funds, classified as "Financial assets measured at fair value through profit or loss - other financial assets mandatorily measured at fair value" and acquired in exchange for real estate sales;
- investments in closed-end alternative investment funds, classified as "Financial assets measured at fair value through profit or loss - other financial assets mandatorily measured at fair value" and acquired in exchange for sales of UTP loan portfolios.

IFRS 13 requires that an analysis of the sensitivity of the fair value measurement to changes in unobservable inputs be provided for assets measured at fair value on a recurring basis and classified in Level 3 of the fair value hierarchy. The following analysis is provided for ABS instruments, Real Estate Funds and Non-Performing Loans Funds measured at fair value:

Financial asset/liability	Non-observable parameter	Change in parameter	Sensitivity (in thousands)	Change in parameter	Sensitivity (in thousands)
Investments in Asset Backed Securities	Credit Spread*	+50 bps	(2,443)	-50 b,p,	1,306
Investments in Real Estate Funds	Financial charges**	+50 bps	(95)	-50 b,p,	95
Investments in Non-Performing Loan Funds	Financial charges**	+50 bps	(1,394)	-50 b,p,	1,394

* Investments in Asset-Backed Securities: the unobservable parameter used to construct the sensitivity is the credit spread used in the construction of the rate used to discount future cash flows;
** Investments in Real Estate Funds: the unobservable parameters used in the construction of the sensitivity are those underlying the specific risk premium of the fund considered in the construction of the NAV adjustment component.
*** Real Estate Funds and Non-performing Loans Funds: the unobservable parameter used to construct the sensitivity is the opportunity cost considered in the construction of the NAV adjustment component dedicated to the appreciation of the liquidity risk of the instruments.

For the other instruments held in the portfolio (derivatives and equity instruments, in particular), no quantitative sensitivity analysis of the fair value was carried out with respect to the change in unobservable inputs, as either the fair value was drawn from third-party sources without making any adjustment, or it is the result of a model whose inputs are specific to the entity being valued (for example, the company's equity figures) and for which it is not reasonably conceivable to provide alternative amounts.

A.4.3 Fair value hierarchy

The Bank classifies its financial assets and liabilities by decreasing levels of fair value quality on the basis of the following principles:
- Fair value level 1. Measurement is based on the price of the financial instrument concerned, being a quoted price in an active market.
- Fair value level 2. Measurement is not based on quoted prices in active markets for the financial instrument concerned, but on meaningful prices obtained from non-active markets or reliable info-providers, or on prices determined using an appropriate valuation technique largely based on observable market parameters, including credit spreads, derived from quotations of instruments that are substantially similar in terms of risk factors considered. The objective of the use of valuation techniques is to reaffirm the aim of obtaining a closing price at the valuation date from the point of view of a market participant that holds the financial instrument.
- Fair value level 3. Measurement is based on various inputs that include subjective parameters, that is, parameters whose value cannot be derived from quoted prices observable in active markets. Since the parameters are not observable directly in the market, it follows that the value is required to make estimates and assumptions.

35 For the sake of completeness, it should be noted that the portfolio contains ABS securities measured at amortised cost as they are part of the Hold To Collect (HTC) business model and with technical-financial characteristics such as to have passed the SPPI test required by IFRS 9. The fair value is also calculated for these instruments and provided for disclosure purposes only.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorised within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
The Bank has defined the analyses to be carried out in the event of:
- the analyses to be performed in the event of changes in valuation techniques used to measure fair value;
- the policy for determining when transfers between fair value hierarchy levels are deemed to have occurred and which is constantly adhered to.

As a general principle, to be allocated to Level 1 of the fair value hierarchy, if there is a quoted price in an active market for an asset or a liability, that price should be used without adjustment when measuring fair value. In fact, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.
An allocation to Levels 2 and 3 depends on how the inputs used for the fair value measurement of an asset or liability are categorised within different levels of the fair value hierarchy: in those cases, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Assessing the significance of a particular input to the entire measurement requires judgement, taking into account factors specific to the asset or liability.

The availability of relevant inputs and their relative subjectivity might affect the selection of appropriate valuation techniques.

A.4.4 Other information

IFRS 13 requires an entity to “disclose information that helps users of an entity’s financial statements to assess the following:
- for assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements;
- for recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the period.”

The Bank has a procedure in place to:
- identify transfers between levels;
- analyse and document the reasons for such transfers;
- monitor and control the reliability of the fair value of financial instruments.

In particular, for assets and liabilities measured at fair value on a recurring and non-recurring basis, adequate disclosure is made of the following aspects:
- the fair value measurement at the end of the reporting period, and for non-recurring fair value measurements, the reasons for the measurement;
- the level of the fair value hierarchy within which the fair value measurements are categorised in their entirety (Level 1, 2 or 3);
- for assets and liabilities categorised within Level 2 or 3, a description of the valuation techniques and inputs used and the reasons for any changes in valuation techniques used.

The Bank provides, for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis, the amounts of any transfers between Level 1 and Level 2 of the fair value hierarchy, the reasons for those transfers and the policy for determining when transfers between levels are deemed to have occurred, while, for those categorised on a recurring basis within Level 3 of the fair value hierarchy, a reconciliation is provided from the opening balances to the closing balances.
Information is also provided on the policy for determining when transfers between fair value hierarchy levels are deemed to have occurred.

For assets or liabilities categorised within Level 3 of the fair value hierarchy, the following disclosures are provided:
- quantitative information about the significant unobservable inputs used in the fair value measurement;
- for recurring fair value measurements, the amount of the total gains or losses for the period included in profit or loss that is attributable to the change in unrealised gains or losses relating to those assets and liabilities held at the end of the reporting period, and the item(s) in profit or loss in which those unrealised gains or losses are recognised;
- a description of the valuation processes used for recurring and non-recurring fair value measurements;
- a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement.

For financial assets and liabilities measured at amortised cost (not thus measured at fair value, but with fair value disclosure obligations) the following information is provided:
- the fair value hierarchy level;
- a description of the valuation techniques adopted for Levels 2 and 3, as well as the inputs used;
- if there has been any change in the valuation technique, a description of the change and the reason for it.

For own financial liabilities measured at fair value with credit enhancement (e.g. inseparable guarantees), information is provided on the existence of credit enhancement and the impact thereof on the determination of the fair value of the liability.
The application of the fair value option to loans and receivables and financial liabilities requires disclosure of the change in fair value attributable solely to changes in the credit risk associated with the instrument.
As mentioned, the risk factors are included in the discount curve using the discount rate adjustment approach.
This approach involves making separate and independent estimates of the various risk components (rate risk and credit risk), so that the partial fair value can be determined considering the changes in just one risk factor.

The following factors are considered in relation to credit risk:
- the risk-free market rate observed at the valuation date;
- the credit spread observed at the initial recording date or the previous valuation date;
- the credit spread observed at the valuation date.

The market fair value at the measurement date is compared with the fair value calculated using the credit risk observed at the initial recording date (or, alternatively, at the previous valuation date). This makes it possible to determine the changes in fair value due solely to changes in credit risk on a cumulative or periodic basis.

Quantitative information

A.4.5 Fair value hierarchy

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value levels

Assets/Liabilities measured at fair value	31.12.2024			31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	121,892	703,155	430,069	105,982	708,413	398,599
a) Financial assets held for trading	78,917	607,637	6,046	62,850	628,750	5,595
b) Financial assets designated at fair value	-	-	-	-	1,991	-
c) Other financial assets mandatorily measured at fair value	42,975	95,518	424,023	43,132	77,672	393,004
2. Financial assets measured at fair value through other comprehensive income	4,638,048	231,595	612,991	5,627,562	472,096	514,452
3. Hedging derivatives	-	649,351	-	-	1,122,269	-
4. Property, plant and equipment	-	-	1,182,821	-	-	1,217,008
5. Intangible assets	-	-	-	-	-	-
Total	**4,759,940**	**1,584,101**	**2,225,881**	**5,733,544**	**2,302,778**	**2,130,059**
1. Financial liabilities held for trading	94	247,918	4,334	1	326,519	5,078
2. Financial liabilities designated at fair value	-	2,615,611	-	-	1,909,139	-
3. Hedging derivatives	-	210,347	-	-	250,124	-
Total	**94**	**3,073,876**	**4,334**	**1**	**2,485,782**	**5,078**

Transfers of assets from Level 2 to Level 1 of the fair value hierarchy during the period amounted to Euro 42,825 thousand and those from Level 1 to Level 2 amounted to Euro 94,261 thousand.

The former were marked by an improvement in the market tradability of the instruments in terms of the volume, breadth and depth of the prices quoted and the number of contributors. The latter are due to the loss of the meaningfulness of the price quoted in the principal market and a reduction in the number of contributors below the minimum threshold.

Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (level 3)

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
1. Opening balance	**398,599**	**5,595**	**-**	**393,004**	**514,452**	**-**	**1,217,008**	**-**
2. Increases	**98,409**	**451**	**-**	**97,958**	**109,692**	**-**	**98,218**	**-**
2.1. Purchases	74,439	-	-	74,439	190	-	10,555	-
2.2. Gains recognised to:	23,673	451	-	23,222	51,337	-	24,710	-
2.2.1. Income Statement	23,673	451	-	23,222	-	-	11,381	-
- of which capital gains	18,173	451	-	17,722	-	-	-	-
2.2.2. Shareholders' equity	-	X	X	X	51,337	-	13,329	-
2.3. Transfers from other levels	297	-	-	297	863	-	47,996	-
2.4. Other increases	-	-	-	-	57,302	-	14,957	-
3. Decreases	**66,939**	**-**	**-**	**66,939**	**11,153**	**-**	**132,405**	**-**
3.1. Sales	2,279	-	-	2,279	1,882	-	11,058	-
3.2. Refunds	34,864	-	-	34,864	999	-	-	-
3.3. Losses recognised to:	28,337	-	-	28,337	8,170	-	32,745	-
3.3.1. Income Statement	28,337	-	-	28,337	-	-	32,745	-
- of which capital losses	28,316	-	-	28,316	-	-	-	-
3.3.2. Shareholders' equity	-	X	X	X	8,170	-	-	-
3.4. Transfers from other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	1,459	-	-	1,459	102	-	88,602	-
4. Closing balance	**430,069**	**6,046**	**-**	**424,023**	**612,991**	**-**	**1,182,821**	**-**

A.4.5.3 Annual changes in liabilities measured at fair value on a recurring basis (level 3)

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1. Opening balance	**5,078**	**-**	**-**
2. Increases	**-**	**-**	**-**
2.1 Issues	-	-	-
2.2. Losses recognised to:	-	-	-
2.2.1. Income Statement	-	-	-
- of which capital losses	-	-	-
2.2.2. Shareholders' equity	X	-	-
2.3. Transfers from other levels	-	-	-
2.4. Other increases	-	-	-
3. Decreases	**744**	**-**	**-**
3.1. Refunds	-	-	-
3.2. Repurchases	-	-	-
3.3. Profits recognised to:	744	-	-
3.3.1. Income Statement	744	-	-
- of which capital gains	744	-	-
3.3.2. Shareholders' equity	X	-	-
3.4. Transfers from other levels	-	-	-
3.5. Other decreases	-	-	-
4. Closing balance	**4,334**	**-**	**-**

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value levels

Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	31.12.2024				31.12.2023			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	104,690,421	18,353,109	451,920	88,528,632	101,252,320	16,540,861	374,262	85,602,207
2. Property, plant and equipment held for investment	-	-	-	-	-	-	-	-
3. Non-current assets and disposal groups held for sale	26,104	-	-	17,111	12,405	-	-	12,405
Total	**104,716,525**	**18,353,109**	**451,920**	**88,545,743**	**101,264,725**	**16,540,861**	**374,262**	**85,614,612**
1. Financial liabilities measured at amortised cost	113,628,470	6,831,554	3,253,390	103,639,454	117,340,739	5,052,052	6,235,420	105,939,556
2. Liabilities associated with assets classified as held for sale	-	-	-	-	-	-	-	-
Total	**113,628,470**	**6,831,554**	**3,253,390**	**103,639,454**	**117,340,739**	**5,052,052**	**6,235,420**	**105,939,556**

Key: BV = Book value; L1 = Level 1; L2 = Level 2; L3 = Level 3

A.5 – INFORMATION ON "DAY ONE PROFIT/LOSS"

In the case of Level 3 transactions, the fair value according to the model may differ from the transaction price: in the case of a positive difference (day one profit), this is amortised over the residual life of the instrument; in case of a negative difference (day-one loss), it is charged to the income statement for prudential purposes.

There were no differences at 31 December 2024 between the value of transactions and their corresponding fair values.

PART B
Information on the Balance Sheet

ASSETS

Section 1 – Cash and cash equivalents
Item 10

1.1 Cash and cash equivalents: breakdown

	Total 31.12.2024	Total 31.12.2023
a) Cash	709,297	698,959
b) Current accounts and on demand deposits with Central Banks	6,654,183	8,155,778
c) Current accounts and on demand deposits with banks	540,984	1,513,114
Total	**7,904,464**	**10,367,851**

The balance of the item as at 31 December 2024 includes, as envisaged in the 8th update of Bank of Italy Circular no. 262/2005, all on demand loans to banks and central banks in the technical forms of deposits and current accounts, having the nature of cash and cash equivalents pursuant to IAS 7, despite continuing to respect the criteria for the recognition, measurement and derecognition of income statement items of the category “Assets at amortised cost”.
On demand deposits with banks are notably down following financial transactions carried out in 2024.
As at 31 December 2024, a decrease was observed in “overnight” deposits with Central Banks which amounted to Euro 6,654.2 million (-18.41% compared to 31 December 2023) due to lower cash and cash equivalents to be invested taking into account that the latest TLTRO tranche came to maturity in the first quarter of the year (Euro 1,670 million).

Section 2 – Financial assets measured at fair value through profit or loss
Item 20

2.1 Financial assets held for trading: breakdown by product

Description/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
A. On-balance-sheet assets						
1. Debt securities	76,913	20,207	-	1,197	13,014	1
1.1 Structured securities	-	12,869	-	-	5,896	-
1.2 Other debt securities	76,913	7,338	-	1,197	7,118	1
2. Equity instruments	2,002	769	52	61,645	1,561	48
3. UCITS units	-	-	-	7	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	**78,915**	**20,976**	**52**	**62,849**	**14,575**	**49**
B. Derivative instruments						
1. Financial derivatives	2	586,661	5,994	1	614,175	5,546
1.1 trading	2	586,661	5,994	1	614,175	5,546
1.2 connected with the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 connected with the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	**2**	**586,661**	**5,994**	**1**	**614,175**	**5,546**
Total (A+B)	**78,917**	**607,637**	**6,046**	**62,850**	**628,750**	**5,595**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.

Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

2.2 Financial assets held for trading: breakdown by borrowers/issuers/counterparties

Description/Amounts	Total 31.12.2024	Total 31.12.2023
A. On-balance-sheet assets		
1. Debt securities	97,120	14,212
a) Central Banks	-	-
b) Public Administrations	51,186	160
c) Banks	35,312	10,748
d) Other financial companies	6,609	946
of which: Insurance companies	-	-
e) Non-financial companies	4,013	2,358
2. Equity instruments	2,823	63,254
a) Banks	1	10,773
b) Other financial companies	1,148	6,056
of which: Insurance companies	-	1,932
c) Non financial companies	1,674	46,425
d) Other issuers	-	-
3. UCITS units	-	7
4. Loans	-	-
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: Insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total (A)	**99,943**	**77,473**
B. Derivative instruments	**-**	**-**
a) Central counterparties	-	-
b) Other	592,657	619,722
Total (B)	**592,657**	**619,722**
Total (A+B)	**692,600**	**697,195**

2.3 Financial assets designated at fair value: breakdown by product

Description/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
1.Debt securities	**-**	**-**	**-**	**-**	**1,991**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	1,991	-
2. Loans	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured	-	-	-	-	-	-
2.2 Other	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**1,991**	**-**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.

Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

2.4 Financial assets designated at fair value: breakdown by borrowers/issuers

Description/Amounts	Total 31.12.2024	Total 31.12.2023
1. Debt securities	**-**	**1,991**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	1,991
d) Other financial companies	-	-
of which: Insurance companies	-	-
e) Non-financial companies	-	-
2. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: Insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**-**	**1,991**

2.4-bis Financial liabilities designated at fair value: method of use of the fair value option

Description	31.12.2024	31.12.2023
a) Natural hedges through derivatives	-	-
b) Natural hedges with other financial instruments	-	-
c) Other types of accounting mismatch	-	-
d) Financial instruments managed and measured at fair value	-	1,991
e) Embedded structured derivative products	-	-
Total	**-**	**1,991**

2.5 Other financial assets mandatorily measured at fair value: breakdown by product

Description/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**-**	**-**	**26,455**	**-**	**-**	**46,984**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	26,455	-	-	46,984
2. Equity instruments	**2,401**	**-**	**11,704**	**3,401**	**297**	**13,752**
3. UCITS units	**40,574**	**-**	**355,591**	**39,731**	**-**	**301,881**
4. Loans	**-**	**95,518**	**30,273**	**-**	**77,375**	**30,387**
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	95,518	30,273	-	77,375	30,387
Total	**42,975**	**95,518**	**424,023**	**43,132**	**77,672**	**393,004**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.

Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

2.6 Other financial assets mandatorily measured at fair value: breakdown by borrowers/issuer

	Total 31.12.2024	Total 31.12.2023
1. Equity instruments	**14,105**	**17,450**
of which: banks	333	297
of which: other financial companies	10,783	9,488
of which: non-financial companies	2,989	7,665
2. Debt securities	**26,455**	**46,984**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	26,455	46,984
of which: Insurance companies	-	-
e) Non-financial companies	-	-
3. UCITS units	**396,165**	**341,612**
4. Loans	**125,791**	**107,762**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	27,795	27,100
of which: Insurance companies	27,795	27,100
e) Non-financial companies	97,755	80,242
f) Households	241	420
Total	**562,516**	**513,808**

2.6 bis UCITS units breakdown

Description	31.12.2024	31.12.2023
1. Equities	5,630	8,409
2. Property - closed end	28,947	23,119
3. Equities - open end	8,721	18,975
4. Balanced - open end	5,144	7,047
5. Bonds - open end	7,799	4,550
6. Equities - closed end	109,353	75,038
7. Speculative securities	16,482	8,413
8. Bonds - short term	-	-
9. Bonds - long term	-	-
10. Other	214,089	196,061
Total	**396,165**	**341,612**

Section 3 – Financial assets measured at fair value through other comprehensive income
Item 30

3.1 Financial assets measured at fair value through other comprehensive income: breakdown by product

Description/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**4,624,375**	**227,690**	**-**	**5,615,460**	**468,980**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	4,624,375	227,690	-	5,615,460	468,980	-
2. Equity instruments	**13,673**	**3,905**	**612,991**	**12,102**	**3,116**	**514,452**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**4,638,048**	**231,595**	**612,991**	**5,627,562**	**472,096**	**514,452**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.

Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by borrowers/issuers

Description/Amounts	Total 31.12.2024	Total 31.12.2023
1. Debt securities	**4,852,065**	**6,084,440**
a) Central Banks	-	-
b) Public Administrations	2,298,312	1,897,660
c) Banks	1,331,328	2,466,655
d) Other financial companies	498,473	837,945
of which: Insurance companies	8,184	31,477
e) Non-financial companies	723,952	882,180
2. Equity instruments	**630,569**	**529,670**
a) Banks	251,712	251,593
b) Other issuers:	378,857	278,077
- other financial companies	262,227	216,876
of which: Insurance companies	225,073	184,351
- non financial companies	116,589	61,159
- other	41	42
3. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: Insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**5,482,634**	**6,614,110**

3.3 Financial assets measured at fair value through other comprehensive income: gross value and total impairment provisions

	Gross value					Total impairment provisions				Total partial write-offs (*)
	Stage 1	of which: Low credit risk instruments	Stage 2	Stage 3	Purchased or originated credit impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	
Debt securities	4,711,643	-	142,202	-	-	1,731	49	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**4,711,643**	**-**	**142,202**	**-**	**-**	**1,731**	**49**	**-**	**-**	**-**
Total 31.12.2023	**5,978,068**	**-**	**108,266**	**1,642**	**-**	**2,595**	**162**	**779**	**-**	**-**

* Amount to be shown for information purposes
At 31 December 2024 none of the debt securities classified in Stage 3 have been written off.

For the approach used in the presentation of the gross value and total impairment provisions of impaired financial assets, reference should be made to Part A of these Explanatory Notes.

Section 4 – Financial assets measured at amortised cost
Item 40

4.1 Financial assets measured at amortised cost: breakdown by product of loans to banks

Type of transaction/Amounts	Total 31.12.2024						Total 31.12.2023					
	Book Value			Fair value			Book Value			Fair value		
	Stage 1 and 2	Stage 3	Purchased or originated credit impaired	L1	L2	L3	Stage 1 and 2	Stage 3	Purchased or originated credit impaired	L1	L2	L3
A. Loans to Central Banks	**1,011,476**	**-**	**-**	**-**	**-**	**1,011,476**	**1,032,467**	**-**	**-**	**-**	**-**	**1,032,467**
1. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserve	1,011,476	-	-	X	X	X	1,032,467	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	-	-	-	X	X	X	-	-	-	X	X	X
B. Loans to banks	**11,349,936**	**-**	**-**	**5,699,053**	**235,514**	**5,223,752**	**11,384,612**	**-**	**-**	**6,241,093**	**245,908**	**4,667,138**
1. Loans	5,223,752	-	-	-	-	5,223,752	4,667,138	-	-	-	-	4,667,138
1.1.Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Time deposits	3,343,298	-	-	X	X	X	2,686,501	-	-	X	X	X
1.3. Other loans:	1,880,454	-	-	X	X	X	1,980,637	-	-	X	X	X
- Repurchase agreements	1,658,368	-	-	X	X	X	1,666,495	-	-	X	X	X
- Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
- Other	222,086	-	-	X	X	X	314,142	-	-	X	X	X
2. Debt securities	6,126,184	-	-	5,699,053	235,514	-	6,717,474	-	-	6,241,093	245,908	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	6,126,184	-	-	5,699,053	235,514	-	6,717,474	-	-	6,241,093	245,908	-
Total	**12,361,412**	**-**	**-**	**5,699,053**	**235,514**	**6,235,228**	**12,417,079**	**-**	**-**	**6,241,093**	**245,908**	**5,699,605**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.

Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

4.2 Financial assets measured at amortised cost: breakdown by product of loans to customers

Type of transaction/Amounts	Total 31.12.2024						Total 31.12.2023					
	Book Value			Fair value			Book Value			Fair value		
	Stage 1 and 2	Stage 3	Purchased or originated credit impaired	L1	L2	L3	Stage 1 and 2	Stage 3	Purchased or originated credit impaired	L1	L2	L3
1. Loans	**77,235,424**	**752,962**	**345,858**	**-**	**-**	**81,706,496**	**75,863,338**	**723,742**	**431,903**	**-**	**-**	**79,136,372**
1.1. Current accounts	6,289,045	77,909	29,106	X	X	X	6,644,066	53,610	43,522	X	X	X
1.2. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
1.3. Mortgage loans	56,951,043	548,604	277,970	X	X	X	56,717,722	553,172	332,095	X	X	X
1.4. Credit cards, personal loans and assignments of one-fifth of salary	821,108	5,704	1,456	X	X	X	841,730	5,781	2,562	X	X	X
1.5. Finance leases	4,346	2	-	X	X	X	4,798	272	-	X	X	X
1.6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
1.7. Other loans	13,169,882	120,743	37,326	X	X	X	11,655,022	110,907	53,724	X	X	X
2. Debt securities	**13,639,740**	**355,025**	**-**	**12,654,056**	**216,406**	**586,908**	**11,816,258**	**-**	**-**	**10,299,768**	**128,354**	**766,230**
2.1. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Other debt securities	13,639,740	355,025	-	12,654,056	216,406	586,908	11,816,258	-	-	10,299,768	128,354	766,230
Total	**90,875,164**	**1,107,987**	**345,858**	**12,654,056**	**216,406**	**82,293,404**	**87,679,596**	**723,742**	**431,903**	**10,299,768**	**128,354**	**79,902,602**

The sub-item "Other loans", limited to the performing component (consisting of Stage 1 and 2 equal to Euro 13,170 million, as well as the portion of POCI assets classified in Stage 2, equal to Euro 25.8 million), is composed as follows: Euro 8,996 million of short-term bullet loans (+25.28%), Euro 2,507 million of advances on invoices and bills subject to collection (-12.92%), Euro 1,225 million of import/export advances (+9.77%), Euro 44 million of credit assignments (+10%) and Euro 424 million of other miscellaneous items (-9.98%).

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.

Key: L1 = Level 1, L2 = Level 2, L3 = Level 3

4.3 Financial assets measured at amortised cost: breakdown by borrowers/issuers of loans to customers

Type of transaction/Amounts	Total 31.12.2024			Total 31.12.2023		
	Stage 1 and 2	Stage 3	Purchased or originated credit impaired	Stage 1 and 2	Stage 3	Purchased or originated credit impaired
1. Debt securities	**13,639,740**	**355,025**	**-**	**11,816,258**	**-**	**-**
a) Public Administration	12,221,556	-	-	9,818,388	-	-
b) Other financial companies	1,067,452	355,025	-	1,606,647	-	-
of which: Insurance companies	5,016	-	-	28,463	-	-
c) Non financial companies	350,732	-	-	391,223	-	-
2. Loans:	**77,235,424**	**752,962**	**345,858**	**75,863,338**	**723,742**	**431,903**
a) Public Administration	2,627,646	327	-	2,481,763	294	72
b) Other financial companies	9,306,499	15,095	498	8,295,948	8,965	718
of which: Insurance companies	124,360	-	-	92,238	-	-
c) Non financial companies	31,548,253	413,201	232,245	32,456,215	421,037	284,797
d) Households	33,753,026	324,339	113,115	32,629,412	293,446	146,316
Total	**90,875,164**	**1,107,987**	**345,858**	**87,679,596**	**723,742**	**431,903**

Debt securities of Other financial companies classified under Stage 3 credit impairment are represented by Senior tranches of ABS guaranteed by GACS, classified to that stage at the end of 2024 following underperformance in expected recoveries.

The classification of loans to customers between Stage 1 and Stage 2 is shown below, analysed by type of product and counterparty.

4.3 bis - Financial assets measured at amortised cost: - details of loans to customers: breakdown by type of product, stage and type of counterparty

Type of Product/Counterparty	Public Administrations			Other financial companies		
	Gross exposure	Total impairment provisions	Net exposure	Gross exposure	Total impairment provisions	Net exposure
Loans						
Current accounts	**72,913**	**(415)**	**72,498**	**2,409,753**	**(8,124)**	**2,401,629**
of which Stage 1	59,379	(162)	59,217	2,383,524	(3,702)	2,379,822
of which Stage 2	13,010	(45)	12,965	19,736	(490)	19,246
of which Stage 3	524	(208)	316	6,370	(3,863)	2,507
of which: purchased or originated credit impaired	-	-	-	123	(69)	54
Repurchase agreements	**-**	**-**	**-**	**-**	**-**	**-**
of which Stage 1	-	-	-	-	-	-
of which Stage 2	-	-	-	-	-	-
of which Stage 3	-	-	-	-	-	-
of which: purchased or originated credit impaired financial assets	-	-	-	-	-	-
Mortgage loans	**2,434,519**	**(983)**	**2,433,536**	**2,891,593**	**(33,062)**	**2,858,531**
of which Stage 1	2,423,331	(818)	2,422,513	2,715,598	(16,120)	2,699,478
of which Stage 2	11,188	(165)	11,023	171,335	(14,398)	156,937
of which Stage 3	-	-	-	3,799	(2,126)	1,673
of which: purchased or originated credit impaired	-	-	-	861	(418)	443
Other loans	**121,963**	**(24)**	**121,939**	**4,086,025**	**(24,093)**	**4,061,932**
of which Stage 1	121,948	(21)	121,927	3,994,224	(13,985)	3,980,239
of which Stage 2	1	-	1	73,665	(2,888)	70,777
of which Stage 3	14	(3)	11	18,129	(7,214)	10,915
of which: purchased or originated credit impaired	-	-	-	7	(6)	1
Total	**2,629,395**	**(1,422)**	**2,627,973**	**9,387,371**	**(65,279)**	**9,322,092**

Type of Product/Counterparty	Non-financial companies			Households			Total (net exposure)
	Gross exposure	Total impairment provisions	Net exposure	Gross exposure	Total impairment provisions	Net exposure	
Loans							
Current accounts	**3,284,366**	**(190,703)**	**3,093,663**	**907,615**	**(79,345)**	**828,270**	**6,396,060**
of which Stage 1	2,592,444	(13,680)	2,578,764	613,213	(4,404)	608,809	5,626,612
of which Stage 2	480,773	(26,821)	453,952	192,313	(16,043)	176,270	662,433
of which Stage 3	139,020	(100,376)	38,644	87,027	(50,585)	36,442	77,909
of which: purchased or originated credit impaired	72,129	(49,826)	22,303	15,062	(8,313)	6,749	29,106
Repurchase agreements	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which Stage 1	-	-	-	-	-	-	-
of which Stage 2	-	-	-	-	-	-	-
of which Stage 3	-	-	-	-	-	-	-
of which: purchased or originated credit impaired financial assets	-	-	-	-	-	-	-
Mortgage loans	**20,533,658**	**(455,341)**	**20,078,317**	**32,785,512**	**(378,279)**	**32,407,233**	**57,777,617**
of which Stage 1	17,362,319	(54,432)	17,307,887	29,898,516	(39,408)	29,859,108	52,288,986
of which Stage 2	2,423,748	(104,210)	2,319,538	2,294,357	(119,798)	2,174,559	4,662,057
of which Stage 3	503,933	(227,148)	276,785	459,716	(189,570)	270,146	548,604
of which: purchased or originated credit impaired	243,658	(69,551)	174,107	132,923	(29,503)	103,420	277,970
Other loans	**9,278,017**	**(256,298)**	**9,021,719**	**990,228**	**(35,251)**	**954,977**	**14,160,567**
of which Stage 1	7,936,492	(21,078)	7,915,414	843,437	(1,769)	841,668	12,859,248
of which Stage 2	992,188	(19,490)	972,698	97,092	(4,480)	92,612	1,136,088
of which Stage 3	271,967	(174,195)	97,772	42,227	(24,476)	17,751	126,449
of which: purchased or originated credit impaired	77,370	(41,535)	35,835	7,472	(4,526)	2,946	38,782
Total	**33,096,041**	**(902,342)**	**32,193,699**	**34,683,355**	**(492,875)**	**34,190,480**	**78,334,244**

4.4 Financial assets measured at amortised cost: gross value and total impairment provisions

	Gross value					Total impairment provisions				Total partial write-offs (*)
	Stage 1	of which: Low credit risk instruments	Stage 2	Stage 3	Purchased or originated credit impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	
Debt securities	19,474,577	-	296,809	365,431	-	5,163	299	10,406	-	-
Loans	77,179,817	-	6,791,956	1,532,728	549,605	169,828	331,293	779,766	203,747	23,492
Total 31.12.2024	**96,654,394**	**-**	**7,088,765**	**1,898,159**	**549,605**	**174,991**	**331,592**	**790,172**	**203,747**	**23,492**
Total 31.12.2023	**92,557,423**	**-**	**8,118,634**	**1,302,528**	**714,530**	**155,570**	**423,812**	**578,786**	**282,627**	**31,712**

* Amount to be shown for information purposes

For the approach used in the presentation of the gross value and total impairment provisions of impaired financial assets, reference should be made to Part A of these Explanatory Notes. Note that default interest is only recorded at the time of actual collection.

The loans that constitute new liquidity granted through public guarantee mechanisms issued in response to the Covid-19 pandemic are reported below.

Gross value				Total impairment provisions			
Stage 1	Stage 2	Stage 3	Credit-impaired purchased or originated	Stage 1	Stage 2	Stage 3	Credit-impaired purchased or originated
2,488,228	550,312	239,908	12,737	1,360	3,443	78,922	2,911

Section 5 – Hedging derivatives
Item 50

5.1 Hedging derivatives: breakdown by type of hedge and hierarchy level

	FV 31.12.2024			NV 31.12.2024	FV 31.12.2023			NV 31.12.2023
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives								
1. Fair Value	-	649,351	-	9,265,174	-	1,122,269	-	13,604,369
2. Cash flows	-	-	-	-	-	-	-	-
3. Foreign investments	-		-		-		-	
B. Credit derivatives								
1. Fair Value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**649,351**	**-**	**9,265,174**	**-**	**1,122,269**	**-**	**13,604,369**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of these Explanatory Notes.
Key: NV = Notional Value L1=Level1 L2=Level2 L3=Level3

5.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transactions/Type of hedge	Fair value							Cash flows		Foreign investments
	Specific						General			
	debt securities and interest rates	equity instruments and stock indexes	currencies and gold	credit	commodities	other		Specific	General	
1. Financial assets measured at fair value through other comprehensive income	36,725	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	483,532	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**520,257**	-	-	-	-	-	-	-	-	-
1. Financial Liabilities	129,094	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**129,094**	-	-	-	-	-	-	-	-	
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 6 – Change in value of macro-hedged financial assets
Item 60

There are no amounts in this Separate Financial Report.

Section 7 – Equity investments
Item 70

7.1 Equity investments: information on shareholdings

Company name	Registered office	Operational head office	% held	% Available votes
A. Companies subject to joint control				
1. Gility s.r.l. Benefit Corporation	Milan	Milan	45.732	
A. Wholly-owned companies				
Direct:				
1. Adras s.p.a.	Milan	Milan	100.000	
2. Arca Holding s.p.a.	Milan	Milan	57.061	
3. Banca Cesare Ponti s.p.a.	Milan	Milan	100.000	
4. Bibanca s.p.a.	Sassari	Sassari	99.220	
5. BPER Bank Luxembourg	Luxembourg	Luxembourg	100.000	
6. Banco di Sardegna s.p.a.	Cagliari	Sassari	99.483	100.000
7. BPER Factor s.p.a.	Bologna	Bologna	100.000	
8. BPER Real Estate	Modena	Modena	78.988	
9. BPER Trust Company s.p.a.	Modena	Modena	100.000	
10. Carige Covered Bond s.r.l.	Genoa	Genoa	60.000	
11. Commerciale Piccapietra s.r.l.	Genoa	Genoa	100.000	
12. Estense Covered Bond s.r.l.	Conegliano	Conegliano	60.000	
13. Estense CPT Covered Bond s.r.l.	Conegliano	Conegliano	60.000	
14. Finitalia s.p.a.	Milan	Milan	100.000	
15. Lanterna Finance s.r.l.	Genoa	Genoa	5.000	
16. Lanterna Mortgage s.r.l.	Genoa	Genoa	5.000	
17. Modena Terminal s.r.l.	Campogalliano	Campogalliano	100.000	
18. Sardaleasing s.p.a.	Sassari	Milan/Bologna	52.846	
B. Companies subject to significant influence				
1. Alba Leasing s.p.a.	Milan	Milan	33.498	
2. Gardant Bridge Servicing s.p.a.	Rome	Rome	30.000	
3. Cassa di Risparmio di Fossano s.p.a.	Fossano	Fossano	23.077	
4. Cassa di Risparmio di Savigliano s.p.a.	Savigliano	Savigliano	31.006	
5. Lanciano Fiera - Polo Fieristico d'Abruzzo Consorzio	Lanciano	Lanciano	33.333	
6. Nuova Erzelli s.r.l.	Genoa	Genoa	40.000	
7. Resiban s.p.a.	Modena	Modena	20.000	
8. Unione Fiduciaria s.p.a.	Milan	Milan	24.000	

The "% Available votes" column is only used if the actual share of votes exercisable at the Ordinary Shareholders' Meeting is different from the interest held in the company's share capital.

7.2 Significant equity investments: book value, fair value and dividends earned

Please refer to information disclosed in the Consolidated Financial Report.

7.3 Significant equity investments: accounting information

Please refer to information disclosed in the Consolidated Financial Report.

7.4 Non-significant equity investments: accounting information

Please refer to information disclosed in the Consolidated Financial Report.

Impairment tests of equity investments

As required by IAS/IFRS, and in compliance with the provisions of IAS 36, the carrying amount of each equity investment was subjected to impairment testing in order to verify the existence or otherwise of objective evidence that would be grounds for considering that the carrying amount of the assets is not fully recoverable or check that it was reasonable with respect to its recoverable value. In the presence of impairment indicators, or at least upon closing the Separate Financial Report each year, the impairment test is carried out, which requires the estimation of the recoverable value of the investment, which is the greater of the fair value less costs to sell and the value in use, and the comparison with the relevant carrying value. Where the recoverable value is lower than the carrying value and in the event of any impairment, a value adjustment must be recognised; on the contrary, if the recoverable value of the equity investment is higher than the carrying value the latter must not be modified unless it had been written down in previous years. In the latter case, a write-back must be recognised for the amount of the positive difference between the recoverable value and the carrying value with the maximum limit of the write-downs effected previously.

With reference to significant interests or interests in companies subject to joint control, evaluations were carried out based on market methodologies (such as transaction or market multiples) or, alternatively, evaluations based on the estimate of expected cash flows discounted using the Dividend Discount Model or Discounted Cash Flow or, lastly, alternative methods; the selection of one or more evaluation methodologies was made taking into account the information set available.

As regards significant controlling interests, the carrying amounts of the individual equity investments held were verified, some of which corresponding to the legal entities/CGUs to which goodwill is allocated, by comparing it with the associated recoverable value, generally estimated as equal to the value in use, by discounting future flows at an appropriate cost of capital. With regard to the estimation of elements useful to develop the financial method, the latest forecasts available have been used, as approved by the Board of Directors of each entity and processed for the sole purpose of the annual impairment test and of other Financial Report assessments. The estimation of the cost of capital was carried out on the basis of the Capital Pricing Asset Model, taking into account the specificity of the entity assessed, such as being part of the BPER Banca Group and sharing its systemic and operational risks with the other Group entities. The latter aspect also influenced the determination of Supervisory Target requirements, useful to estimate the potentially distributable cash flows, which are determined on the basis of recommendations provided by the Supervisory Authority to the Group and of the minimum requirements set by regulations in force, according to the business specificity and the entity's characteristics. For further information on the description of the financial method used and on the nature and origin of specific inputs used in estimating the retrievable value, please refer to "Section 10 - Intangible Assets" of the Consolidated Explanatory Notes.

In the absence of the necessary forecasts for estimating future flows, one or more analytical and/or market methods are used based on the information available and the nature of the entity, including therein the estimate of the recoverable value based on the amount of the upated company's net assets.

The checks conducted revealed an overall framework of sustainability of the book values, with the exception of some equity investments that required some downward adjustments of the carrying amounts. The overall amount of these adjustments is Euro 119.5 million, as better detailed and commented in the following tables.

7.5 Equity investments: annual changes

	Total 31.12.2024	Total 31.12.2023
A. Opening balance	**2,256,388**	**2,174,728**
B. Increases	**294,472**	**171,952**
B.1 Purchases	205,584	34,935
B.2 Write-backs	-	-
B.3 Revaluations	-	-
B.4 Other increases	88,888	137,017
C. Decreases	**220,293**	**90,292**
C.1 Sales	992	5
C.2 Adjustments	119,548	32,249
C.3 Impairment	-	-
C.4 Other decreases	99,753	58,038
D. Closing balance	**2,330,567**	**2,256,388**
E. Total revaluations	**-**	**-**
F. Total adjustments	**431,423**	**311,876**

The increases (item B.1) refer to:

- purchase of 12,733,765 Bibanca shares by Banco di Sardegna s.p.a., for a contribution of Euro 155.4 million as established by the contract signed on 27 November 2024;
- the purchase of 50,000,000 Banca Cesare Ponti s.p.a. shares, for the subscription of the share capital increase called by the company (Euro 50.0 million);

"Other increases" (item B.4) refer to:

- Increase in value of the equity investment in Gardant Bridge Servicing s.p.a. (30% of the share capital) following the value enhancement of the interest held, set at the disposal price (Euro 45.0 million);
- increase in the equity investment in BPER Real Estate s.p.a., the merging company of BPER REOCO s.p.a. (Euro 42.7 million).

"Sales" (item C1) refers to the transfer of control of the interest held in Gardant Bridge Servicing s.p.a. (70% of the share capital for an amount of Euro 0.2 million) and the transfer of the entire interest held in Immobiliare Oasi nel Parco s.r.l. (Euro 0.7 million).

"Impairment losses" (item C.2) refer to impairment testing activities.

"Other decreases" (item C.4) mainly refer to:

- deconsolidation of BPER REOCO s.p.a., merged by absorption into BPER Real Estate (Euro 42.7 million);
- reclassification among Financial assets measured at fair value through other comprehensive income at the closing of 31 December 2024, following the confirmed loss of significant influence pursuant to IAS 28 by BPER Banca; in particular, reference is made to the following equity investments:
  - Autostrada dei Fiori s.p.a. (ADF): an equity investment acquired in BPER Banca through the merger with Banca Carige s.p.a., with confirmation at that stage of its classification within the Equity Investments portfolio (as a company subject to Significant Influence)[36], despite the fact that it had been subject to scrutiny in order to monitor the developments and effects of certain corporate decisions, which appeared to be in contrast with the interests of minority shareholders (whose current proprietary rights BPER nevertheless estimated would still be covered by the company's shareholders' equity). It should be noted that BPER Banca, as early as the beginning of 2023, had filed a writ of summons before the Court of Genoa against ADF's Administrative Bodies, primarily seeking the recognition of conduct detrimental to the forward-looking interests of the Company and, hence, of its minority shareholders. As the legal proceedings were given the time needed to develop, concrete evidence had started to emerge in 2024 showing how ADF's reference shareholder, ASTM s.p.a., had effectively directed the company towards self-interested objectives, sidelining the Board of Directors. In light of these developments, BPER Banca has therefore re-evaluated its classification of the investment in ADF: the presumption of significant influence has evidently ceased to exist, which had not been clearly confirmed until 2024, and the investment has been transferred from the Investments portfolio to Financial Investments (as an equity instrument classified as FVTOCI, exercising the option under IFRS 9) at a value equal to the estimated fair value (mark-to-model);
  - UnipolRental s.p.a.: the equity investment held by BPER Banca amounts to 19.99%; it had initially been recognised under associate equity investments (significant influence) pursuant to IAS 28, considering the features of the extraordinary transaction that originated it (on 1 July 2023, the merger by incorporation of Società Italiana Flotte Aziendali – SIFA' s.p.a., previously 100% owned by BPER Banca and operating in long-term rental, into UnipolRental s.p.a., previously 100% owned by UnipolSai Assicurazioni and also active in long-term rental) as well as the terms of the agreement signed between the two shareholders for the launch of a strategic-commercial partnership in the long-term rental sector. Certain events occurred in 2024 regarding the management of the associate and the related decisions taken as early as December 2024 by the Board of Directors of BPER Banca led the Directors to reconsider the originally identified association relationship, redefining it as a financial investment (as an equity instrument classified as FVTOCI, exercising the option under IFRS 9) already during the preparation of the Consolidated Financial Report as at 31 December 2024 and providing for the consequent reclassification at the corresponding fair value (mark-to-model).

36 Reference is made to the Consolidated Financial Report of Carige s.p.a. as at 31 December 2021 and the information provided in the Consolidated Explanatory Notes as at 31 December 2022 of BPER Banca, Part G – Business combinations.

7.6 Commitments referred to equity investments in companies subject to joint control
Please refer to information disclosed in the Consolidated Financial Report.

7.7 Commitments related to equity investments in companies subject to significant influence
Please refer to information disclosed in the Consolidated Financial Report.

7.8 Significant restrictions
Please refer to information disclosed in the Consolidated Financial Report.

7.9 Other information
Please refer to information disclosed in the Consolidated Financial Report.

Section 8 – Property, plant and equipment
Item 80

8.1 Property, plant and equipment used in operations: breakdown of assets measured at cost

Description/Amounts	Total 31.12.2024	Total 31.12.2023
1. Assets owned	**276,642**	**236,048**
a) land	-	-
b) buildings	-	-
c) furniture	62,259	60,667
d) electronic systems	95,272	72,507
e) other	119,111	102,874
2. Rights of use acquired through leases	**377,920**	**341,720**
a) land	-	-
b) buildings	316,798	331,072
c) furniture	-	-
d) electronic systems	55,614	5,970
e) other	5,508	4,678
Total	**654,562**	**577,768**
of which: arising from the enforcement of guarantees received	-	-

8.2 Property, plant and equipment held for investment: breakdown of assets measured at cost
There is no property, plant or equipment held for investment purposes measured at cost in this Separate Financial Report.

8.3 Property, plant and equipment used in operations: breakdown of revalued assets

Description/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Assets owned	**-**	**-**	**939,442**	**-**	**-**	**938,737**
a) land	-	-	502,586	-	-	489,625
b) buildings	-	-	436,856	-	-	449,112
c) furniture	-	-	-	-	-	-
d) electronic systems	-	-	-	-	-	-
e) other	-	-	-	-	-	-
2. Rights of use acquired through leases	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
c) furniture	-	-	-	-	-	-
d) electronic systems	-	-	-	-	-	-
e) other	-	-	-	-	-	-
Total	**-**	**-**	**939,442**	**-**	**-**	**938,737**
of which: arising from the enforcement of guarantees received	-	-	-	-	-	-

Key L1 = Level 1; L2 = Level 2 L3 = Level 3

8.4 Property, plant and equipment held for investment: breakdown of assets measured at fair value

Description/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Assets owned	**-**	**-**	**243,379**	**-**	**-**	**278,271**
a) land	-	-	109,871	-	-	128,205
b) buildings	-	-	133,508	-	-	150,066
2. Rights of use acquired through leases	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
Total	**-**	**-**	**243,379**	**-**	**-**	**278,271**
of which: arising from the enforcement of guarantees received	-	-	-	-	-	-

For more information, please see part A – Accounting Policies in these Explanatory Notes.

Key: L1 = Level 1; L2 = Level 2: L3 = Level 3

8.5 Inventories of property, plant and equipment governed by IAS 2: breakdown

There are no amounts for this item in this Separate Financial Report.

8.6 Property, plant and equipment used in operations: annual changes

	Land	Buildings	Furniture	Electronic systems	Other	Total
A. Gross opening balance	**404,448**	**1,008,063**	**250,573**	**318,368**	**484,878**	**2,466,330**
A.1 Total net value adjustments	(85,177)	227,879	189,906	239,891	377,326	949,825
A.2 Net opening balance	**489,625**	**780,184**	**60,667**	**78,477**	**107,552**	**1,516,505**
B. Increases:	**31,160**	**92,243**	**6,643**	**137,184**	**73,698**	**340,928**
B.1 Purchases	2,794	43,691	4,701	96,237	45,047	192,470
B.2 Capitalised expenditure on improvements	-	11,154	-	-	-	11,154
B.3 Write-backs	830	827	-	-	-	1,657
B.4 Positive changes in fair value allocated to	14,697	1,655	-	-	-	16,352
a) shareholders' equity	11,674	1,655	-	-	-	13,329
b) profit or loss	3,023	-	-	-	-	3,023
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfers from property, plant and equipment held for investment	12,839	7,409	-	-	-	20,248
B.7 Other decreases	-	27,507	1,942	40,947	28,651	99,047
C. Decreases:	**18,199**	**118,773**	**5,051**	**64,775**	**56,631**	**263,429**
C.1 Sales	-	466	5	461	1,380	2,312
C.2 Depreciation	-	75,924	3,115	41,908	26,754	147,701
C.3 Impairment losses allocated to	-	2,329	-	473	-	2,802
a) shareholders' equity	-	-	-	-	-	-
b) profit or loss	-	2,329	-	473	-	2,802
C.4 Negative changes in fair value allocated to	1,844	3,904	-	-	-	5,748
a) shareholders' equity	-	-	-	-	-	-
b) profit or loss	1,844	3,904	-	-	-	5,748
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Transfers to:	16,355	16,672	-	-	-	33,027
a) property, plant and equipment held for investment	16,355	16,672	-	-	-	33,027
b) Non-current assets and groups of assets held for sale	-	-	-	-	-	-
C.7 Other decreases	-	19,478	1,931	21,933	28,497	71,839
D. Net closing balance	**502,586**	**753,654**	**62,259**	**150,886**	**124,619**	**1,594,004**
D.1 Total net value adjustments	(98,860)	261,857	192,976	244,257	399,883	1,000,113
D.2 Gross closing balance	**403,726**	**1,015,511**	**255,235**	**395,143**	**524,502**	**2,594,117**
E. Carried at cost	**295,581**	**537,033**	**-**	**-**	**-**	**832,614**

Impairment losses amounting to Euro 2.3 million relate to rights of use for leases.

8.7 Property, plant and equipment held for investment: annual changes

	Total	
	Land	Buildings
A. Opening balance	**128,205**	**150,066**
B. Increases	**21,935**	**22,476**
B.1 Purchases	-	80
B.2 Capitalised expenditure on improvements	-	1,642
B.3 Increases in fair value	4,770	2,729
B.4 Write-backs	-	-
B.5 Positive exchange differences	-	-
B.6 Transfers from property, plant and equipment used in operations	16,355	16,672
B.7 Other decreases	810	1,353
C. Decreases	**40,269**	**39,034**
C.1 Sales	4,714	6,344
C.2 Depreciation	-	-
C.3 Decreases in fair value	12,431	14,566
C.4 Impairment losses	-	-
C.5 Negative exchange differences	-	-
C.6 Transfers to:	23,124	18,124
a) property, plant and equipment used in operations	12,839	7,409
b) Non-current assets and groups of assets held for sale	10,285	10,715
C.7 Other decreases	-	-
D. Closing balance	**109,871**	**133,508**

8.7-bis Useful life of the main categories of fixed assets

Category	Useful life
Land	not depreciated
Real estate	based on the useful life identified from specific appraisals
Office furniture and machines	100 months
Furnishings	80 months
Lifting equipment	160 months
Motor vehicles	48 months
Alarm systems	40 months
EDP hardware	60 months

8.8 Inventories of property, plant and equipment governed by IAS 2: annual changes

There are no amounts for this item in this Separate Financial Report.

8.9 Commitments to purchase property, plant and equipment

There are no amounts for this item in this Separate Financial Report.

Section 9 – Intangible assets
Item 90

9.1 Intangible assets: breakdown by asset type

Description/Amounts	Total 31.12.2024		Total 31.12.2023	
	Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life
A.1 Goodwill	**X**	**-**	**X**	**-**
A.2 Other intangible assets	**528,594**	**-**	**464,655**	**-**
of which Software	528,548	-	464,609	-
A.2.1 Assets measured at cost	528,594	-	464,655	-
a) intangible assets generated internally	-	-	-	-
b) other assets	528,594	-	464,655	-
A.2.2 Assets measured at fair value	-	-	-	-
a) intangible assets generated internally	-	-	-	-
b) other assets	-	-	-	-
Total	**528,594**	**-**	**464,655**	**-**

"Other intangible assets" mainly comprise applications software measured at cost and amortised on a straight-line basis over a period, not exceeding five years, that depends on the degree of obsolescence involved.

9.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: generated internally		Other intangible assets: other		Total
		FIN	INDEF	FIN	INDEF	
A. Opening balance	**284,810**	**-**	**-**	**870,277**	**-**	**1,155,087**
A.1 Total net value adjustments	284,810	-	-	405,622	-	690,432
A.2 Net opening balance	**-**	**-**	**-**	**464,655**	**-**	**464,655**
B. Increases	**-**	**-**	**-**	**219,831**	**-**	**219,831**
B.1 Purchases	-	-	-	219,190	-	219,190
B.2 Increases in internal intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value	-	-	-	-	-	-
- shareholders' equity	X	-	-	-	-	-
- profit or loss	X	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Other decreases	-	-	-	641	-	641
C. Decreases	**-**	**-**	**-**	**155,892**	**-**	**155,892**
C.1 Sales	-	-	-	-	-	-
C.2 Adjustments	-	-	-	155,892	-	155,892
- Depreciation	X	-	-	121,633	-	121,633
- Impairment losses	-	-	-	34,259	-	34,259
+ shareholders' equity	X	-	-	-	-	-
+ profit or loss	-	-	-	34,259	-	34,259
C.3 Decreases in fair value:	-	-	-	-	-	-
- shareholders' equity	X	-	-	-	-	-
- profit or loss	X	-	-	-	-	-
C.4 Transfers to non-current assets held for sale	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Other decreases	-	-	-	-	-	-
D. Net closing balance	**-**	**-**	**-**	**528,594**	**-**	**528,594**
D.1 Total net value adjustments	284,810	-	-	561,514	-	846,324
E. Gross closing balance	**284,810**	**-**	**-**	**1,090,108**	**-**	**1,374,918**

All intangible assets are measured at cost. The impairment test carried out in compliance with IAS 36 did not identify any need to recognise an impairment loss.

Key: DEF definite life INDEF: indefinite life

9.3 Intangible assets: other information

There is no information to be disclosed other than that already provided in this section.

Section 10 – Tax assets and liabilities

Asset item 100 and liability item 60

10.1 Deferred tax assets: breakdown

	IRES	IRAP	Total 31.12.2024	Total 31.12.2023
Impairment losses on loans to customers	150,721	14,434	165,155	302,535
Impairment losses on equity investments and securities	39,710	9,543	49,253	72,433
Goodwill convertible into tax credits	223,635	43,239	266,874	287,447
Non-convertible goodwill	12,680	2,568	15,248	28,004
Personnel provisions	210,387	32,558	242,945	216,112
Endorsement credits, clawback action during bankruptcy proceedings and outstanding lawsuits	78,492	4,728	83,220	94,415
Impairment losses on loans to customers FTA IFRS 9	117,109	23,720	140,829	179,367
Non-convertible tax losses	188,135	-	188,135	320,000
ACE carried forward	7,570	-	7,570	61,000
Property, plant and equipment and intangible assets	1,176	255	1,431	5,311
Other deferred tax assets	30,312	416	30,728	34,097
Total	**1,059,927**	**131,461**	**1,191,388**	**1,600,721**

"Deferred tax assets" are determined on the basis of IRES and IRAP tax rates which are expected to be in force at the time of their recovery.
The total includes, for an amount of Euro 432.0 million, deferred tax assets relating to value adjustments to loans to customers, goodwill convertible to tax credits pursuant to Law 214/2011.
The remaining deferred tax assets, for a total of Euro 759.3 million, refer for Euro 563.65 million to deductible temporary differences, for Euro 188.1 million to non-convertible tax losses and Euro 7.6 million to surplus ACE (Allowance for Corporate Equity). These deferred tax assets were recognised on the basis of the positive outcome of the probability test carried out in compliance with the provisions of IAS 12, assuming that a time horizon of 5 years is used for the purposes of the recovery forecasts; the future taxable income considered is consistent with the financial forecasts updated recently in 2024. The decrease in the item "Tax losses convertible into tax credits" is due to the conversion of DTAs recognised as at 31 December 2023 on IRES and IRAP tax losses in application of the provisions of article 2, paragraphs 55 et seq. of Italian Decree Law 225/2010 and article 1, paragraphs 233 et seq. of Italian Law 178/2020.
As at 31 December 2024, no deferred tax assets recoverable beyond the time horizon considered for the probability test on the realignment of goodwill and personnel provisions of Euro 33.5 million were recognised.

10.2 Deferred tax liabilities: breakdown

	IRES	IRAP	Total 31.12.2024	Total 31.12.2023
Payments to FITD (Interbank Deposit Protection Fund)	149	30	179	179
Revaluations of equity investments and securities	4,952	11,736	16,688	14,878
Capital gains on shares and other securities	1,441	192	1,633	2,047
Personnel provisions	1,579	-	1,579	1,579
Property, plant and equipment and intangible assets	10,172	2,060	12,232	12,232
Other deferred taxes	4,907	5	4,912	3,351
Total	**23,200**	**14,023**	**37,223**	**34,266**

"Deferred tax liabilities" are determined on the basis of IRES and IRAP tax rates which are expected to be in force at the time of their recovery.
The item "Other deferred taxes" refers entirely to the mismatch between the carrying value and the tax value of CFH derivatives.
At 31 December 2024, there are no temporary differences relating to investments in subsidiaries, branches, associates and companies under joint control for which the related deferred tax liabilities have not been recognised.

10.3 Changes in deferred tax assets (through profit or loss)

	Total 31.12.2024	Total 31.12.2023
1. Initial amount	**1,505,698**	**1,930,396**
2. Increases	**156,013**	**549,103**
2.1 Deferred tax assets recognised in the year	156,013	548,953
a) relating to previous years	47,907	416,719
b) due to changes in accounting criteria	-	-
c) write-backs	-	-
d) other	108,106	132,234
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	150
3. Decreases	**541,880**	**973,801**
3.1 Deferred tax assets derecognised in the year	537,607	892,831
a) reversals	216,383	246,053
b) write-offs	-	-
c) due to changes in accounting criteria	-	-
d) other	321,224	646,778
3.2 Decreases in tax rates	-	-
3.3 Other decreases:	4,273	80,970
a) conversion into tax credit under Law no. 214/2011	-	80,970
b) other	4,273	-
4. Final amount	**1,119,831**	**1,505,698**

The amount recognised under 2.1 a) "Deferred tax assets recognised in the year relating to previous years" mainly refers to DTAs recognised in the year following the passing of the probability test relating to tax losses, as well as the amortisation of tax-aligned goodwill recoverable in 2028.
Item d) "Other increases" consists mainly of deferred tax assets relating to provisions for redundancies of Euro 59.3 million, provisions for legal disputes of Euro 14.6 million, provisions for claw-back actions and unsecured loans of Euro 7.8 million, and, finally, personnel provisions of Euro 23.9 million.
The amount recognised under 3.1 a) "Deferred tax assets derecognised for the year - reversals" mainly includes derecognition of deferred tax assets pursuant to Italian Law 214/2011 related to the impairment of loans to customers and the tax amortisation of goodwill of Euro 158.0 million, the tax amortisation of goodwill against which convertible DTAs are not recognised of Euro 13.3 million, the tax amortisation of other tangible and intangible assets of Euro 3.6 million, plus the derecognition of deferred tax assets on the portion of impairment deducted in the period, registered at the time of the first-time adoption of IFRS 9 for an amount of Euro 38.5 million.
The amount recognised under 3.1 d) "Deferred tax assets derecognised for the year - other" includes the reversal of deferred tax assets related to draw-downs of personnel provisions of Euro 44.2 million, draw-downs of the redundancy fund and for early-retirement incentive of Euro 6.0 million, draw-downs of provisions for risks of Euro 33.5 million, and the reduction of the misalignment between the book value and the tax value of the provision for employee severance indemnity and the pension fund section A of Euro 2.0 million. The amount also refers to Euro 195.7 million worth of DTAs related to the portion of tax losses and ACE surpluses used to reduce individual and group taxable income.
The amount recognised under item 3.3 b) "Other decreases" includes the accounting balances of deferred tax assets of BPER transferred to Banca Cesare Ponti following the transfer of the business unit identified as the Wealth Business Department of BPER Banca, primarily attributable to provisions set aside for personnel.

10.3 bis Changes in deferred tax assets pursuant to Law 214/2011 (with offsetting entry to profit and loss)

	Total 31.12.2024	Total 31.12.2023
1. Initial amount	**589,982**	**845,449**
2. Increases	**-**	**2,334**
3. Decreases	**157,953**	**257,801**
3.1 Reversals	157,953	174,929
3.2 Conversion into tax credit	-	80,970
a) from losses for the year	-	-
b) from tax losses	-	80,970
3.3 Other decreases	-	1,902
4. Final amount	**432,029**	**589,982**

Article 2, paragraph 55 et seq. of Law Decree no. 225/2010 introduced the option of converting into tax credits the DTAs recognised relating to value adjustments pursuant to article 106, paragraph 3 of the Consolidated Income Tax Act, to the value of goodwill and other intangible assets and the part of the IRES tax losses resulting from (and within the limits of) the deduction of the aforementioned items for the year.
Subsequently, Law 147/2013 (Stability Law 2014) extended the conversion of IRAP DTAs relating to impairment losses on loans, goodwill and other intangible assets, also in the case of "negative net value of production".
This table shows the changes that took place during the year limited to these categories of DTAs (called "noble").
Item 3.1 "Reversals" represents the reversals for the year as a result of the deduction in the year of value adjustments on loans recognised in previous years and the deduction of which had been deferred in accordance with the regulations in force at the time, and of the amortisation of goodwill.

10.4 Changes in deferred tax liabilities (through profit or loss)

	Total 31.12.2024	Total 31.12.2023
1. Initial amount	**6,909**	**3,869**
2. Increases	**2,331**	**3,702**
2.1 Deferred tax liabilities recognised in the year	2,331	3,702
a) relating to previous years	-	-
b) due to changes in accounting criteria	-	-
c) other	2,331	3,702
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	**1,190**	**662**
3.1 Deferred tax liabilities derecognised in the year	1,190	662
a) reversals	-	-
b) due to changes in accounting criteria	-	-
c) other	1,190	662
3.2 Decreases in tax rates	-	-
3.3 Other decreases	-	-
4. Final amount	**8,050**	**6,909**

Item 2.1 c) "Deferred tax assets recognised for the year - other" refers to deferred tax assets of Euro 0.6 million recognised on the taxable portion of capital gains from the fair value measurement of securities and equity investments and to deferred tax assets of Euro 1.7 million recognised on the revaluation of tax receivables held for sale.
Item 3.1 c) "Deferred tax assets derecognised for the year - other" refers to deferred tax liabilities for Euro 0.6 million derecognised following the realisation of securities and equity investments.

10.5 Changes in deferred tax assets (through shareholders' equity)

	Total 31.12.2024	Total 31.12.2023
1. Initial amount	**95,023**	**143,264**
2. Increases	**4,927**	**4,444**
2.1 Deferred tax assets recognised in the year	4,927	4,444
a) relating to previous years	-	-
b) due to changes in accounting criteria	-	-
c) other	4,927	4,444
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	**28,393**	**52,685**
3.1 Deferred tax assets derecognised in the year	28,356	52,685
a) reversals	-	-
b) write-offs	-	-
c) due to changes in accounting criteria	-	-
d) other	28,356	52,685
3.2 Decreases in tax rates	-	-
3.3 Other decreases	37	-
4. Final amount	**71,557**	**95,023**

Item 2.1 c) "Deferred tax assets recognised in the year - other" refers mainly to deferred tax assets (Euro 0.2 million) related to the provision for Section A pension fund and the fair value measurement of securities in the HTC&S portfolio (Euro 4.6 million).
Item 3.1 d) "Deferred tax assets derecognised for the year - other" refers mainly to deferred tax assets recognised against the fair value measurement of securities in the HTC&S portfolio for an amount of Euro 27.7 million and the impact of the measurement of CFH derivatives for an amount of Euro 0.5 million.

10.6 Changes in deferred tax liabilities (through shareholders' equity)

	Total 31.12.2024	Total 31.12.2023
1. Initial amount	**27,357**	**35,457**
2. Increases	**5,466**	**2,965**
2.1 Deferred tax liabilities recognised in the year	5,466	2,964
a) relating to previous years	-	-
b) due to changes in accounting criteria	-	-
c) other	5,466	2,964
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	1
3. Decreases	**3,650**	**11,065**
3.1 Deferred tax liabilities derecognised in the year	3,650	11,065
a) reversals	-	-
b) due to changes in accounting criteria	-	-
c) other	3,650	11,065
3.2 Decreases in tax rates	-	-
3.3 Other decreases	-	-
4. Final amount	**29,173**	**27,357**

Item 2.1 c) "Deferred tax liabilities recognised in the year - other" refers mainly to deferred tax liabilities recognised on the fair value measurement of securities in the HTC&S portfolio for an amount of Euro 5.4 million.
Item 3.1 c) "Deferred tax liabilities derecognised for the year - other" refers mainly to deferred tax liabilities recognised on the fair value measurement of securities in the HTC&S portfolio for an amount of Euro 3.6 million.

10.7 Other information

Current tax assets

	31.12.2024	31.12.2023
IRES provisions	119,233	115,335
IRAP provisions	63,134	29,885
Additional provisions	151	151
Other assets and withholdings	370,182	778,284
Gross current tax assets	**552,699**	**923,654**
Offset current tax liabilities	173,579	61,126
Net current tax assets	**379,120**	**862,527**

Current tax liabilities

	31.12.2024	31.12.2023
Tax debt for IRES	101,592	461
Tax debt for IRAP	71,987	60,665
Other payables for current income taxes	-	-
Gross current tax liabilities	**173,579**	**61,126**
Offset current tax assets	173,579	61,126
Gross current tax liabilities	**-**	**-**

Changes in gross current tax liabilities

	31.12.2024	31.12.2023
Balance at the end of the prior year	**61,126**	**104,164**
Decreases	**60,831**	**104,164**
- uses for payment of income taxes	-	-
- uses for payment of other taxes	-	-
- other decreases	60,831	104,164
Increases	**173,284**	**61,126**
- provisioning:	-	-
- income taxes: parent company	71,987	61,058
- income taxes: members of domestic tax group	101,297	68
- substitute tax pursuant to law 147/2013, art. 1, paragraph 150	-	-
- substitute tax (Pres. Decree 185/2008, art. 15, para. 10	-	-
- substitute tax pursuant to law 244/2007, art. 1, paragraph 48	-	-
- other increases	-	-
Total gross current tax liabilities	**173,579**	**61,126**

Section 11 – Non-current assets and disposal groups classified as held for sale and related liabilities
Asset item 110 and liability item 70

11.1 Non-current assets and disposal groups classified as held for sale: breakdown by assets

	31.12.2024	31.12.2023
A. Assets held for sale		
A.1 Financial assets	-	-
A.2 Equity investments	8,993	-
A.3 Property, plant and equipment	17,111	12,405
of which: arising from the enforcement of guarantees received	1,778	3,485
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	-
Total A	**26,104**	**12,405**
of which measured at cost	8,993	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	17,111	12,405
B. Discontinued operations		
B.1 Financial assets measured at fair value through profit or loss	-	-
Financial assets held for trading	-	-
Financial assets designated at fair value	-	-
Other financial assets mandatorily measured at fair value	-	-
B.2 Financial assets measured at fair value through other comprehensive income	-	-
B.3 Financial assets measured at amortised cost	-	-
B.4 Equity investments	-	-
B.5 Property, plant and equipment	-	-
of which: arising from the enforcement of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total B	**-**	**-**
of which measured at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-

(cont.)

	31.12.2024	31.12.2023
C. Liabilities associated with assets classified as held for sale		
C.1 Due to banks/customers	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total C	**-**	**-**
of which measured at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities measured at amortised cost	-	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Provisions	-	-
D.5 Other liabilities	-	-
Total D	**-**	**-**
of which measured at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-

The item “Equity investments” is represented by the value of the subsidiary Modena Terminal.
«Property, plant and equipment» also includes buildings owned by the Bank totalling Euro 17.1 million of which preliminary sale contracts have been signed for an amount of Euro 15.6 million, or a purchase and sale proposal has been accepted at the reporting date, of which Euro 1.5 million in former Carige leased properties, repossessed as debt collection.

11.2 Other information

There is no information to be disclosed other than that already provided in this section.

Section 12 – Other assets
Item 120

12.1 Other assets: breakdown

	31.12.2024	31.12.2023
Taxes withheld on interest, withholdings and tax credits on dividends, advance taxation	309,969	202,010
Sundry amounts to be charged to customers	179,735	324,168
Bank charges to be debited to customers or banks	107,434	128,432
Cheques being processed	40	73
Cheques drawn on other banks	90,047	73,563
Items relating to securities transactions	42,365	87,682
Leasehold improvement expenditure	12,346	10,556
Gold, silver and precious metals	80,367	43,437
Accrued income and prepaid expenses	7,407	11,310
Tax credits purchased from third parties	4,489,185	4,488,337
Other items for sundry purposes	63,038	277,990
Credit for tax consolidation	36,004	37,922
Total	**5,417,937**	**5,685,480**

There are no contract assets, as defined in IFRS 15.
The item "Tax credits purchased from third parties" includes tax credits purchased from third parties under the Relaunch Decree no. 34/2020, measured at amortised cost, for the portion to be recovered by offsetting, and measured at fair value, for the amount corresponding to the sales contracts entered into at the end of the reporting period. The nominal value of tax credits acquired as at 31 December 2024, net of offsets, amounted to Euro 5,001.1 million (4,488.3 million at 31 December 2023).
In light of the complexity of the regulatory scenario described, despite the control protocols adopted by the Bank both in the phase of acquiring the tax credit and in its technical assessment, it is believed that BPER Banca remains exposed to a compliance/operational risk that, in the event of irregularities by the selling parties, could cause a deferral in the use of the receivables acquired. In respect of said risk, the Bank made an allocation to the Provisions for risks and charges, better detailed in a later section of these Explanatory Notes, dedicated to liability items.

LIABILITIES

Section 1 – Financial liabilities measured at amortised cost
Item 10

1.1 Financial liabilities measured at amortised cost: breakdown by product of due to banks

Type of transaction/Amounts	Total 31.12.2024				Total 31.12.2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Due to Central Banks	**-**	X	X	X	**1,733,120**	X	X	X
2. Due to banks	**12,536,802**	X	X	X	**11,385,335**	X	X	X
2.1 Current accounts and demand deposits	6,592,996	X	X	X	4,855,599	X	X	X
2.2 Time deposits	917,989	X	X	X	734,678	X	X	X
2.3 Loans	4,145,850	X	X	X	4,412,312	X	X	X
2.3.1 Repurchase agreements	3,939,351	X	X	X	4,301,708	X	X	X
2.3.2 Other	206,499	X	X	X	110,604	X	X	X
2.4 Payables for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Lease liabilities	15,365	X	X	X	20,567	X	X	X
2.6 Other liabilities	864,602	X	X	X	1,362,179	X	X	X
Total	**12,536,802**	**-**	**-**	**12,536,802**	**13,118,455**	**-**	**-**	**13,118,455**

As at 31 December 2024, the debt to the European Central Bank was zeroed, also as a result of the repayment of the last TLTRO tranche.
An explanation of the fair value hierarchy used for classification has been given in Part A.4 of the Explanatory Notes in chapter "Techniques for the determination of fair value".
Fair value is assumed to be the same as the carrying amount since they are sight or short-term transactions.

Key: BV = Book value; L1 = Level 1; L2 = Level 2; L3 = Level 3

1.2 Financial liabilities measured at amortised cost: breakdown by product of due to customers

Type of transaction/Amounts	Total 31.12.2024				Total 31.12.2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	**80,402,700**	**X**	**X**	**X**	**82,443,334**	**X**	**X**	**X**
2. Time deposits	**1,768,726**	**X**	**X**	**X**	**3,185,851**	**X**	**X**	**X**
3. Loans	**6,848,110**	**X**	**X**	**X**	**5,398,473**	**X**	**X**	**X**
3.1 Repurchase agreements	1,825,110	X	X	X	2,087,467	X	X	X
3.2 Other	5,023,000	X	X	X	3,311,006	X	X	X
4. Payables for commitments to repurchase own equity instruments	**-**	**X**	**X**	**X**	**-**	**X**	**X**	**X**
5. Lease liabilities	**378,296**	**X**	**X**	**X**	**335,122**	**X**	**X**	**X**
6. Other liabilities	**550,637**	**X**	**X**	**X**	**741,540**	**X**	**X**	**X**
Total	**89,948,469**	**-**	**-**	**89,948,469**	**92,104,320**	**-**	**-**	**92,104,320**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of the Explanatory Notes in chapter "Techniques for the determination of fair value".
Fair value is assumed to be the same as the carrying amount since they are sight or short-term transactions.

Key: BV = Book value; L1 = Level 1; L2 = Level 2; L3 = Level 3

1.3 Financial liabilities measured at amortised cost: breakdown, by product, of securities issued

Type of transaction/Amounts	Total 31.12.2024				Total 31.12.2023			
	BV	Fair value			BV	Fair value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	9,989,016	6,831,554	3,253,390	-	11,401,183	5,052,052	6,235,420	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	9,989,016	6,831,554	3,253,390	-	11,401,183	5,052,052	6,235,420	-
2. other securities	1,154,183	-	-	1,154,183	716,781	-	-	716,781
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	1,154,183	-	-	1,154,183	716,781	-	-	716,781
Total	**11,143,199**	**6,831,554**	**3,253,390**	**1,154,183**	**12,117,964**	**5,052,052**	**6,235,420**	**716,781**

"Bonds" include Euro 1,477 million of subordinated debt, none of which are convertible into shares. In the "Level 3" column of point 2.2, the fair value is assumed to be the same as the book value as these are short-term transactions.
An explanation of the fair value hierarchy used for classification has been given in Part A.4 of the Explanatory Notes in chapter "Techniques for the determination of fair value".

Key: BV = Book value; L1 = Level 1; L2 = Level 2; L3 = Level 3

1.4 Breakdown of subordinated securities

	Book Value 31.12.2024	Nominal value 31.12.2024	Book Value 31.12.2023	Nominal value 31.12.2023
BPER Banca s.p.a. EMTNsubordinated non-convertible bond 3.625%, 2020-2030 callable	411,004	400,000	407,042	400,000
BPER Banca s.p.a. EMTNsubordinated non-convertible bond 3.875%, 2022-2032 callable	615,339	600,000	617,106	600,000
BPER Banca s.p.a. Tier II subordinated non-convertible bond 5%, 2022-2032 callable	12,015	12,000	12,014	12,000
BPER Banca s.p.a. EMTN subordinated non-convertible bond 8.625%, 2022-2033 callable	437,317	400,000	436,053	400,000
Banca Carige s.p.a. Subordinated bond loan Fixed Rate Tier II, 2018-2028 callable	-	-	1,853	1,800
Banca Carige s.p.a. Subordinated bond loan Fixed Rate with Reset Tier II, 2019-2029 callable	-	-	206,098	200,000
Banca Monte Lucca s.p.a. bond loan Fixed rate with Reset, Tier II, 2020-2030 callable	1,022	1,208	994	1,208
Total non-convertible bonds	**1,476,697**	**1,413,208**	**1,681,160**	**1,615,008**
Total bonds	**1,476,697**	**1,413,208**	**1,681,160**	**1,615,008**

There are no convertible subordinated bonds outstanding at 31 December 2024 (as was the case in December 2023).

1.5 Breakdown of structured debts

There are no amounts to be disclosed in this Separate Financial Report

1.6 Lease liabilities

Time bands	Present value 31.12.2024	Present value 31.12.2023
Up to 3 months	18,465	19,216
>3 months to 1 year	52,533	43,891
> 1 to 5 years	206,056	166,892
> 5 years	116,607	125,690
Total	**393,661**	**355,689**

Section 2 – Financial liabilities held for trading
Item 20

2.1 Financial liabilities held for trading: breakdown by product

Type of transaction/Amounts	Total 31.12.2024					Total 31.12.2023				
	NV	Fair Value			Fair Value *	NV	Fair Value			Fair Value *
		L1	L2	L3			L1	L2	L3	
A. On-balance-sheet liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	3	94	-	-	94	-	1	-	-	1
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**3**	**94**	**-**	**-**	**94**	**-**	**1**	**-**	**-**	**1**
B. Derivative instruments										
1. Financial derivatives	X	-	247,918	4,334	X	X	-	326,519	5,078	X
1.1 Trading	X	-	247,918	4,334	X	X	-	326,519	5,078	X
1.2 Connected with the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Connected with the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	**X**	**-**	**247,918**	**4,334**	**X**	**X**	**-**	**326,519**	**5,078**	**X**
Total (A+B)	**X**	**94**	**247,918**	**4,334**	**X**	**X**	**1**	**326,519**	**5,078**	**X**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of the Explanatory Notes in chapter "Techniques for the determination of fair value".

Key: BV = Book value; L1 = Level 1; L2 = Level 2; L3 = Level 3

Fair value* = Fair value calculated excluding value adjustments due to changes in the credit rating of the issuer since the date of issue.

2.2 Breakdown of "Financial liabilities held for trading": subordinated liabilities

There are no amounts in this Separate Financial Report.

2.3 Breakdown of "Financial liabilities held for trading": structured debts

There are no amounts in this Separate Financial Report.

Section 3 – Financial liabilities designated at fair value
Item 30

3.1 Financial liabilities designated at fair value: breakdown by product

Type of transaction/Amounts	Total 31.12.2024					Total 31.12.2023				
	NV	Fair value			Fair value *	NV	Fair value			Fair value *
		L1	L2	L3			L1	L2	L3	
1. Due to banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Structured	-	-	-	-	X	-	-	-	-	X
1.2 Other	-	-	-	-	X	-	-	-	-	X
of which:										
- commitments to disburse funds	-	X	X	X	X	X	X	X	X	X
- financial guarantees granted	-	X	X	X	X	X	X	X	X	X
2. Due to customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured	-	-	-	-	X	-	-	-	-	X
2.2 Other	-	-	-	-	X	-	-	-	-	X
of which:										
- commitments to disburse funds	-	X	X	X	X	X	X	X	X	X
- financial guarantees granted	-	X	X	X	X	X	X	X	X	X
3. Debt securities	**2,560,861**	**-**	**2,615,611**	**-**	**2,660,951**	**1,922,900**	**-**	**1,909,139**	**-**	**1,914,471**
3.1 Structured	2,560,861	-	2,615,611	-	X	1,922,900	-	1,909,139	-	X
3.2 Other	-	-	-	-	X	-	-	-	-	X
Total	**2,560,861**	**-**	**2,615,611**	**-**	**2,660,951**	**1,922,900**	**-**	**1,909,139**	**-**	**1,914,471**

The item includes certificates with unconditionally protected capital (structured debt securities). Classification into this category derives primarily from the reconciliation of these liabilities to the portfolios managed by Capital Market, which, according to the Group's policies, are measured at fair value considering the objectives pursued and reported performance. In addition, this classification makes it possible to pursue a "natural hedge" of derivatives entered into in order to "balance" the risks assumed with derivatives embedded in issued liabilities (derivatives that were classified as "trading" when recognised).

The increase recorded in 2024 is due to the issuing of 7 new certificates, for a currently outstanding total nominal value of Euro 760.9 million.

NV = Nominal Value; L1=Level1; L2=Level2; L3=Level3

Fair value* = Fair value calculated excluding value adjustments due to changes in the credit rating of the issuer since the date of issue.

3.1 bis Financial liabilities designated at fair value: method of use of the fair value option

Description/Amounts	31.12.2024	31.12.2023
a) Natural hedges through derivatives	-	-
a) Natural hedges with other financial instruments	-	-
c) Other types of accounting mismatch	-	-
d) Financial instruments managed and measured at fair value	2,615,611	1,909,139
e) Embedded structured derivative products	-	-
Total	**2,615,611**	**1,909,139**

3.2 Breakdown of "Financial liabilities designated at fair value": subordinated liabilities

There are no amounts for this item in this Separate Financial Report.

Section 4 – Hedging derivatives
Item 40

4.1 Hedging derivatives: breakdown by type of hedge and hierarchy levels

	Fair value 31.12.2024			NV 31.12.2024	Fair value 31.12.2023			NV 31.12.2023
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	**-**	**210,347**	**-**	**5,378,211**	**-**	**250,124**	**-**	**5,128,444**
1) Fair value	-	207,098	-	5,320,458	-	248,696	-	5,074,145
2) Cash flows	-	3,249	-	57,753	-	1,428	-	54,299
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**210,347**	**-**	**5,378,211**	**-**	**250,124**	**-**	**5,128,444**

An explanation of the fair value hierarchy used for classification has been given in Part A.4 of the Explanatory Notes in chapter "Techniques for the determination of fair value".

NV = Nominal Value; L1=Level1; L2=Level2; L3=Level3

4.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transactions/Type of hedge	Fair Value							Cash flows		Foreign investments
	Specific						General			
	debt securities and interest rates	equity instruments and stock indexes	currencies and gold	credit	commodities	other		Specific	General	
1. Financial assets measured at fair value through other comprehensive income	472	8,278	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	100,936	X	-	-	X	X	X	3,249	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**101,408**	**8,278**	**-**	**-**	**-**	**-**	**-**	**3,249**	**-**	**-**
1. Financial Liabilities	15,388	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	82,024	X	-	X
Total liabilities	**15,388**	**-**	**-**	**-**	**-**	**-**	**82,024**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 5 – Change in value of macro-hedged financial liabilities
Item 50

5.1 Change in value of hedged financial liabilities: breakdown by hedged portfolio

Change in value of hedged financial liabilities / Values	Total 31.12.2024	Total 31.12.2023
1. Positive adjustment of financial liabilities	-	-
2. Negative adjustment of financial liabilities	(81,843)	(155,184)
Total	**(81,843)**	**(155,184)**

The balance of the item represents the valuation effect as at 31 December 2024 of the liability items (modelled direct funding, qualifying as "Demand Items") identified as subject to macro hedging of interest rate risk, as part of the macro-hedge accounting strategy qualified also in 2024.

Section 6 – Tax liabilities
Item 60

Please refer to the information provided in section 10, Assets.

Section 7 – Liabilities associated with assets classified as held for sale
Item 70

Please refer to the information provided in section 11, Assets.

Section 8 – Other liabilities
Item 80

8.1 Other liabilities: breakdown

	31.12.2024	31.12.2023
Amounts due to banks	16,625	17,921
Amounts due to customers	1,015,185	1,285,159
Net adjustments on collection of receivables for third parties	872,117	57,065
Staff emoluments and related social contributions	77,872	83,994
Amounts due to third parties for coupons, securities and dividends to be collected	10,108	783,898
Amounts due to the tax authorities on behalf of customers and personnel	270,856	247,120
Bank transfers for clearance	14,905	15,282
Advances for the purchase of securities	15	15
Due to suppliers	299,608	350,303
Third-party payments as surety for loans	485	544
Accrued expenses and deferred income	106,590	127,449
Other liabilities to third parties	368,758	453,349
Payables due to members of the tax group	6,934	3,347
Total	**3,060,058**	**3,425,446**

From the analysis carried out for the purposes of IFRS 15, a single type of contract liability has been identified, amounting to Euro 16.5 million classified under the item "Accrued liabilities and deferred income", which refers to the portion of consideration paid in advance by customers for warranty services provided by the Bank for a period of time ("over time performance obligation"), relating to the portion not yet accrued at the end of the period.

Section 9 – Employee termination indemnities
Item 90

9.1 Employee termination indemnities: annual changes

	Total 31.12.2024	Total 31.12.2023
A. Opening balance	**130,975**	**152,929**
B. Increases	**3,533**	**9,405**
B.1 Provisions for the year	3,533	5,134
B.2 Other decreases	-	4,271
C. Decreases	**25,881**	**31,359**
C.1 Benefits paid	12,125	22,019
C.2 Other decreases	13,756	9,340
D. Closing balance	**108,627**	**130,975**
Total	**108,627**	**130,975**

The item "Other decreases" (C.2) refers to the portion of termination indemnities transferred to complementary pension funds (Euro 9.0 million) and to the portion transferred to Banca Cesare Ponti s.p.a. (Euro 4.8 million).

9.2 Other information

The following tables detail the changes in employee termination indemnities, as well as the principal demographic and financial assumptions made in order to quantify the provision using the Projected Unit Credit Method (pursuant to IAS 19 Revised, § 65-67); lastly, table 9.2.3 presents the comparative information required by law.

9.2.1 Changes in employee termination indemnities during the year

Description/Amounts	31.12.2024	31.12.2023
A. Opening balance	**130,975**	**152,929**
B. Increases	**3,533**	**9,405**
1. Current service cost	-	-
2. Financial charges	3,533	5,134
3. Contribution to the plan by employees	-	-
4. Actuarial losses	-	4,043
5. Exchange differences	-	-
6. Past service cost	-	-
7. Other	-	228
C. Decreases	**25,881**	**31,359**
1. Benefits paid	12,125	22,019
2. Past service cost	-	-
3. Actuarial gains	4	-
4. Exchange differences	-	-
5. Curtailments	-	-
6. Settlement	-	-
7. Other	13,752	9,340
D. Closing balance	**108,627**	**130,975**

The item “Other changes” (C.7) refers to the portion of termination indemnities transferred to complementary pension funds (Euro 9.0 million) and to the portion transferred to Banca Cesare Ponti s.p.a. (Euro 4.8 million).

9.2.2 Description of the main actuarial assumptions - termination indemnities

Main actuarial assumptions/Percentages	31.12.2024	31.12.2023
Discount rates	2.97%	3.03%
Expected increase in remuneration	n/a	n/a
Turnover	1.99%	1.99%
Inflation rate	2.00%	2.00%
Interest rate adopted for the calculation of interest cost	3.03%	3.71%

In addition to the average data included in the table, the approach taken to identify the principal actuarial assumptions is described below:

- Discount rates: the curve of “Euro Composite AA” rates for prime corporate bonds listed in the Euro market on the measurement date has been used.
- Turnover: time series analysis of the events giving rise to terminations and adjustments to take account of any “anomalies” that occurred in the past. The assumptions made about turnover took account of grade, vintage, age and gender.
- Inflation rate: a rate of 2.00% was used.
- Net interest cost: it was calculated at a rate that reflected the duration of the liability.

Demographic assumptions

As regards the demographic bases, the analyses performed on the time series of staff of companies included in the scope of consolidation focused on monitoring the trend in the following reasons for elimination:

- rate of employee mortality: the ISTAT life expectancy table of resident population was used, broken down by age and gender;
- rate of employee disability: the tables used for the INPS model to generate “Initial projections for 2010” were used;
- frequency and amount of advances on termination indemnities: in order to take into account the effects that these advances have on the timing of severance payments and, consequently on the discounting of the Company’s liability, a probability table for the release of part of the accrued volumes was created. The frequency of advance payments and the average percentage of termination indemnities requested as an advance were taken from corporate data;
- probability of retirement, resignation, dismissal: this was taken from corporate data; in particular, a table showing the propensity of departure from the Company was created, based on age and gender. With regard to retirement, the calculation considered a 100% probability of satisfying the AGO requirements aligned with Decree 4/2019.

9.2.3 Comparative information: history of plan

Description/Amounts	31.12.2024	31.12.2023	31.12.2022	31.12.2021
1. Present value of provisions (+)	108,627	130,975	152,929	174,110
2. Fair value of assets servicing the plan (-)	-	-	-	-
3. Plan deficit (surplus) (+/-)	108,627	130,975	152,929	174,110
4. Adjustments to plan liabilities based on historical experience - actuarial (gains)/losses	(4)	4,043	(16,414)	2,833
5. Adjustments to plan assets based on historical experience	-	-	-	-

The “Adjustments to plan assets based on historical experience” solely comprise actuarial gains and losses.

9.2.4 Sensitivity analysis and information on the amount, timing and uncertainty of financial cash flows

As required by IAS 19 Revised, we carried out a sensitivity analysis on employee termination indemnities with respect to the more significant actuarial assumptions to show how the liability would change in relation to possible fluctuations in each of these assumptions. In particular, the following table shows how the provision would change in the event of a 50 basis point increase or decrease in the discount and inflation rates compared with the parameters actually used.

Employee termination indemnities	31.12.2024	+50 bps	-50 bps
	DBO	DBO	DBO
discount rates	108,627	105,359	112,071
inflation rate	108,627	110,970	106,349

In compliance with the requirements of IAS 19 Revised with regard to additional disclosures, an estimate of future cash flows was carried out at 31 December 2024, as shown in the following table:

Employee termination indemnities	1st year	2nd year	3rd year	4th year	5th year
Future cash-flows	11,306	8,713	6,438	8,095	8,031

Section 10 – Provisions for risks and charges
Item 100

10.1 Provisions for risk and charges: breakdown

Description/Amounts	Total 31.12.2024	Total 31.12.2023
1. Impairment provisions for credit risk related to commitments and financial guarantees granted	46,989	50,426
2. Impairment provisions related to other commitments and guarantees granted	45,279	61,338
3. Provisions for pension and similar obligations	115,297	119,782
4. Other provisions for risk and charges	1,043,382	971,668
4.1 legal and fiscal disputes	201,288	212,404
4.2 personnel charges	670,884	612,116
4.3 other	171,210	147,148
Total	**1,250,947**	**1,203,214**

10.2 Provisions for risks and charges: annual changes

	Impairment provisions related to other commitments and guarantees granted	Provisions for pensions and similar obligations	Other provisions for risk and charges	Total
A. Opening balance	**61,338**	**119,782**	**971,668**	**1,152,788**
B. Increases	**10,619**	**4,401**	**326,837**	**341,857**
B.1 Provisions for the year	10,559	-	314,013	324,572
B.2 Time value changes	-	3,522	12,452	15,974
B.3 Increases due to discount-rate adjustments	-	879	171	1,050
B.4 Other increases	60	-	201	261
C. Decreases	**26,678**	**8,886**	**255,123**	**290,687**
C.1 Use during the year	26,678	8,886	204,887	240,451
C.2 Decreases due to discount rate adjustments	-	-	-	-
C.3 Other decreases	-	-	50,236	50,236
D. Closing balance	**45,279**	**115,297**	**1,043,382**	**1,203,958**

The changes due to discount rate adjustments also include actuarial gains and losses, considering not just interest rate movements, but also other demographic and financial factors, where applicable.
The item "Provisions in the year", relating to "Other provisions for risks and charges", includes mainly:
- the provisions of Euro 148.7 million related to the extension of the workforce optimisation manoeuvre as an addendum to the agreement signed on 23 December 2023;
- the provisions of Euro 20.8 million related to regulatory changes in retirement rules, which lengthened the average stay in the early retirement fund and clarified the scope for those participating in the manoeuvre.

10.3 Impairment provisions for credit risk related to commitments and financial guarantees granted

	Impairment provisions for credit risk related to commitments and financial guarantees granted				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
1. Commitments to disburse funds	7,813	2,804	-	-	10,617
2. Financial guarantees granted	1,842	2,422	32,108	-	36,372
Total	**9,655**	**5,226**	**32,108**	**-**	**46,989**

10.4 Provisions for other commitments and other guarantees granted

	31.12.2024
1. Other guarantees granted	23,879
2. Other commitments	21,400
Total	**45,279**

10.5 Provisions for pension with defined-benefits

10.5.1. Features of provisions and related risks

FIP BPER Banca (BPER Banca Supplementary Pension Fund)

The in-house supplementary pension fund is not a separate legal entity and its assets are held together with those of the Bank; it is made up entirely of Section "A", classifiable as a "defined benefit" scheme.
Under the Regulations for Section A, beneficiaries receive a supplementary pension subject to revaluation, the cost of which is borne entirely by the Bank.
This section comprises all current employees hired by the Bank prior to 28 April 1993; it also includes all retired beneficiaries, or their heirs, of supplementary pension payments deriving from earlier agreements signed by BPER Banca or by the banks absorbed by the latter over time.
The following tables report the changes in the Fund.
The actuarial gains and losses relating to Section A are recognised as an equity reserve.

The benefits provided by Fund Section A represent post-employment defined benefits, as governed by IAS 19 Revised; accordingly, the liability for these benefits is determined using the actuarial "Projected Unit Credit Method" applied in relation to termination indemnities.

Following the merger by absorption of Banca Carige, the following pension provisions established within the merged company remained separate, also from an accounting perspective, in BPER Banca s.p.a.:
- The Fund of Banca CARIGE s.p.a. ("FIP Carige -Carige Supplementary Pension Fund);
- the Provision of Cassa di Risparmio di Savona ("FIP Carisa");
- the Provision of Cassa di Risparmio di Carrara ("FIP Carrara").

The three Funds are supplementary pension funds which already existed when Law no. 421 of 23 October 1992 entered into force, and as such, they have been registered with the Registry of Pension Funds under special section III since 14 October 1999. The Carige, Carisa and Carrara funds are respectively registered under no. 9004, 9026 and 9154 and are subject to the supervision of COVIP (Pension Fund Supervisory Commission).
The Funds lack independent legal status; both the Carige and Carisa funds are an item in the Balance Sheet which guarantees the Bank's obligation to maintain the resources necessary at any given time for each Fund to pay the benefits payable. They are therefore a provisioning fund of the Bank which guarantees payment of a future obligation.
FIP Carrara was established as a separate and autonomous fund pursuant to art. 2117 of the Italian Civil Code, as part of the Bank's overall assets. During the financial year, BPER Banca resolved to acquire full ownership of the properties already registered in its name, currently allocated to the FIP Carrara, attributing to the Fund, in cash, the book value of the property assets amounting to Euro 702 thousand according to the appraisal drawn up by Kroll Real Estate Advisory Group as at 31 December 2023, and to proceed with the dissolution of the destination restriction pursuant to Article 2117 of the Italian Civil Code on the assets of the FIP Carrara, ensuring the continuity of related benefits to the entitled parties in accordance with Article 21 of the BPER Pension Fund Regulations. The Parent Company also resolved to merge the other existing pension schemes into Section A of the Pension Fund for BPER Banca staff. The consolidation has not yet been completed as at 31 December 2024.

The Funds are not structured in individual accounts and are closed to new participants.
A brief description is provided below.

FIP Carige (Carige Supplementary Pension Fund)

During 2015 the Bank and the unions agreed to undertake a project involving the transformation of the Fund for working participants, retired employees and former employees awaiting a deferred pension from the Fund ("deferred pension recipients"). As a result of this transformation, individual asset packages were calculated on the basis of the benefits accrued to each participant as at 30 June 2015 ("transferable packages"). Such transferable packages are to be transferred, following voluntary enrolment, to another defined-contribution pension fund, along with the employer's future contribution; in the cases of retirees and deferred pension recipients, the transformation called for payment of (current or future) pensions in lump-sum form and the calculation of the sums to be offered at 30 June 2015, also through voluntary enrolment, with the exclusion of all other benefits from the Bank.

In implementation of the resolution of the Board of Directors of 27 October 2015, agreements were entered into with the unions to formalise the arrangements indicated above.
Following the aforementioned operation, which continued even after 2015 and which provided, in the case of working participants, for their voluntary enrolment to another defined contribution pension fund, along with the employer's future contribution and, in the case of retirees and deferred pension recipients, payment of the pension principal amount, likewise on a voluntary enrolment basis; the group of participants in the Fund as at the end of the period consisted of 2 deferred pension recipients and 107 retirees.

FIP Carisa (Carisa Supplementary Pension Fund)

During 2016, the same actions as those concerning FIP Carige were implemented for FIP Carisa, with only 1 deferred pension recipients and 5 retirees participating in the Carisa Fund as at the end of the period.

FIP Carrara (Carrara Supplementary Pension Fund)

Only retired employees are registered with FIP Carrara, as the defined contribution section which the employees participated in, was settled in February 2015, in compliance with the resolution taken by the Board of Directors of Cassa di Risparmio di Carrara on 10 November 2014.
Currently, the Carrara Fund has functions limited to a group of 28 retired employees.

10.5.2 Changes in the year of net liabilities (assets) with defined-benefits and redemption rights

Description/Amounts	31.12.2024	31.12.2023
Opening balance	**119,782**	**115,166**
A. Increases	**4,402**	**13,735**
1. Current service cost	-	-
2. Financial charges	3,522	4,138
3. Contribution to the plan by employees	-	-
4. Actuarial losses	880	9,597
5. Exchange differences	-	-
6. Past service cost	-	-
7. Other	-	-
B. Decreases	**8,886**	**9,119**
1. Benefits paid	8,886	9,119
2. Past service cost	-	-
3. Actuarial gains	-	-
4. Exchange differences	-	-
5. Curtailments	-	-
6. Settlement	-	-
7. Other	-	-
Closing balance	**115,298**	**119,782**

10.5.3 Information on fair value of plan assets

As mentioned already, the staff pension funds are in-house defined-benefit plans; the resources to be utilised to cover these liabilities are invested, without separate identification, in operating assets.

10.5.4 Description of the main actuarial assumptions

Main actuarial assumptions/Percentages	31.12.2024	31.12.2023
Discount rates	3.17%	3.06%
Expected increase in remuneration	n/a	n/a
Turnover	n/a	n/a
Inflation rate	2.00%	2.00%
Interest rate adopted for the calculation of interest cost	3.05%	3.74%

In addition to the average data included in the table, the approach taken to identify the principal actuarial assumptions is described below:

- the demographic assumptions made for the measurement were based on A62 tables on the probability of death of retired staff by gender;
- discount rates: the curve of "Euro Composite AA" rates for prime corporate bonds listed in the Euro market on the measurement date has been used.
- inflation rate: a fixed rate of 2.00% was used
- interest cost: it was calculated at a rate that reflected the duration of the liability.

10.5.5. Information on the amount, timing and uncertainty of financial cash flows

As required by IAS 19 Revised, a sensitivity analysis was carried out on the obligation of pension funds with respect to the more significant actuarial assumptions to show how the liability would change in relation to reasonably possible movements in each of these assumptions. The following table shows how the provision would change in the event of a 50 basis point increase or decrease in the discount rate compared with the parameters actually used.

Funds	31.12.2024	Discount rate +50 basis points	Discount rate -50 basis points
	DBO	DBO	DBO
Fund Section A	101,647	96,711	107,033
FIP Carige (Carige Supplementary Pension Fund)	11,350	11,021	11,698
FIP CR Savona	229	223	237
FIP CR Carrara	2,072	2,015	2,131

In compliance with the requirements of IAS 19 Revised with regard to additional disclosures, an estimate of future cash flows was carried out at 31 December 2024, as shown in the following table:

Funds	1st year	2nd year	3rd year	4th year	5th year
Fund Section A	7,329	7,197	7,059	6,917	6,766
FIP Carige (Carige Supplementary Pension Fund)	1,440	1,350	1,255	1,159	1,064
FIP CR Savona	31	29	26	24	21
FIP CR Carrara	279	259	238	218	199

10.5.6 Multi-employer plans

At 31 December 2024 there were no multi-employer plans in place.

10.5.7 Defined-benefit plans that share risks between entities under common control

At 31 December 2024 there were no plans of this type.

10.6 Provisions for risks and charges - other provisions

10.6.1 Legal disputes

	31.12.2024	31.12.2023
A. Opening balance	**212,404**	**215,539**
B. Increases	**40,683**	**58,311**
Provisions for the year	35,562	50,303
Other increases	5,121	8,008
C. Decreases	**51,799**	**61,446**
Other decreases	25,537	29,438
Uses for the year	26,262	32,008
D. Closing balance	**201,288**	**212,404**

The Bank operates in a highly regulated sector, that of banking, which exposes banks to various types of legal risks. We refer mainly to disputes arising from the provision of banking and financial services to customers, therefore relating mainly to aspects of compound interest and usury, contractual invalidity and unauthorised activities, tax disputes, loan origination and management in its various phases, performing or non-performing, including therein bankruptcy claw-backs.

The Bank and legal entities merged by absorption into the Parent Company were also subject to various audits by the Tax Authorities. These activities concerned the taxable income declared for the purpose of income tax, VAT, registration tax, and more generally the manner in which the tax legislation in force at the time was applied. As a consequence of said inspections, the BPER Banca Group is involved in a number of legal proceedings.

All Legal and tax disputes are subject to specific analysis by the competent structures of the Parent Company, in order to identify those for which the settlement is likely to require the use of resources intended to produce economic benefits and, consequently, require the allocation of provisions.

The legal and tax risks in respect of which no allocations were recognised were identified as "contingent liabilities", consisting in:
- possible obligations, in that it has yet to be confirmed whether the entity has a present obligation that could lead to an outflow of resources embodying economic benefits;
- present obligations that do not meet the recognition criteria in IAS 37 (because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made).

Lastly, contingent liabilities with the possibility of any outflow in settlement being deemed "remote" do not require any disclosure, pursuant to the provisions of IAS 37.

In relation to the contingent liabilities (possible risks) stemming from disputes brought in civil proceedings by customers who were the recipients of banking and financial services provided by the bank, it should be noted that the high number of cases makes it difficult to provide a detailed list, while their varying natures makes it extremely difficult to group them into similar types. The total damages claimed by the claimants amounted to Euro 184.6 million as at 31 December 2024. In respect of this risk, even though not expressly required by IAS 37, the Bank has provisions in place mainly due to the acquisition of positions of possible risk from business combinations[37], the estimate and allocation of non-recurring legal expenses and the substantially prudential approach adopted in the risk assessments.

The update of the main situations of legal risk is presented below.

BPER Banca (formerly Emro Finance Ireland Ltd) - fiscal years 2005-2009

Recalling that the Bologna Regional Tax Commission ruled on the appeal filed by the Revenue Agency, reversing the first instance sentences, entirely in favour of the Bank, the Bank submitted an appeal to the Court of Cassation in partial acceptance of the appeal filed by the Revenue Agency and in the absolute conviction of the correctness of its actions, as early as on 13 June 2018 and is still awaiting a date to be set for the hearing.
In the meantime, the Commission accepted the Bank's request to suspend the enforceability of the second-level sentence.
Also in light of the fiscal opinion issued by professionals and advisors with proven experience who do not consider the risk of losing as probable, at the date of preparation of this Financial Report no amount was set aside in the provisions for risks and charges, but a provision for the estimated legal fees was recorded.

37 Pursuant to IFRS 3 - Business Combinations, possible risks also require fair value measurement at the Purchase Price Allocation stage.

10.6.2 Personnel charges

Description/Amounts	Other personnel provisions	
	31.12.2024	31.12.2023
Opening balance	**612,116**	**452,903**
Change in opening balances	-	-
A. Increases	**235,985**	**314,273**
1. Current service cost	227,693	311,151
2. Financial charges	8,289	2,816
3. Contribution to the plan by employees	-	-
4. Actuarial losses	3	286
5. Exchange differences	-	-
6. Past service cost	-	-
7. Other	-	20
B. Decreases	**177,217**	**155,060**
1. Benefits paid	165,202	127,928
2. Past service cost	-	-
3. Actuarial gains	590	72
4. Exchange differences	-	-
5. Curtailments	-	-
6. Settlement	-	-
7. Other	11,425	27,060
Closing balance	**670,884**	**612,116**

The item "Current service cost" includes the provision of Euro 148.7 million relating to the extension of the workforce optimisation manoeuvre signed on 13 July 2024 as an addendum to the agreement signed on 23 December 2023, and the provision of Euro 20.8 million relating to regulatory changes in retirement rules, which lengthened the average stay in the early retirement fund and clarified the scope for those participating in the manoeuvre.

10.6.3 Other provisions

Items	31.12.2024		31.12.2023	
	Other provisions	Provision for charitable donations	Other provisions	Provision for charitable donations
A. Opening balance	**147,148**	**-**	**185,776**	**-**
B. Provisions	50,759	-	49,134	-
C. Uses	(26,697)	-	(87,762)	-
D. Closing balance	**171,210**	**-**	**147,148**	**-**

Section 11 – Redeemable shares
Item 120

There are no amounts in this Separate Financial Report.

Section 12 – Shareholders' equity
Items 110, 130, 140, 150, 160, 170 and 180

12.1 "Share capital" and "Treasury shares": breakdown

As at 31 December 2024, the share capital amounts to Euro 2,121,637 thousand, corresponding to 1,421,624,324 ordinary shares fully paid-up and with no par value; of these, 6,112,499 are allocated to the proprietary portfolio.

12.2 Share capital – Number of shares: annual changes

Description/Types	Ordinary	Other
A. Initial number of shares	**1,415,850,518**	**-**
- fully paid-in	1,415,850,518	-
- not fully paid-in	-	-
A.1 Treasury shares (-)	(678,397)	-
A.2 Shares outstanding: opening balance	**1,415,172,121**	**-**
B. Increases	**6,826,043**	**-**
B.1 New issues	5,773,806	-
- against payment:	5,773,806	-
- business combinations	-	-
- conversion of bonds	5,773,806	-
- exercise of warrants	-	-
- other	-	-
- for free:	-	-
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sales of treasury shares	1,052,237	-
B.3 Other decreases	-	-
C. Decreases	**6,486,339**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	6,486,339	-
C.3 Business disposal transactions	-	-
C.4 Other decreases	-	-
D. Shares outstanding: closing balance	**1,415,511,825**	**-**
D.1 Treasury shares (+)	6,112,499	-
D.2 Final number of shares	1,421,624,324	-
- fully paid-in	1,421,624,324	-
- not fully paid-in	-	-

Item B.1 New issuances paid in cash includes the shares voluntarily converted of part of the "Euro 150,000,000 Convertible Additional Tier 1 Capital Notes" issued on 25 July 2019 further to BPER Banca's BoD resolution of 11 July 2019 on the basis of the power delegated by the extraordinary Shareholders' Meeting on 4 July 2019.

Item B.2 "*Sales of treasury shares*" refers to treasury shares that BPER Banca has assigned free of charge to employees, in line with the provisions of the Remuneration Policies (e.g. for short-term and long-term incentive and/or severance schemes).

Item C.2 "*Purchase of treasury shares*" shows shares that BPER Banca purchased on the market to pay bonuses deriving from the application of short-term incentive schemes and ensure that additional shares are available to cover the alignment of the duration of the Long Term Incentive (LTI) Plan with that of the existing 2022-2025 Business Plan.

Information about transactions in treasury shares is presented in section 4.5 "Treasury shares held" of the Directors' Report on Operations.

12.3 Share capital - other information

The shares that make up the share capital of the Bank are not subject to rights, privileges or restrictions.
At the reporting date, the Bank directly owns 6,112,499 treasury shares.

12.4 Reserves from profits: other information

Description/Types	31.12.2024	31.12.2023
Legal reserve	420,863	417,710
- extraordinary reserve	4,097,030	3,474,785
other reserves	(122,275)	(411,851)
Total	**4,395,618**	**3,480,644**

12.5 Equity instruments: breakdown and change in year

Issuer	Interest rate	Step up	Issue date	Maturity date	Currency	Nominal Value (in Euro)
BPER Banca	8.75% fixed rate (up to the first Reset Date)	NO	25.07.2019	perpetual	Euro	150,000,000
BPER Banca	8.375% fixed rate (up to the first Reset Date)	NO	16.01.2024	perpetual	Euro	500,000,000
BPER Banca	6.50% fixed rate (up to the first Reset Date)	NO	20.11.2024	perpetual	Euro	500,000,000

On 9 January 2024, BPER Banca successfully placed an Additional Tier 1 perpetual bond issuance, callable from year 5, for a total principal amount of Euro 500 million (the “Notes”).
The Notes, reserved for institutional investors, were priced at par, with a fixed coupon of 8.375% until 16 July 2029, payable semi-annually; if not called by the Bank, the new fixed rate coupon will be redetermined by adding a reset spread of 595 bps to the 5-year mid swap rate in Euro as at the reset date and would remain fixed for the following 5 years (until the next recalculation date).

On 31 July 2024, 416,666 BPER Banca ordinary shares with regular dividend entitlement were issued, following the requests for the voluntary conversion - received by 15 July 2024 - of part of the “Euro 150,000,000 Convertible Additional Tier 1 Capital Notes” issued on 25 July 2019 further to BPER Banca’s BoD resolution of 11 July 2019 on the basis of the power delegated by the extraordinary- Shareholders’ Meeting on 4 July 2019.
On 14 August 2024, a total of 5,357,140 BPER Banca ordinary shares were issued, with regular dividend entitlement rights, as a result of the voluntary conversion requests received by 31 July 2024. At 14 August 2024, there were 503 residual shares outstanding for a nominal value of Euro 125,750,000.

On 13 November 2024, BPER Banca successfully placed an Additional Tier 1 perpetual bond issuance, callable on 20 March 2030 (“First reset date”) and, thereafter, on any interest payment date, for a total principal amount of Euro 500 million.
The Notes, reserved for institutional investors, were placed at par with a fixed coupon of 6.50% until the First Reset Date, payable semi-annually. If not called by the Bank, the coupon will be redetermined by adding a spread of 434.6 bps to the 5-year mid swap rate in Euro as at the reset date, and will remain fixed for the following five years (until the next reset date).

12.6 Reserves from profits: other information

Breakdown of Shareholders' Equity with reference to availability and distributability

As required by art. 2427 of the Italian Civil Code, paragraph 7-bis, the following table reports analytically the items of the Shareholders' Equity, with the indication of their origin, possibility of use and distribution, and their use in the last three financial years.

Nature and description of shareholders' equity		Amount	Tax-deferred reserves	(1) portion available for:		
				Cover losses	Increase in share capital	Allocation
Share capital		**2,121,637**	**242,772**			
Share capital reserves:		**1,739,478**		**1,888,552**	**1,888,552**	**1,888,552**
Share premium reserve		1,244,576		1,244,576	1,244,576	1,244,576
other reserves		494,902		643,976	643,976	643,976
- differences of shareholders' equity		(25,377)		-	-	-
- surplus/deficit from mergers		532,723		613,976	613,976	613,976
- reserve for reserved share capital increase		(42,444)		-	-	-
reserve for call option premium on AT1 equity instruments		30,000		30,000	30,000	30,000
Reserves from profits:		**4,395,618**	**379,095**	**5,215,454**	**4,786,256**	**4,764,820**
ordinary / legal reserve		420,863		420,863	-	-
other reserves		3,974,755	379,095	4,794,591	4,786,256	4,764,820
- extraordinary reserve	(2)	4,097,030	87,739	4,097,030	4,097,030	4,097,030
- reserve for other risks		-		-	-	-
- taxed reserve pursuant to Decree Law 660/1973		2,872		2,872	2,872	2,872
- reserve pursuant to art. 55 of Presidential Decree 917/86	(3)	9	9	-	-	-
- special reserve pursuant to art. 6 Law 461/1998		45,711		45,711	45,711	45,711
- concentration reserve under Law 218/1990 (Amato Law)	(4)	1,207	1,207	1,207	1,207	1,207
- special reserve pursuant to Law 124/93	(5)	963	963	963	963	-
- reserve of dividends on treasury shares held in the portfolio		10,776		10,776	10,776	10,776
- non-allocatable reserve - gains from FV or SE	(6)	28,080		28,080	-	-
- reserve from gains on FVO securities - available portion		267,383		267,383	267,383	267,383
- equity element of convertible instruments - available portion		6,771		6,771	6,771	6,771
- reserve for adjustments to pension Fund Section B		(2,941)		-	-	-
- contribution reserve		728		728	728	-
- reserve for disposal of business unit		1,209		-	-	-
- reserve for acquisition of business unit		(4)		-	-	-
- FTA reserves		35,733		35,733	35,733	35,733
- profit (Loss) for the year (2004)		8,160		8,160	8,160	8,160
- reserve for First Time Adoption IFRS 9		(744,892)		-	-	-
- reserve for First Time Adoption IFRS 16		(382)		-	-	-
- reserve for revaluation of investment properties under IAS 40 investment		(6,196)		-	-	-
- reserve for Stock Option plan		19,745		-	19,745	-
- interest on AT1 equity instruments		(85,318)		-	-	-
- reserve for the extraordinary tax on the increase of the net interest income, pursuant to Law Decree n. 104/2023, art. 26, para. 5-bis	(7)	289,177	289,177	289,177	289,177	289,177
- other reserves	(8)	(1,066)		-	-	-
Valuation reserves:		**12,451**	**54**	**-**	**-**	**-**
- valuation reserves of financial assets measured at fair value through other comprehensive income		85,458		-	-	-
- Hedging of equity instruments designated at fair value through other comprehensive income		(8,875)		-	-	-
- fair value valuation reserve for property, plant and equipment		98,427		-	-	-
- reserve for cash flow hedges		13		-	-	-
- reserve for actuarial gains (losses)		(119,975)		-	-	-
- reserve on financial liabilities designated at fair value through profit or loss (variation due to changes in creditworthiness)		(42,651)		-	-	-
- reserve for income balances of revaluation pursuant to art. 23 of Law no. 576/1975	(4)	54	54	-	-	-
Treasury shares		**(32,029)**		**-**	**-**	**-**
Equity instruments		**1,115,596**		**-**	**-**	**-**
Total shareholders' equity		**9,352,751**	**621,921**	**7,104,006**	**6,674,808**	**6,653,372**

(1) There have been no utilisations in the past 3 years.

(2) The portion of the extraordinary reserve under tax suspension derives for an amount of Euro 87.8 million from the restriction put in place as a result of the realignment of tax values to the higher carrying values of certain properties and goodwill to the carrying values carried out in accordance with art. 110, paragraphs 8 and 8-bis of the Decree Law. 104/2020. Any distribution of the reserve subject under tax suspension to shareholders determines taxation for the corresponding amount - before substitute tax paid for realignment purposes - at both the company and the recipient shareholders.

(3) The reserve contributes to the formation of income in the year and to the extent in which it is utilised for purposes other than the coverage of operating losses.

(4) In the event of distribution of the reserve to shareholders, the amount distributed contributes to the formation of the company's taxable income and the taxable income of shareholders. If the reserve is used to cover losses, profits shall not be distributed until the reserve has been reinstated or accordingly reduced through a resolution by the Extraordinary Shareholders' Meeting.

(5) The reserve contributes to the formation of the company's income in the year if and to the extent in which it is utilised for purposes other than the coverage of operating losses and the classification as capital.

(6) Pursuant to art. 6, para. 5 of Legislative Decree 38/05, these reserves can only be used after using all other available reserves and the legal reserve.

(7) The reserve was constituted during the approval of the 2023 Financial Report, pursuant to art. 26, para. 5-bis of Law Decree n. 104 of 10 August 2023, and its amount was determined to be 2.5 times the extraordinary windfall tax under the same art. 26. The reserve has a non-distribution constraint for the purpose of the extraordinary tax under art. 26. Any use, even partial, for the distribution to shareholders requires the Bank to pay the full extraordinary tax under art. 26, plus interest per annum for an amount equal to the annual interest rate on deposits with the European Central Bank starting from the date of the payment of the extraordinary tax under para. 4 of art. 26. The payment of the extraordinary tax is also mandatory if the reserve is indirectly (and de facto) attributed to the shareholders. If the reserve is used for a free share capital increase, any later refund of the share capital entails the obligation to pay the full windfall tax, plus interests. Finally, if the reserve is used to cover losses, when other reserves are available, the non-distribution constraint is transferred to the other reserves available, for the purposes of the extraordinary tax.

(8) The other reserves include the transfer to Other reserves of the Valuation reserves from realised gains/losses on equities at fair value through other comprehensive income, the transfer to Other reserves of the Valuation reserves from realised gains/losses on property used in operations and the deferred tax assets recorded on the impact of transition to IFRS 9, also taking into account the modification of the reference tax law, implemented with the 2019 Budget Law.

The negative elements of shareholders' equity reduce the availability of the positive elements.

Reserves from profits are generally established when the profit shown in the Separate Financial Report approved is specifically allocated to reserves.
The Italian Civil Code requires companies to set aside at least 5% of their profit for the year to a special reserve until it reaches one-fifth of the share capital. If, for whatever reason, the amount of the legal reserve falls below this limit of one-fifth of share capital, it has to be reinstated by setting aside at least one-twentieth of the profit until the shortfall is covered.
Lastly, this item includes any effects deriving from the first-time application of new international accounting standards.

For further details regarding the allocation of the profit for the year, please refer to the Directors' report on operations contained in this Separate Financial Report.

OTHER INFORMATION

1. Commitments and financial guarantees given (other than those designated at fair value)

	Nominal value on commitments and financial guarantees granted				Total 31.12.2024	Total 31.12.2023
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
1. Commitments to disburse funds	**31,092,235**	**2,311,478**	**246,993**	**-**	**33,650,706**	**33,582,062**
a) Central Banks	-	-	-	-	-	-
b) Public Administrations	59,963	1,471	20	-	61,454	1,041,990
c) Banks	1,494,516	26,504	-	-	1,521,020	1,554,986
d) Other financial companies	3,148,958	373,728	37	-	3,522,723	3,080,775
e) Non-financial companies	24,920,372	1,764,972	241,794	-	26,927,138	26,144,968
f) Households	1,468,426	144,803	5,142	-	1,618,371	1,759,343
2. Financial guarantees granted	**1,006,223**	**47,976**	**34,680**	**-**	**1,088,879**	**1,171,797**
a) Central Banks	-	-	-	-	-	-
b) Public Administrations	23,408	-	6	-	23,414	23,454
c) Banks	341	-	-	-	341	46,162
d) Other financial companies	187,109	84	36	-	187,229	284,321
e) Non-financial companies	762,901	45,097	33,639	-	841,637	781,370
f) Households	32,464	2,795	999	-	36,258	36,490

2. Other commitments and other guarantees granted

	Nominal value	
	Total 31.12.2024	Total 31.12.2023
Other guarantees granted	**4,924,813**	**4,934,285**
of which: non-performing	65,910	65,361
a) Central Banks	1,623	-
b) Public Administrations	24,991	23,783
c) Banks	246,219	324,728
d) Other financial companies	118,506	128,140
e) Non-financial companies	4,410,756	4,328,060
f) Households	122,718	129,574
Other commitments	**2,086,480**	**1,774,000**
of which: non-performing	-	-
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	2,086,400	1,774,000
f) Households	80	-

3. Assets pledged as collateral for own liabilities and commitments

Portfolios	Amount 31.12.2024	Amount 31.12.2023
1. Financial assets measured at fair value through profit or loss	-	-
2. Financial assets measured at fair value through other comprehensive income	1,928,346	2,854,716
3. Financial assets measured at amortised cost	19,157,936	21,559,660
4. Property, plant and equipment	-	-
of which: inventories of property, plant and equipment	-	-

The assets sold to vehicle companies as part of Covered Bond transactions amounted to Euro 7,884 million.

4. Asset management and trading on behalf of third parties

Type of service	Amount
1. Trading on behalf of customers	
a) purchases	-
1. settled	-
2. unsettled	-
b) sales	-
1. settled	-
2. unsettled	-
2. Individual portfolio management	**7,215,183**
3. Custody and administration of securities	
a) third party securities held in deposit: related to depositary bank activities (excluding portfolio management)	-
1. securities issued by the Bank preparing the financial statements	-
2. other securities	-
b) third party securities held in deposit (excluding portfolio management): other	148,115,733
1. securities issued by the Bank preparing the financial statements	7,118,373
2. other securities	140,997,360
c) third party securities deposited with third parties	145,706,852
d) own portfolio securities deposited with third parties	39,454,195
4. Other transactions	**26,001,660**

5. Financial assets subject to offsetting, master netting agreements and similar

Type	Gross amount of financial assets (a)	Amount of financial liabilities offset in the balance sheet (b)	Net amount of financial assets shown in the balance sheet (c=a-b)	Related amounts not subject to offsetting in the balance sheet		Net amount (f=c-d-e) 31.12.2024	Net amount (f=c-d-e) 31.12.2023
				Financial instruments (d)	Cash deposit received as collateral (e)		
1. Derivatives	1,188,215	-	1,188,215	343,397	806,146	**38,672**	**101,466**
2. Repurchase agreements	1,658,368	-	1,658,368	1,635,184	-	**23,184**	**11,154**
3. Securities lending	-	-	-	-	-	**-**	**-**
4. Other	-	-	-	-	-	**-**	**-**
Total 31.12.2024	**2,846,583**	**-**	**2,846,583**	**1,978,581**	**806,146**	**61,856**	**X**
Total 31.12.2023	**3,379,289**	**-**	**3,379,289**	**2,048,000**	**1,218,669**	**X**	**112,620**

The amounts shown in the table relate to standard master agreements such as ISDA (International Swaps and Derivatives Association) and CSA (Credit Support Annex) agreements for derivatives and GMRA (Global Master Repurchase Agreement) for repurchase agreement transactions.
Under the agreements executed using the ISDA standard, offsetting of OTC derivative contracts is permitted in the event of default of either party to the agreement and, for almost all institutional counterparties, the terms of the CSA provide for cash collateral that is revised daily based on the contracts' underlying value. Repurchase agreement transactions entered into with institutional counterparties are governed by the GMRA standard, which, in addition to the delivery of the securities pertaining to the transactions, provide for cash collateral that is revised daily based on the value of the securities. None of the amounts shown has been offset in the financial statements as the criteria in paragraph 42 of IAS 32 are not satisfied.
For derivatives, the gross amounts (a) are recognised under item 20 a) "Financial assets measured at fair value through profit or loss - Financial assets held for trading" for Euro 538.9 million and under item 50 "Hedging derivatives" for Euro 649.3 million; the related financial instruments (d) consist of derivatives recorded under item 20 "Financial liabilities held for trading" and under item 40 "Hedging derivatives", whereas cash deposits received (e) are recorded under item 10 a) "Due to banks" and under item 10 b) "Due to customers".
For repurchase agreements, the gross amounts (a) are recognised under Item 40 a) "Financial assets measured at amortised cost - Loans to banks" for an amount of Euro 1,658.4 million; the related financial instruments (d) represent the value of the securities pertaining to the transactions, whereas cash deposits received (e) are recognised under item 10 a) "Due to banks".

6. Financial liabilities subject to offsetting, master netting agreements and similar

Type	Gross amount of financial assets (a)	Amount of financial assets offset in the balance sheet (b)	Net amount of financial liabilities shown in the balance sheet (c=a-b)	Related amounts not offset in the balance sheet		Net amount (f=c-d-e) 31.12.2024	Net amount (f=c-d-e) 31.12.2023
				Financial instruments (d)	Cash deposit pledged as collateral (e)		
1. Derivatives	382,160	-	382,160	343,397	32,409	**6,354**	**10,226**
2. Repurchase agreements	5,764,460	-	5,764,460	5,737,592	153	**26,715**	**16,886**
3. Securities lending	-	-	-	-	-	**-**	**-**
4. Other	-	-	-	-	-	**-**	**-**
Total 31.12.2024	**6,146,620**	**-**	**6,146,620**	**6,080,989**	**32,562**	**33,069**	**X**
Total 31.12.2023	**6,833,958**	**-**	**6,833,958**	**6,764,948**	**41,898**	**X**	**27,112**

The same considerations of the previous table are valid for framework agreements.
None of the amounts shown has been offset in the financial statements as the criteria in paragraph 42 of IAS 32 are not satisfied.
For derivatives, the gross amounts (a) are recorded under item 20 “Financial liabilities held for trading” for an amount of Euro 171.8 million and under item 40 “Hedging derivatives” for an amount of Euro 210.4 million; the related financial instruments (d) consist of opposite sign derivatives recorded under item 20 a) “Financial assets measured at fair value through profit or loss - Financial assets held for trading” and under item 50 “Hedging derivatives”, whereas cash deposits made (e) are recorded under item 40 a) “Loans to banks” and item 40 b) “Loans to customers”.
For repurchase agreements, the gross amounts (a) are recognised under item 10 a) “Due to banks” for an amount of Euro 3,939.4 million, and under item 10 b) “Due to customers” for an amount of Euro 1,825.1 million. The related financial instruments (d) represent the value of the securities pertaining to the transactions, whereas cash deposits made (e) are recognised under item 40 a) “Loans to banks” and, if any, 40 b) “Loans to customers”.

7. Securities lending

There are no amounts for this item in this Separate Financial Report.

8. Disclosure on joint control activities

There are no amounts for this item in this Separate Financial Report.

PART C

Information on the Income Statement

Section 1 – Interest

Items 10 and 20

1.1 Interest and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other transactions	Total 31.12.2024	Total 31.12.2023
1. Financial assets measured at fair value through profit or loss:	**5,636**	**694**	**-**	**6,330**	**16,012**
1.1 Financial assets held for trading	1,547	-	-	1,547	2,639
1.2 Financial assets designated at fair value	7	-	-	7	71
1.3 Other financial assets mandatorily measured at fair value	4,082	694	-	4,776	13,302
2. Financial assets measured at fair value through other comprehensive income	**97,331**	**-**	**X**	**97,331**	**116,737**
3. Financial assets measured at amortised cost:	**272,989**	**3,573,570**	**X**	**3,846,559**	**3,592,345**
3.1 Loans to banks	74,546	474,524	X	549,070	607,033
3.2 Loans to customers	198,443	3,099,046	X	3,297,489	2,985,312
4. Hedging derivatives	**X**	**X**	**247,722**	**247,722**	**331,998**
5. Other assets	**X**	**X**	**270,564**	**270,564**	**185,118**
6. Financial Liabilities	**X**	**X**	**X**	**-**	**1,069**
Total	**375,956**	**3,574,264**	**518,286**	**4,468,506**	**4,243,279**
of which: interest income on impaired financial assets	-	83,949	-	83,949	75,034
of which: interest income on finance lease	X	115	X	115	207

1.2 Interest and similar income: other information

1.2.1 Interest income on foreign currency financial assets

Items	31.12.2024	31.12.2023
Interest income on foreign currency financial assets	46,497	45,432

The item includes flows from derivatives hedging securities shown under assets.

1.3 Interest and similar expense: breakdown

Items/Technical forms	Loans	Debt Securities	Other transactions	Total 31.12.2024	Total 31.12.2023
1. Financial liabilities measured at amortised cost	1,129,522	429,069	X	1,558,591	1,431,674
1.1 Due to central banks	9,760	X	X	9,760	182,235
1.2 Due to banks	446,744	X	X	446,744	405,051
1.3 Due to customers	673,018	X	X	673,018	521,085
1.4 Debt securities issued	X	429,069	X	429,069	323,303
2. Financial liabilities held for trading	16	-	-	16	5
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	X	X	-	-	-
5. Hedging derivatives	X	X	151,522	151,522	142,116
6. Financial assets	X	X	X	-	846
Total	**1,129,538**	**429,069**	**151,522**	**1,710,129**	**1,574,641**
of which: interest expense on lease liabilities	14,925	X	X	14,925	10,421

1.4. Interest and similar expense: other information

1.4.1 Interest expense on foreign currency liabilities

Items	31.12.2024	31.12.2023
Interest expense on foreign currency liabilities	157,808	179,425

Interest in foreign currency relates mainly to repurchase agreements with non-resident banks.

1.5 Spreads on hedging transactions

Items	Total 31.12.2024	Total 31.12.2023
A. Positive spreads on hedging transactions	546,163	520,550
B. Negative spreads on hedging transactions	(449,963)	(330,668)
C. Balance (A-B)	**96,200**	**189,882**

Section 2 – Commissions

Items 40 and 50

2.1 Commission income: breakdown

Type of service/Amounts	Total 31.12.2024	Total 31.12.2023
a) Financial instruments	355,993	406,566
1. Placement of securities	311,288	341,414
1.1 Through underwriting and/or on a firm commitment basis	-	1,939
1.2 Without a firm commitment basis	311,288	339,475
2. Reception, transmission and execution of orders on behalf of customers	20,169	25,302
2.1 Reception and transmission of orders for one or more financial instruments	20,169	25,302
2.2. Execution of orders on behalf of customers	-	-
3. Other commission income related to activities connected to financial instruments	24,536	39,850
of which: dealing on own account	2,220	1,934
of which: individual portfolio management	22,316	37,916
b) Corporate Finance	2,619	3,546
1. Mergers and acquisitions advisory	562	918
2. Treasury services	-	-
3. Other commission income related to corporate finance services	2,057	2,628
c) Investment advice	421	1,700
d) Clearing and settlement	-	-
e) Custody and administration	27,355	35,581
1. Depositary bank	-	-
2. Other commission income related to custody and administration services	27,355	35,581
f) Central administrative services for collective portfolio management	-	-
g) Fiduciary services	-	-
h) Payment services	593,925	593,975
1. Current accounts	318,150	331,732
2. Credit cards	-	-
3. Debit cards and other payment cards	100,703	88,249
4. Bank transfers and other payment orders	123,370	118,878
5. Other commission income related to payment services	51,702	55,116
i) Distribution of third-party services	293,432	300,478
1. Collective portfolio management	7,870	7,375
2. Insurance products	201,733	213,777
3. Other products	83,829	79,326
of which: individual portfolio management	2,643	6,875
j) Structured finance	43,937	38,863
k) Securitisation servicing	46	66
l) Commitments to disburse funds	-	-
m) Financial guarantees granted	48,957	46,212
of which: credit derivatives	-	-
n) Financing operations	208,521	200,107
of which: factoring transactions	-	-
o) Currency dealing	14,993	16,101
p) Commodities	-	-
q) Other commission income	56,110	53,318
of which: management of multilateral trading facilities	-	-
of which: management of organised trading facilities	-	-
Total	**1,646,309**	**1,696,513**

With respect to the qualitative information on the types of revenue from relations with customers falling within the scope regulated by IFRS 15, we think that the level of detail required by Bank of Italy Circular n. 262 is adequate.
Commission income includes the following types of variable income:

- placement fees for "credit protection" insurance products with a single initial premium, which incorporate the possibility of having to repay (ultimately to customers) part of the placement fees received by the distributor, for the portion of the premium not received up front of an insurance contract terminated in advance of the contractual expiry date. This type of product therefore requires an estimate of the amount of commission not subject to repayment risk (hence the variable nature of the revenue), against an OP that has been fully fulfilled at the reporting date (placement of the insurance product);
- performance fees provided for in asset management mandates, calculated as a percentage of the difference between the actual operating result and the benchmark result for the period. These commissions are determined quarterly or annually and recognised once the result of the managed line has been ascertained, which required them to be estimated at the end of the period;
- additional commission amounts on insurance products, which represent the additional remuneration of the bank's performance with respect to certain quality levels. The variable amount is based on the total placed and is estimated at the end of the year based on the degree of achievement of the objectives required to obtain it.

2.2 Commission income: distribution channels of products and services

Channels/Amounts	Total 31.12.2024	Total 31.12.2023
a) at own branches:	**627,036**	**679,808**
1. portfolio management	22,316	37,916
2. securities placement	311,288	341,414
3. third party services and products	293,432	300,478
b) out-of-branch offer:	**-**	**-**
1. portfolio management	-	-
2. securities placement	-	-
3. third party services and products	-	-
c) other distribution channels:	**-**	**-**
1. portfolio management	-	-
2. securities placement	-	-
3. third party services and products	-	-

2.3 Commission expense: breakdown

Type of services/Amounts	Total 31.12.2024	Total 31.12.2023
a) Financial instruments	16,937	18,705
of which: trading in financial instruments	1,567	1,373
of which: placement of financial instruments	7,073	3,289
of which: individual portfolio management	8,297	14,043
- Own portfolios	-	-
- Third party portfolios	8,297	14,043
b) Clearing and settlement	-	-
c) Custody and administration	5,684	5,857
d) Collection and payment services	83,110	67,386
of which: credit cards, debit cards and other payment cards	72,866	56,677
e) Securitisation servicing	-	-
f) Commitments to receive funds	-	-
g) Financial guarantees received	5,242	4,467
of which: credit derivatives	-	-
h) "Out-of-branch" offer of financial instruments, products and services	9,413	6,908
i) Currency dealing	-	-
j) Other commission expense	42,432	52,633
Total	**162,818**	**155,956**

Section 3 – Dividends and similar income
Item 70

3.1 Dividends and similar income: breakdown

Items/Income	Total 31.12.2024		Total 31.12.2023	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	7,915	1	2,074	-
B. Other financial assets mandatorily measured at fair value	109	7,170	86	6,002
C. Financial assets measured at fair value through other comprehensive income	24,854	-	21,598	-
D. Equity investments	168,729	-	104,428	-
Total	**201,607**	**7,171**	**128,186**	**6,002**

Section 4 – Net income from trading activities
Item 80

4.1 Net income from trading activities: breakdown

Transactions/Income items	Capital gains (A)	Profits on trading (B)	Capital losses (C)	Losses on trading (D)	Net Result [(A+B) - (C+D)]
1. Financial assets held for trading	**861**	**14,065**	**(541)**	**(5,562)**	**8,823**
1.1 Debt securities	520	2,063	(423)	(539)	1,621
1.2 Equity instruments	341	11,992	(118)	(4,992)	7,223
1.3 UCITS units	-	10	-	(31)	(21)
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**54,599**
4. Derivative instruments	**225,592**	**465,807**	**(154,975)**	**(477,042)**	**27,868**
4.1 Financial derivatives:	225,592	465,807	(154,975)	(477,042)	27,868
- on debt securities and interest rates	165,314	416,989	(143,810)	(428,573)	9,920
- on equities and stock indexes	54,830	24,113	(5,979)	(24,142)	48,822
- on currency and gold	X	X	X	X	(31,514)
- other	5,448	24,705	(5,186)	(24,327)	640
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected with the fair value option	X	X	X	X	-
Total	**226,453**	**479,872**	**(155,516)**	**(482,604)**	**91,290**

The item includes capital gains from valuation relating to the operational hedging of Certificates, for a total amount of Euro 52.5 million.

Section 5 – Net income from hedging activities
Item 90

5.1 Net income from hedging activities: breakdown

Income items/Amounts	Total 31.12.2024	Total 31.12.2023
A. Income from:		
A.1 Fair value hedges	151,885	304,585
A.2 Hedged financial assets (fair value)	222,707	596,749
A.3 Hedged financial liabilities (fair value)	25,253	19
A.4 Cash-flow hedging derivatives	-	-
A.5 Foreign currency assets and liabilities	-	-
Total income from hedging activity (A)	**399,845**	**901,353**
B. Charges from:		
B.1 Fair value hedges	248,081	573,375
B.2 Hedged financial assets (fair value)	17,666	37,909
B.3 Hedged financial liabilities (fair value)	132,241	267,874
B.4 Cash-flow hedging derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
Total charges from hedging activity (B)	**397,988**	**879,158**
C. Net income from hedging activities (A-B)	**1,857**	**22,195**
of which: result of hedging on net positions	-	-

Section 6 – Gains (Losses) on disposal or repurchase
Item 100

6.1 Gains (Losses) on disposal or repurchase: breakdown

Items/Income items	Total 31.12.2024			Total 31.12.2023		
	Gains	Losses	Net result	Gains	Losses	Net result
A. Financial assets						
1. Financial assets measured at amortised cost	74,167	(11,639)	62,528	53,988	(3,613)	50,375
1.1 Loans to banks	7,341	(1,180)	6,161	269	(115)	154
1.2 Loans to customers	66,826	(10,459)	56,367	53,719	(3,498)	50,221
2. Financial assets measured at fair value through other comprehensive income	9,208	(3,777)	5,431	13,888	(889)	12,999
2.1 Debt securities	9,208	(3,777)	5,431	13,888	(889)	12,999
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**83,375**	**(15,416)**	**67,959**	**67,876**	**(4,502)**	**63,374**
B. Financial liabilities measured at amortised cost						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Debt securities issued	91	(74)	17	3	-	3
Total liabilities (B)	**91**	**(74)**	**17**	**3**	**-**	**3**

The net result relating to “Financial assets” refers to the disposal of loans (Euro 30.6 million) and debt securities classified in the HTC and HTC&S portfolios (Euro 36.4 million).

Section 7 – Net income on other financial assets and liabilities measured at fair value through profit or loss

Item 110

7.1 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of financial assets and liabilities designated at fair value

Transactions/Income items	Capital gains (A)	Gains on disposal (B)	Capital losses (C)	Losses on disposal (D)	Net Result [(A+B) - (C+D)]
1. Financial assets	**-**	**2**	**-**	**-**	**2**
1.1 Debt securities	-	2	-	-	2
1.2 Loans	-	-	-	-	-
2. Financial Liabilities	**44,335**	**1,198**	**(71,653)**	**(103,642)**	**(129,762)**
2.1 Debt securities issued	44,335	1,198	(71,653)	(103,642)	(129,762)
2.2 Due to banks	-	-	-	-	-
2.3 Due to customers	-	-	-	-	-
3. Foreign currency financial assets and liabilities: exchange differences	X	X	X	X	**-**
Total	**44,335**	**1,200**	**(71,653)**	**(103,642)**	**(129,760)**

The results shown on Securities in Issue refer to the Certificates issued and are attributable to the change in fair value attributable to interest rate risk, to the change in fair value of the derivative component embedded in the instruments issued (which is similarly recognised with an entry of opposite sign in Item 80 "Net income from trading activities" against the valuation of derivatives entered into on the market to balance the bank's position), as well as to so-called "commercial margins", which pass through the Income Statement at the time of the first valuation of the financial instrument.

7.2 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

Transactions/Income items	Capital gains (A)	Gains on disposal (B)	Capital losses (C)	Losses on disposal (D)	Net Result [(A+B) - (C+D)]
1. Financial assets	**20,884**	**6,878**	**(29,549)**	**(39)**	**(1,826)**
1.1 Debt securities	15	2,741	(3,594)	-	(838)
1.2 Equity instruments	345	-	(4,432)	-	(4,087)
1.3 UCITS units	20,524	3,443	(21,421)	(39)	2,507
1.4 Loans	-	694	(102)	-	592
2. Foreign currency financial assets: exchange differences	**X**	**X**	**X**	**X**	**371**
Total	**20,884**	**6,878**	**(29,549)**	**(39)**	**(1,455)**

Section 8 – Net impairment losses/write-backs for credit risk
Item 130

8.1 Net impairment losses for credit risk relating to financial assets measured at amortised cost: breakdown

Transactions/Income items	Impairment losses (1)						Write-backs (2)				Total 31.12.2024	Total 31.12.2023
	Stage 1	Stage 2	Stage 3		Purchased or originated credit impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
			Write-off	Other	Write-off	Other						
A. Loans to banks	**-**	**(142)**	**-**	**-**	**-**	**-**	**164**	**-**	**-**	**-**	**22**	**2,983**
- Loans	-	(142)	-	-	-	-	164	-	-	-	22	3,059
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	(76)
B. Loans to customers	**(20,208)**	**(16,200)**	**(8,859)**	**(415,654)**	**(1,323)**	**(50,771)**	**738**	**76,996**	**143,548**	**44,164**	**(247,569)**	**(346,328)**
- Loans	(19,654)	-	(8,859)	(415,654)	(1,323)	(50,771)	-	70,390	143,548	44,164	(238,159)	(330,711)
- Debt securities	(554)	(16,200)	-	-	-	-	738	6,606	-	-	(9,410)	(15,617)
Total	**(20,208)**	**(16,342)**	**(8,859)**	**(415,654)**	**(1,323)**	**(50,771)**	**902**	**76,996**	**143,548**	**44,164**	**(247,547)**	**(343,345)**

8.2 Net impairment losses for credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Income items	Impairment losses (1)						Write-backs (2)				Total 31.12.2024	Total 31.12.2023
	Stage 1	Stage 2	Stage 3		Purchased or originated credit impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
			Write-off	Altre	Write-off	Altre						
A. Debt securities	**-**	**-**	**-**	**(1,187)**	**-**	**-**	**865**	**113**	**-**	**-**	**(209)**	**(66)**
B. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- to customers	-	-	-	-	-	-	-	-	-	-	-	-
- to banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**(1,187)**	**-**	**-**	**865**	**113**	**-**	**-**	**(209)**	**(66)**

Section 9 – Gains (Losses) from contractual modifications without derecognition

Item 140

9.1 Gains (losses) from contractual modifications: breakdown

The item in question includes the economic impact of contractual modifications that do not qualify for derecognition of the assets and which, as a result, entail a change in the related amortised cost based on discounting the new contractual flows at the original Internal Rate of Return (IRR).

The scope of the exposures under consideration is represented by a portion of the forborne exposures (performing and non-performing) or situations in which the contractual modification is linked to the borrower's financial difficulty and does not fall within the concept of a "substantial modification" for BPER Banca.

The impact calculated on the basis of this scope is added to the write-downs envisaged by the Bank in application of its own policies for the assessment of performing and non-performing loans and, for the two types of exposures, comes to a total amount of of Euro 1.3 million.

Section 10 – Administrative expenses

Item 160

10.1 Staff costs: breakdown

Type of costs/Amounts	Total 31.12.2024	Total 31.12.2023
1) Employees	**1,560,657**	**1,676,296**
a) wages and salaries	988,520	1,020,869
b) social security charges	255,746	266,532
c) termination indemnities	59,032	58,249
d) pension expenses	-	-
e) provision for employee termination indemnities	3,533	5,134
f) provision for pension and similar commitments:	2,969	3,431
- defined contribution plan	-	-
- defined benefit plans	2,969	3,431
g) payments to external supplementary pension funds:	35,810	34,051
- defined contribution plan	35,810	34,051
- defined benefit plans	-	-
h) costs from share-based payments	10,938	5,733
i) other personnel benefits	204,109	282,297
2) Other not-retired employees	**19,942**	**37,604**
3) Directors and Statutory Auditors	**7,743**	**5,825**
4) Retired employees	**617**	**766**
5) Recovery of costs for employees seconded to other companies	**(14,884)**	**(11,568)**
6) Reimbursement of cost of third-party employees seconded to the Bank	**11,978**	**16,451**
Total	**1,586,053**	**1,725,374**

The item “Other personnel benefits” includes (i) the cost of Euro 148.7 million relating to the extension of the workforce optimisation manoeuvre signed on 13 July 2024 to supplement the agreement signed on 23 December 2023 (Euro 248.8 million as at 31 December 2023) and (ii) the cost of Euro 20.8 million relating to regulatory changes in retirement rules, which lengthened the average stay in the early retirement fund and clarified the scope for those participating in the manoeuvre.

10.2 Average number of employees by category

	31.12.2024	31.12.2023
Employees:	**15,852**	**16,765**
a) Managers	269	281
b) Middle managers	5,641	6,126
c) Remaining employees	9,942	10,358
Other personnel	**287**	**631**

10.2 bis Final number of employees by category

	31.12.2024	31.12.2023
Employees:	**16,525**	**17,622**
a) Managers	278	308
b) Total 3rd and 4th level middle managers	2,311	2,487
c) Total 1st and 2nd level middle managers	3,547	3,948
d) Remaining employees	10,389	10,879
Other personnel	**133**	**461**

The number of employees does not include staff on leave (21 employees).

10.3 Defined benefit company pension funds: costs and revenues

Type of costs/Amounts	31.12.2024	31.12.2023
Provisions for defined-benefit pension plans	2,969	3,431

For more information on defined-benefit pension plans, please refer to Part B of these Explanatory notes, section 10 “Provisions for risks and charges”.

10.4 Other employee benefits

Type of costs/Amounts	31.12.2024	31.12.2023
Other employee benefits	204,109	282,297

For more information on the composition of the item, please refer to the footnotes in table 10.1 Personnel expenses: breakdown

10.5 Other administrative expenses: breakdown

Items	31.12.2024	31.12.2023
Indirect taxes and duties	**240,883**	**275,941**
Stamp duty	198,825	226,485
Other indirect taxes with right of recourse	19,566	14,599
Municipal property tax	14,705	15,455
Other	7,787	19,402
Other costs	**741,493**	**780,091**
Maintenance and repairs	100,566	101,509
Rental expense	17,369	21,931
Post office, telephone and telegraph	14,422	19,125
Data transmission fees and use of databases	42,385	72,574
Advertising	31,886	30,091
Consulting and other professional services	183,679	135,197
Lease of IT hardware and software	83,962	57,526
Insurance	20,689	20,719
Cleaning of office premises	9,014	9,374
Printing and stationery	4,506	4,687
Energy and fuel	29,676	47,196
Transport	12,323	13,683
Staff training and expense refunds	13,505	18,155
Information and surveys	10,770	12,666
Security	8,578	8,174
Administrative services	13,102	18,735
Use of external data gathering and processing services	10,059	4,433
Membership fees	9,924	8,734
Condominium expenses	10,773	11,501
Contributions to systemic funds	98,230	145,571
Sundry other	16,075	18,510
Total	**982,376**	**1,056,032**

The item “Contributions to systemic funds” refers to the regular 2024 contribution to the DGS (Deposit Guarantee Scheme) of Euro 96.1 million and the estimated initial contribution to the Guarantee Fund for life insurance of Euro 2.1 million.

Section 11 – Net provisions for risks and charges
Item 170

11.1 Net provisions for credit risk on commitments to disburse funds and financial guarantees granted: breakdown

Type of risks and charges	Impairment losses				Write-backs				31.12.2024	31.12.2023
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
Commitments to disburse funds	-	(292)	-	-	160	-	-	-	(132)	6,039
Financial guarantees granted	(74)	(439)	(10,530)	-	-	-	14,552	-	3,509	3,595
Total	**(74)**	**(731)**	**(10,530)**	**-**	**160**	**-**	**14,552**	**-**	**3,377**	**9,634**

11.2 Net provisions on other commitments and other guarantees granted: breakdown

Type of risks and charges	Impairment losses	Write-backs	31.12.2024	31.12.2023
Other guarantees granted	(4,400)	17,000	12,600	(2,500)
Other commitments	(6,159)	9,678	3,519	12,971
Total	**(10,559)**	**26,678**	**16,119**	**10,471**

11.3 Net provisions for other risks and charges: breakdown

Type of risks and charges	31.12.2024	31.12.2023
A. Provisions	**(91,860)**	**(96,807)**
1. for legal disputes	(41,101)	(56,324)
2. other	(50,759)	(40,483)
B. Write-backs	**23,641**	**18,557**
1. for legal disputes	14,241	18,548
2. other	9,400	9
Total	**(68,219)**	**(78,250)**

Section 12 – Net adjustments to property, plant and equipment
Item 180

12.1. Net adjustments to property, plant and equipment: breakdown

Asset/Income items	Depreciation (a)	Impairment losses (b)	Write-backs (c)	Net result (a + b - c)
A. Property, plant and equipment				
1. Used in operations	(147,701)	(2,802)	1,657	(148,846)
- Owned	(69,899)	(473)	858	(69,514)
- Rights of use acquired through leases	(77,802)	(2,329)	799	(79,332)
2. Held for investment	-	-	-	-
- Owned	-	-	-	-
- Rights of use acquired through leases	-	-	-	-
3. Inventories	X	-	-	-
B. assets available for sale	X	-	60	60
Total	**(147,701)**	**(2,802)**	**1,717**	**(148,786)**

The item “Impairment losses” for an amount of Euro 2.3 million refers to rights of use acquired through leases following the early closure of certain branches.

Section 13 – Net adjustments to intangible assets
Item 190

13.1 Net adjustments to intangible assets: breakdown

Asset/Income items	Depreciation (a)	Impairment losses (b)	Write-backs (c)	Net result (a + b - c)
A. Intangible assets				
of which: software	(121,633)	(34,259)	-	(155,892)
A.1 Owned	(121,633)	(34,259)	-	(155,892)
- Generated internally by the company	-	-	-	-
- Other	(121,633)	(34,259)	-	(155,892)
A.2 Rights of use acquired through leases	-	-	-	-
Total	**(121,633)**	**(34,259)**	**-**	**(155,892)**

The item “Impairment losses” (Euro 34.3 million) refers to software whose useful life has been reviewed.

Section 14 – Other operating expense (income)
Item 200

14.1 Other operating expense: breakdown

Description/Amounts	31.12.2024	31.12.2023
Loss from loss data collection	17,385	13,823
Amortisation of leasehold improvement expenditure	2,587	2,873
Other expense	28,331	67,687
Total	**48,303**	**84,383**

14.2 Other operating income: breakdown

Description/Amounts	31.12.2024	31.12.2023
Rental income	6,503	6,084
Recovery of taxes	217,814	239,772
Income from Loss data collection	33,676	27,834
Fast-track facility fee	9,506	7,466
Recovery for intercompany services	72,448	59,867
Other income	75,834	128,992
Total	**415,781**	**470,015**

The item “Other income” includes the fair value measurement of tax receivables in the portfolio that are expected to be recovered through sale to third parties (Euro 6.2 million); contingent assets from the settlement of past business combinations (Euro 6.5 million), recovery of appraisal fees from customers for new loans (Euro 14.4 million), recovery of insurance premiums (Euro 8.0 million).

Section 15 – Gains (Losses) of equity investments
Item 220

15.1 Gains (Losses) on equity investments: breakdown

Income items/Amounts	Total 31.12.2024	Total 31.12.2023
A. Gains	**151,000**	**38,502**
1. Revaluations	-	-
2. Gains on disposals	151,000	38,502
3. Write-backs	-	-
4. Other income	-	-
B. Losses	**(119,547)**	**(32,248)**
1. Write-downs	-	-
2. Impairment losses	(119,547)	(32,248)
3. Losses from disposals	-	-
4. Other expense	-	-
Net result	**31,453**	**6,254**

"Gains on disposals" mainly refer to the gain realised on the transfer of control in Gardant Bridge Servicing (Euro 150.1 million).
The amount shown under "Impairment losses" refers to the impairment test on equity investments which led to the write-down of the interest held in Sardaleasing s.p.a.

Section 16 – Valuation differences on property, plant and equipment and intangible assets
Item 230

16.1 Net result of measurement at fair value (or at a revalued amount) or at the estimated realisable value of property, plant and equipment and intangible assets: breakdown

Asset/Income items	Revaluations (a)	Write-downs (b)	Exchange differences		Net result (a-b+c-d)
			Positive (c)	Negative (d)	
A. Property, plant and equipment	**5,936**	**(28,163)**	**-**	**-**	**(22,227)**
A.1 Used in operations:	2,920	(5,645)	-	-	(2,725)
- Owned	2,920	(5,645)	-	-	(2,725)
- Rights of use acquired through leases	-	-	-	-	-
A.2 Held for investment	3,016	(22,518)	-	-	(19,502)
- Owned	3,016	(22,518)	-	-	(19,502)
- Rights of use acquired through leases	-	-	-	-	-
A.3 Inventories	-	-	-	-	-
B. Intangible assets	**-**	**-**	**-**	**-**	**-**
B.1 Owned	-	-	-	-	-
B.1.1 Generated internally by the company	-	-	-	-	-
B.1.2 Other	-	-	-	-	-
B.2 Rights of use acquired through leases	-	-	-	-	-
Total	**5,936**	**(28,163)**	**-**	**-**	**(22,227)**

Section 17 – Impairment losses on goodwill
Item 240

There are no amounts in this Separate Financial Report.

Section 18 – Gains (Losses) on disposal of investments
Item 250

18.1 Gains (losses) on disposal of investments: breakdown

Income items/Amounts	Total 31.12.2024	Total 31.12.2023
A. Real estate	943	490
- Gains on disposal	945	655
- Losses on disposal	(2)	(165)
B. Other assets	(31)	(470)
- Gains on disposal	3	-
- Losses on disposal	(34)	(470)
Net result	**912**	**20**

Section 19 – Income taxes for the year on current operations
Item 270

19.1 Income taxes for the year on current operations: breakdown

Income items/Amounts	Total 31.12.2024	Total 31.12.2023
1. Current tax (-)	(69,431)	(41,578)
2. Change in current taxes of prior years (+/-)	14,419	16,949
3. Reduction in current taxes of the year (+)	-	334,661
3. bis Reductions in current taxes of the year due to tax credit pursuant to Law 214/2011 (+)	-	80,970
4. Changes in deferred tax assets (+/-)	(381,595)	(424,847)
5. Changes in deferred tax liabilities (+/-)	(1,141)	(3,040)
6. Tax for the year (-) (-1+/-2+3+3bis+/-4+/-5)	**(437,748)**	**(36,885)**

19.2 Reconciliation of theoretical and actual tax charges

IRES	31.12.2024	Tax rate %
Profit (loss) from current operations before tax	**1,687,296**	
Theoretical IRES tax charge at the applicable rate	**464,006**	**27.50%**
Temporary differences (+/-)	(542,222)	
Temporary differences not related to components of the gross result (+/-)	(116,535)	
Permanent differences (+/-)	(169,073)	
Permanent differences not related to components of the gross result (+/-)	(45,796)	
Use of ACE surpluse	(162,734)	
Use of previous tax losses	(650,935)	
IRES tax base	-	
Current IRES tax charge	-	0.00%
Current IRES taxes recognised in equity	-	
Change in IRES DTA/DTL linked to changes in the tax base for the year	404,873	
Actual IRES tax charge	**404,873**	**24.00%**

IRAP	31.12.2024	Tax rate %
Profit (loss) from current operations before tax	**1,687,296**	
Income statement components not relevant for IRAP purposes	**(95,439)**	
Theoretical IRAP tax charge at the applicable rate	**88,666**	**5.57%**
Temporary differences (+/-)	(419,490)	
Temporary differences not related to components of the gross result (+/-)	(116,535)	
Permanent differences (+/-)	295,396	
Permanent differences not related to components of the gross result (+/-)	(47,947)	
IRAP tax base	1,303,280	
Current IRAP tax charge	**71,987**	**4.52%**
Current IRAP taxes recognised in equity	(2,648)	
Change in IRAP DTA/DTL linked to changes in the tax base for the year	29,857	
Actual IRAP tax charge	**104,492**	**6.56%**

Out-of-period IRES and IRAP tax rates and other taxes	31.12.2024	Tax rate %
DTA change due to transfer of the ACE surplus to the CNM	5,204	
Income due to transfer of the ACE surplus to the CNM	(5,204)	
Change in IRES/IRAP DTA/DTL not linked to changes in the tax base for the year	(57,198)	
Current IRES tax charge relating to previous financial years	(62)	
Current IRAP tax charge relating to previous financial years	(14,357)	
Actual tax charge - other taxes	**(71,617)**	**-4.24%**

Total actual tax charge	**437,748**	**25.94%**

Section 20 – Gains (Losses) from non-current assets and disposal groups classified as held for sale after tax
Item 290

There are no amounts in this Separate Financial Report.

Section 21 – Other information

The information contained in the above sections is deemed to be detailed and completed, thus providing a full picture of the income statement.

Section 22 – Earnings per share

IAS 33 requires disclosure of basic and diluted earnings per share (EPS), specifying how each is calculated.

Basic earnings per share reflect the relationship between:
- the earnings attributable to ordinary shareholders,
- and the weighted average number of shares outstanding during the period.

Diluted earnings per share reflect the relationship between:
- the earnings used to calculate Basic EPS, as adjusted by the economic effects of converting all outstanding convertible bonds into shares at period end;
- the number of shares in circulation used to calculate basic EPS, as adjusted by the weighted average of the potential ordinary shares with a diluting effect deriving from the conversion of bonds outstanding at period end.

	31.12.2024			31.12.2023		
	Attributable earnings	Weighted average ordinary shares	Earnings per share (Euro)	Attributable earnings	Weighted average ordinary shares	Earnings per share (Euro)
Basic EPS	1,249,549	1,415,505,208	0.883	1,361,392	1,414,727,277	0.962
Diluted EPS	1,249,549	1,448,994,996	0.862	1,361,392	1,450,441,563	0.939

The following tables reconcile the weighted average number of ordinary shares outstanding used to calculate basic earnings per share with the number of ordinary shares used to calculate diluted earnings per share; they also reconcile net profit for the year with the net income used to determine basic and diluted earnings per share.

22.1 Average number of ordinary shares (fully diluted)

	31.12.2024	31.12.2023
Weighted average number of outstanding ordinary shares for Base EPS calculation	1,415,505,208	1,414,727,277
Weighted dilutive effect deriving from the potential conversion of convertible bonds	33,489,788	35,714,286
Weighted average number of outstanding ordinary shares for diluted EPS calculation	1,448,994,996	1,450,441,563

22.2 Other information

	31.12.2024	31.12.2023
Profit (Loss) for the year	1,249,549	1,361,392
Allocations not attributable to the shareholders	-	-
Net profit for Basic EPS calculation	1,249,549	1,361,392
Change in income and charges deriving from conversion	-	-
Net profit for diluted EPS calculation	1,249,549	1,361,392

PART D
Other Comprehensive Income

Detailed Statement of Other Comprehensive Income

Items		31.12.2024	31.12.2023
10.	**Profit (Loss) for the year**	**1,249,549**	**1,361,392**
	Other comprehensive income that will not be reclassified to profit or loss	**14,196**	**(1,986)**
20.	Equity instruments designated at fair value through other comprehensive income:	46,720	(15,190)
	a) change in fair value	47,303	(14,892)
	b) transfer to other components of shareholders' equity	(583)	(298)
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness):	(40,008)	(8,626)
	a) change in fair value	(39,763)	(8,644)
	b) transfer to other components of shareholders' equity	(245)	18
40.	Hedge of equity instruments designated at fair value through other comprehensive income	(5,409)	(3,130)
	a) change in fair value (hedged instrument)	(917)	242
	b) change in fair value (hedging instrument)	(4,492)	(3,372)
50.	Property, plant and equipment	12,901	34,154
60.	Intangible assets	-	-
70.	Defined benefit plans	(497)	(13,599)
80.	Non-current assets and disposal groups classified as held for sale	-	-
90.	Share of the valuation reserves of equity investments carried at equity	-	-
100.	Income taxes relating to other comprehensive income that will not be reclassified to profit or loss	489	4,405
	Other comprehensive income that may be reclassified to profit or loss	**47,610**	**89,185**
110.	Hedge of foreign investments:	**-**	**-**
	a) changes in fair value	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
120.	Foreign exchange differences:	**-**	**-**
	a) change in value	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
130.	Cash flow hedges:	1,671	(12,286)
	a) changes in fair value	1,671	1,681
	b) reclassification to profit or loss	-	(13,967)
	c) other changes	-	-
	of which: result of net positions	-	-
140.	Hedging instruments (not designated elements):	**-**	**-**
	a) change in value	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
150.	Financial assets (no equity instruments) measured at fair value through other comprehensive income	69,463	145,537
	a) changes in fair value	55,148	149,964
	b) reclassification to profit or loss	14,315	(4,427)
	- impairment losses for credit risk	209	66
	- gains/losses on disposal	14,106	(4,493)
	c) other changes	-	-
160.	Non-current assets and disposal groups classified as held for sale	**-**	**-**
	a) changes in fair value	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
170.	Share of the valuation reserves of equity investments carried under the equity method	**-**	**-**
	a) changes in fair value	-	-
	b) reclassification to profit or loss	-	-
	- impairment adjustments	-	-
	- gains/losses on disposal	-	-
	c) other changes	-	-
180.	Income taxes relating to other comprehensive income that may be reclassified to profit or loss	(23,524)	(44,066)
190.	**Total other comprehensive income**	**61,806**	**87,199**
200.	**Other comprehensive income (Items 10+190)**	**1,311,355**	**1,448,591**

PART E

Information on risks and related hedging policies

Introduction

A summary of the organisation of the BPER Banca Group's risk governance and the related processes and key functions involved is described below.

The configuration of the Internal Control and Risk Management System of the BPER Group (hereinafter, the "System") is defined, alongside its principles, in the "Group Policy on the Internal control System" (Policy), which also includes the information flows for the integration of the components of the System.
The Policy, prepared in compliance with the Supervisory Provisions, was approved by the Board of Directors of the Parent Company and implemented by the Group Banks and Companies.
The System comprises policies, structures, procedures, resources and processes aimed at ensuring that:
- the activities carried out by BPER and by the Group Companies are in line with internal practices, industry standards and external regulations;
- risks are adequately monitored and mitigated.

All Group Structures contribute to risk control and every Group Bank and Company ensures correct operations by performing controls and submitting information flows to its Corporate Bodies and to the Corporate Bodies of the Parent Company.
The System includes three lines of defence:
- First-level controls: line controls embedded in processes and procedures and carried out by operating and business units;
- Second-level controls (Risk and compliance controls) entrusted to the: i) Compliance Function (which includes the Data Protection Officer - DPO); ii) Risk Management Function; iii) Validation Function; iv) Anti-Money Laundering Function;
- Third-level controls: entrusted to Internal Audit which operates in compliance with international standards.

Second- and Third-Level Control Functions are independent, separate and distinct from the structures that take on the risks and are in charge of line controls.
As a general rule, the System envisages outsourcing to the Parent Company of the second and third-level control functions, if any, of the Group Banks and Companies under Italian law; however, as required by the regulations, the latter still remain responsible for their performance.
The Internal Control System also includes:
- the Whistleblowing System to anonymously communicate facts or behaviours that may represent a violation of the regulations governing the banking/financial activities; Legislative Decree 24/2023 "implementing Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law";
- the Supervisory Body pursuant to Legislative Decree no. 231/2001;
- the Manager responsible for preparing the company's financial reports under Law no. 262/2005.

Every year, the Control Functions submit to the Board of Directors a report on the activities carried out substantiated by their analyses, results, identified weaknesses and proposals for interventions to be implemented with a view to strengthening the controls in place. The Control Functions submit a plan of activities to the Corporate Bodies for approval at least once a year, subject to the prior review of the Control and Risk Committee.
The document "Public Disclosure - Pillar 3" as at 31 December 2024, prepared pursuant to the requirements of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR) and subsequent updates, illustrates the key metrics used by the BPER Banca Group (own funds, capital requirements, financial leverage and liquidity coverage ratio) as required by art. 447 of Regulation (EU) 575/2013, as later amended.

The disclosure at 31 December 2024 is published on the same date as or as soon as possible after the Consolidated Financial Report is published on the Parent Company's website https://group.bper.it.

Risk management (RAF)

As part of the Group's Internal Control System, the BPER Banca Group identifies the Risk Appetite Framework (RAF) as a tool for overseeing the risk profile that the Group intends to take in the implementation of its business strategies, considering it as an essential element to ensure that the risk governance policy and process by which risks are managed comply with the principles of sound and prudent business management.
The key principles of the RAF are formalised and approved by the Parent Company, which periodically reviews them, ensuring that they are in line with the strategic guidelines, business model and regulatory requirements in force at any given time.
Through a coordinated and representative series of metrics, the RAF outlines the risk objectives (risk appetite), any Early Warning thresholds, the tolerance thresholds (risk tolerance), risk limits and the operating limits, which the Group intends to comply with in the pursuit of its strategic guidelines, defining the levels of consistency with the maximum risk that can be accepted (risk capacity).

In order to ensure effective and pervasive transmission of the risk objectives, the Group sets its overall risk appetite, establishing risk limits that govern the operations of the organisational structures to which they are assigned (so-called "risk takers"), in a structured framework consistent with the policies of governance and control of individual risks.
The activities comprising the set-up process of the RAF are updated annually, or more frequently, and whenever necessary following changes in the internal or external conditions.
In 2024, the Risk Appetite Statement was calibrated on various occasions, considering the objectives established by the plan forecast and the expectations/guidelines of the Supervisory Authorities, involving the Corporate Bodies: the latest version was examined by the Board of Statutory Auditors and by the Control and Risk Committee on 26 March 2024 and by the Board of Directors on 28 March 2024.
The Group periodically monitors the overall RAF metrics, in order to promptly control any overruns of the tolerance thresholds (or of the Early Warning levels, if any) and/or risk limits assigned and, if appropriate, activate the envisaged escalation processes, by handling the necessary communications to the Corporate Bodies and subsequent remedies, as required by the RAF management macro-process Regulation.

Development of the internal control system

The Parent Company manages the Group's Internal Control System through a process that involves the following phases:
- design;
- implementation;
- assessment;
- external communication.

Some phases of the development process are outlined below, indicating the related responsibilities of the Corporate Bodies[38] involved.

Design of the internal control system

The Board of Directors of the Parent Company defines and approves:
- the Internal Control System of the Parent Company and the Group;
- the risk objectives, tolerance thresholds (where identified) and risk governance policies;
- the remedies needed to restore a normal situation after any overrun of the tolerance thresholds;
- the criteria for identifying significant transactions to be submitted to the risk management function;
- system standards for carrying out all activities;
- the Parent Company's code of ethics must be followed by all employees and members of the Corporate Bodies, as well as any third parties operating directly or indirectly for or with the Bank.

At least annually, the Parent Company's Board of Directors approves the programme of activities and examines the annual reports prepared by the Corporate Control Functions and by the Manager Responsible for Preparing the Company's Financial Reports - Financial Disclosure Unit. More specifically, the Board of Directors of the Parent Company, with the assistance of the Control and Risk Committee and at the proposal of the CEO, establishes and approves:
- the business model;
- the strategic plan and its periodic review;
- Internal system for reporting violations;
- Stress testing programme;
- the structure of the Corporate Control Functions and Control Functions and their coordination methods;
- internal information flows to ensure that the Corporate Bodies and Control Functions are fully aware of the various risk factors and have the ability to govern them;
- formalised coordination and liaison procedures between the Companies of the Group and the Parent Company;
- the ICAAP and ILAAP processes, ensuring consistency with the RAF;
- the Recovery Plan;
- the process for managing anomalies identified by the Corporate Control Functions and Control Functions, as well as the methods for handling, and possibly accepting, identified residual risk in compliance with the RAF;
- asset measurement policies and processes;

38 Corporate Bodies include all bodies with strategic supervision, management and control functions. The definition of Corporate Body also includes the sub-committees of the Board of Directors ("Board Committees").

- the process for the development and validation of internal risk measurement;
- the “Product Governance” process for approving new products and services, the launch of new activities, entering new markets;
- Group policy for outsourcing business functions.

The Parent Company’s Board of Directors ensures that:
- implementation of the RAF is consistent with the approved levels of risk appetite and risk tolerance thresholds (where identified);
- the strategic plan, the RAF, the ICAAP, ILAAP, budgets and Internal Control System are consistent, bearing in mind any developments in the internal and external conditions in which the Group operates;
- the amount and the allocation of capital and liquidity held are consistent with the risk appetite, risk governance policies and risk management process;
- adequate governance processes are in place to support resolution planning activities.

The Board of Directors of the Parent Company appoints and dismisses the heads of the Corporate Control Functions and the Manager responsible for preparing the company’s Financial Reports, based on prior identification and proposal by the Control and Risk Committee, with the contribution of the Nominations and Corporate Governance Committee, the Board of Statutory Auditors and the Chief Executive Officer, each for matters within their competence.
The Board of Directors of each Bank and Company within the Group supplements the structure of their respective Internal Control Systems, in line with the coordination and liaison procedures defined by the Parent Company and incorporates and approves the RAF elements applicable to their own Bank and Company, in accordance with the Group’s Risk Appetite Framework.

Implementation of the internal control system

The Board of Directors of the Parent Company vests the Chief Executive Officer with adequate duties, powers and resources to implement the strategic guidelines, RAF and risk governance policies defined by the Board when the Internal Control System is designed. The Chief Executive Officer is responsible for adopting all the actions needed to ensure the compliance of the organisation and the Internal Control System with the standards and requirements provided for under Supervisory laws, monitoring them to ensure continued compliance.

The Chief Executive Officer has the power to propose resolutions regarding the Internal Control and Risk Management System and oversees the execution of the resolutions of the Board of Directors.

The Chief Executive Officer, supported by the competent functions:
- ensures integrated management of all corporate risks, evaluating the internal and external factors from which they may originate and their reciprocal interrelationships and is responsible for adopting the necessary initiatives to ensure the compliance of the organisation and the Internal Control System with the regulatory principles and requirements, continuously monitoring their observance at the Bank and Group level;
- assumes the provisions designed to ensure that the various Corporate Functions implement the risk management and control process for the Bank and the Group, also overseeing the set-up and the functioning of the internal risk measurement systems and the ICAAP and ILAAP processes, in line with the Supervisory Provisions, the strategic guidelines, the RAF and the risk governance policies defined and approved by the Board.

Finally, the Chief Executive Officer additionally has the power to request audits or investigations to be carried out, also with regard to specific irregularities, without prejudice to similar powers lying with the Bodies of strategic supervision, management and control, of the Parent Company and/or of the Group Banks and Companies.
The Board of Directors of each Group Bank and Company vests its corporate functions with the task of implementing the choices made by the Parent Company when planning the Internal Control Systems in their own organisations.

Assessment of the internal control system

With regard to internal risk measurement systems for the determination of capital requirements, the Board of Directors of the Parent Company:
- periodically verifies the choices of model made to ensure that they remain valid over time, approving significant changes to the System and carrying out overall supervision to ensure that it functions properly;
- monitors, with the assistance of the relevant Functions, effective use of internal systems for management purposes and their compliance with regulatory requirements;

- reviews at least once a year the results of the validation process and passes a formal resolution, with the approval of the Board of Statutory Auditors, by which it certifies compliance with the requirements for the use of internal measurement systems.

The Parent Company's Board of Directors periodically assesses the adequacy and effectiveness:
- of the RAF and the compatibility between actual risk and the risk objectives;
- of the Group's[39] - internal control and risk management system - with the help of the Control and Risk Committee - identifying possible areas of improvement and defining the steps needed to correct any weaknesses. To this end, Internal Audit prepares the overall assessment of the Internal Control System which capitalises on the results of the activities performed by the other Corporate Control Functions and by the Manager Responsible for Preparing the Company's Financial Reports - Financial Disclosure Unit.

The Board of Directors:
- receives, either directly or through the CEO, the information flows required to gain full awareness of the various risk factors and the ability to govern them, so as to plan and implement interventions to ensure the compliance and adequacy of the Internal Control System;
- receives the reports drawn up by the Control Functions along with the Board of Statutory Auditors, the Control and Risk Committee and the Chief Executive Officer.

External communication on the internal control system

The Board of Directors of each Group Bank and Company, especially that of the Parent Company as regards the Group internal control system, ensures that information on the internal control and risk management system is given in all cases foreseen by law, guaranteeing the correctness and completeness of the information provided. In this context, it is important to make the disclosures to the general public required by Pillar 3. For this, the Board of Directors of the Parent Company assigns control responsibilities and duties to the Corporate Bodies and the various functions involved in the different stages of the process of governing internal controls.

Levels of control envisaged by the Supervisory Authority

As part of the Group internal control system, the following control functions are identified at the levels provided for in the Supervisory instructions for banks, taking into account of the fact that the second and third level control functions always apply to the entire Group:
- Third-level controls: designed to
  - identify violations of procedures and regulations,
  - to periodically assess the completeness, suitability, functionality (in terms of efficiency and effectiveness) and reliability of the Internal Control System and information system, in relation to the nature and intensity of the risks involved.

These controls are conducted on an ongoing basis, periodically or at random, including spot checks, by various units that are independent of business structures. In the parent company BPER, these activities are entrusted to Internal Audit.
- Second-level controls ("risk and compliance controls"): the second level control functions have been developed and identified with the following objectives:
  - to check on an ongoing basis that company procedures are consistent with the goal of preventing money laundering and financing of terrorism and to prevent and combat money laundering and financing of terrorism by reporting suspicious transactions and by performing constant checks. This activity is entrusted to the Anti-Money Laundering Function;
  - to identify non-compliance risks, examining the standards applicable to the Group on an ongoing basis and assessing their impact on Group companies. To establish, depending on the risks that have been identified and assessed, the control objectives foreseen, by proposing organisational and procedural interventions to ensure adequate protection from any risks of non-compliance and monitoring their implementation. These activities are entrusted to the Compliance Function;
  - to collaborate in the definition and implementation of the Risk Appetite Framework (RAF) and the related risk governance policies, through an adequate risk management process. To define methodologies, processes and tools to be used for risk management. To ensure consistency of the measurement and risk control systems with processes and methodologies to assess business operations. To ensure the correct representation of the risk profile and assessment of loan positions, to perform assessments of loan monitoring and recovery processes, to supervise the process for the allocation/monitoring of the official rating and to perform second-level controls over the lending process. These activities are entrusted to various offices and units of the Risk Management Function;

39 Supervisory instructions for banks – Circular 285 of the Bank of Italy, Part I, Title IV, Chapter 3, Section II, paragraph 2 "assures that: [...] "b) the internal control system and corporate structure are consistently in line with the principles mentioned in Section I and the corporate control functions satisfy the requirements and comply with the provisions of Section III. In the event of weaknesses or anomalies, it promotes timely adoption of appropriate corrective measures and assesses their effectiveness".

  - qualitative and quantitative ratification of internal risk measurement models adopted by the Parent Company, as used to estimate internal capital and capital requirements, ensuring compliance with the instructions issued by the Supervisory Authority for this process, as well as consistency with the operational needs of the company and the evolution of the market. This activity is carried out by the Internal Validation Office which reports directly to the Chief Risk Officer. The organisational positioning of this Office guarantees independence from the structures responsible for the development and use of internal risk models subjected to validation.
- First level controls ("line controls") (designed to ensure that operations are carried out properly by the operating teams or embedded in procedures or performed as part of back-office activities).

In addition to the levels of control laid down by Supervisory Regulations, the legal system and the sources of self-regulation attribute monitoring roles to specific structures/roles other than the Corporate Control Functions, whose activities are incorporated in the Internal Control System (Supervisory Body, Manager Responsible for Preparing the Company's Financial Reports).

Control roles and duties attributed to BPER Banca Group functions

Internal Audit Function

The Internal Audit carries out an independent and objective assurance and consulting activity aimed at increasing and protecting the value of the Banks and Companies of the BPER Group by providing objective services to promote, through a systematic and structured professional approach:
- the effectiveness and efficiency of processes and controls;
- balanced and conscious risk management.

On the basis of the results of its controls, it:
- identifies the possible improvements - with specific reference to the RAF, the risk management process and their measurement and control tools - bringing them to the attention of the Corporate bodies;
- formulates specific recommendations to be submitted to a formal monitoring procedure in order to guarantee (and report about) their effectiveness and timely implementation.

Internal Audit contributes to the dissemination of risk & control culture awareness and the key principles that guide the BPER Banca Group.

The Function carries out its activities:
- as part of the management and coordination of the Parent Company, with respect to the Group Banks and Group Legal Entities, taking into account the breadth and depth of the Internal Control System and in compliance with the principles of proportionality and cost-effectiveness;
- based on specific outsourcing contracts, for the Companies that have outsourced Internal Audit to the Parent Company, i.e. all Italian companies with an Internal Audit Department with the exception of Arca Fondi s.p.a. SGR.

The Internal Audit Function operates in compliance with international standards for the professional practice of internal auditing.

With a view to continuous improvement and in line with the Global Internal Audit Standards, the Function has set up an internal evaluation process - Quality Assurance and Improvement Programme (QAIP) - the results of which are submitted annually to the Parent Company's Board of Directors.
In 2024, an external assessment of the Internal Audit activity was performed to reassess its compliance with the Standards, also taking into account the ongoing strategic/transformational development of the Function, whose outcome will be presented to the Board of Directors in the first months of 2025.

Risk Management Function

The Risk Management Function, which also includes the model validation function[40], aims to collaborate in the definition and implementation of the Risk Appetite Framework and the related risk governance policies, through an adequate risk management process.

40 Bank of Italy Circular no. 285 of 2013 of the Bank of Italy, part I, title IV, section III, point 3.3. The banks which adopt internal systems for risk measurement, if consistent with the nature, size and complexity of the activities carried out, identify, within the risk control function, units responsible for validating said systems independent from the units responsible for developing them.

An integral part of its mission is to ensure adequate reporting to the Corporate Bodies of the Parent Company and Group companies.
The Risk Management Function extends its area of responsibility to all of the Group companies included in the current risk map, given that the "Group Policy - Internal Control System" provides for centralised management of the risk management function by the Parent Company.
The Group companies that have this function outsource it to the Parent Company, with the exception of the Luxembourg based company[41].
The mission of the Risk Management Function is carried out as part of the Parent Company's direction and coordination activity as an outsourcer for Group Banks and Companies.
The Risk Management Function operates at Group companies through a Contact identified at the various Group companies.
The Risk Management Function is independent of the business functions, which are responsible for the "operational management" of risks that affect the risk-taking of the business units and change the risk profile of the Bank.
This function is hierarchically positioned to report directly to the Parent Company's Board of Directors and is accountable to that body for its tasks and responsibilities.
Responsibility for the Risk Management Function lies with the Chief Risk Officer.
The Contact Persons of the Risk Management Function, identified at the Companies falling within the sphere of competence, functionally depend on the function itself and hierarchically depend on the Management Body of the Company they belong to.

The main activities of the Risk Management Function are listed below:
- within the scope of the Risk Appetite Framework, proposing to the Corporate Bodies the quantitative and qualitative parameters necessary for its definition, both in the normal course of business and in situations of stress, ensuring their adequacy over time in relation to changes in the internal and external context;
- proposing the risk governance policies that do not fall within the competence of the other control functions, ensuring the adequacy and update with regard to risk management and exposure and operating limits, and helps in implementing them, ensuring consistency with the Risk Appetite Framework;
- developing risk management methodologies, processes and tools[42] via the identification, measurement/assessment, monitoring and reporting of risks inclusive of prospective and retrospective analyses, ensuring their adequacy over time through the development and application of indicators designed to highlight anomalous situations and inefficiencies;
- monitoring the actual risk profile assumed in relation to the risk objectives defined in the Risk Appetite Framework, collaborating in the definition and monitoring of operating limits for the assumption of various types of risk and constantly verifying their adequacy, reporting any overruns to Corporate Bodies;
- providing prior opinions on the consistency with the Risk Appetite Framework of the Most Significant Transactions;
- supporting the CEO in implementing the ICAAP and ILAAP;
- coordinating the various activities involved in the internal stress testing programme;
- checking the adequacy and effectiveness of the measures taken to correct weaknesses in the risk management macro-processes;
- controlling the macro process of assigning and monitoring the official rating;
- developing, ratifying[43] and maintaining the IFRS 9 model framework for calculation of provisions;
- analysis of risks deriving from new products/services and from entry into new business segments;
- performance of second-level checks on the lending process, verifying the existence of effective supervision over credit exposures (especially if impaired), the proper classification of risk and the adequacy of provisions; the comprehensive effectiveness of the bad loan recovery process;
- overseeing management of the Risk Committee of the Parent Company.

Moreover, the Risk Management Function, before their approval by the Corporate Bodies, is involved in defining:
- of the Group strategy, assessing the related impacts on risk;
- of the strategic developments of the Internal Control System of the Group.

41 Update of circular CSSF 12/552 on the central administration, internal governance and risk management "120. Outsourcing the compliance function and risk control function is not authorised."

42 With the participation of the organisational units of the Chief Operating Officer and the Chief Information Officer.

43 Through the Internal Validation Service.

Anti-money laundering function

The Anti-Money Laundering Function's duty is:
- to prevent and combat money laundering and financing of terrorism through the reporting of suspicious transactions and the execution of continuing control activities (Anti-Money Laundering control);
- to check that the IT and organisational procedures adopted by Group Banks and Companies are consistent with laws and regulations, as well as self-regulation in the field of money laundering and financing of terrorism (Anti-Money Laundering Function).

The organisational model adopted by the Group provides for centralised management at the Parent Company of the anti-money laundering function and supervision of the Italian Group Banks and Companies subject to money laundering regulations, except for Arca Fondi SGR s.p.a., in light of the specific nature of its business.
As regards the Parent Company's guidance and coordination activities, performed for all Group Banks and Companies subject to anti-money laundering regulations, the Anti-Money Laundering Function has the following responsibilities:
- it identifies and evaluates the Group's exposure to the risk of money laundering and financing of terrorism;
- it identifies any risk of non-compliance with anti-money laundering legislation to which the Group is exposed, continuously examining the rules applicable to the Group and assessing their impact;
- it makes an annual assessment of the principal money laundering and terrorism financing risks, at Group level and for each Group Bank and Company, and presents that assessment ("Report of the Anti-Money Laundering Function of the BPER Banca Group") to the Management Bodies of the Parent Company. This report identifies the action taken and the training provided to personnel, highlighting any issues and making planning proposals for the related corrective actions, as well as for the preventive actions needed to tackle any new non-conformity risks identified. The report also includes the results of the self-assessment carried out. With regard to Arca Fondi SGR, a self-assessment carried out independently by the subsidiary is acquired. For the Luxembourg subsidiary, BPER Bank Luxembourg SA, it reports in the same document any critical issues arising from the opinions expressed and data provided by its relevant Corporate Functions;
- it proposes changes to the Group policy for governing the risks of money laundering and the financing of terrorism;
- it defines methods, processes and tools for performing the activities of the Anti-Money Laundering Function and uses the reports defined in coordination with other control functions (corporate or otherwise);
- for the foreign companies that have not outsourced the function to the Parent Company (the Luxembourg subsidiary BPER Bank Luxembourg SA), it defines the general standards regarding customer due diligence, retention of data and reports on suspicious transactions, making sure they are implemented;
- it ensures adequate reporting on the outcome of its activities to the Corporate Bodies, highlighting the main non-compliance issues and events of particular risk as they emerge;
- it proposes organisational and procedural changes to the guidance and coordination processes aimed at preventing and combating money laundering and terrorist financing, in order to ensure adequate control over the non-compliance risks that have been identified and to monitor that it is carried out;
- supports the Chief AML Officer (CAMLO), as Head of Group suspicious transactions (SOS), in the in-depth analysis and assessment, in terms of Group, of the reports filed and transactions reported to the Financial Intelligence Unit for Italy (FIU) or to the various Competent local authorities by Italian and foreign Group companies. This type of support is also provided with reference to reports filed and transactions reported to the competent local authorities by the Group's Luxembourg subsidiary;
- supports the Chief Corporate & Investment Banking Officer – CCIBO of the Parent Company in assessing the opening of correspondence accounts with correspondent entities of third Countries by the Parent Company and Group Companies, issuing a specific opinion;
- supports the Chief AML Officer (CAMLO) in their instructions regarding the authorisation to open, or maintain, ongoing relationships with residents or entities based in high-risk third Countries under current EU regulations or Group policies for the BPER Group and other Italian banking companies. For non-banking Companies, it receives the information report regarding the implementation of continuous relationships / maintenance of relationships with these persons and evaluates any weaknesses;
- supports the CAMLO in their instructions regarding the authorisation to open, or maintain, ongoing relationships or carry out occasional transactions with "politically exposed persons". For non-banking Companies, it receives the information report regarding the implementation of continuous relationships / maintenance of relationships/ performance of transactions with "Politically exposed persons" and evaluates any weaknesses.

Among other things, the Function also:
- manages relations with the UIF (Financial Intelligence Unit), the Investigative Authorities and the Judicial Authorities whenever there is need for in-depth investigation or discussion about the anti-money laundering and anti-terrorism legislation;
- supports the Company Delegate in assessing and investigating reports of suspicious transactions and their transmission to the Financial Intelligence Unit if considered justified;
- checks on proper compliance with the requirements for adequate verification, the risk profiling of customers, the recognition and reporting of suspicious transactions, the limits on cash usage, and data retention.

With reference to the Luxembourg subsidiary BPER Bank Luxembourg SA, which does not fall within the scope of the Anti-Money Laundering Function, the direction and coordination activity is supported by monitoring the reports on suspicious transactions and by specific instructions in the field of customer identification and data retention.
It should also be noted that, in compliance with the current anti-money laundering legislation, in particular the Measure of the Bank of Italy of 1 August 2023 amending the "Bank of Italy's Provisions on organisation, procedures and internal controls for anti-money laundering purposes" of 26 March 2019 (so called "Measure of the Bank of Italy"), the Parent Company and the other Group Companies subject to anti-money laundering regulations have appointed their own Representative responsible for anti-money laundering, as well as a Group-level Representative responsible for anti-money laundering, in accordance with the statutory requirements.

Compliance Function

The Compliance Function's task is to ensure the adequacy of internal procedures to prevent the violation of external rules (e.g. laws and regulations) and/or self-regulation (e.g. Articles of association, codes of conduct, corporate governance codes) applicable to Group Companies.

The Function also plays an important advisory role in the design of processes and projects that the bank intends to undertake, offering assistance and advice to the bank's corporate bodies in all matters in which compliance risk takes on significance, collaborating in personnel training activities with regard to the provisions applicable to the activities carried out and promoting the dissemination of a culture based on principles of integrity, fairness and respect for the spirit and letter of the law, as an indispensable element of the successful operation of the company.

The Data Protection Officer (DPO), who operates within the Function, possesses specialist knowledge of the legislation and of the cases regarding personal data protection, set forth in EU Regulation no. 2016/679 (GDPR), to which the legislation attributes the primary duties of verification of compliance and of control of respect for the privacy provisions.

The Compliance Function, as part of the management of compliance risk, oversees - directly or through the Specialist Controls - regulations that concern the entire banking activity, with the exception of those for which there are Corporate Functions and other dedicated control functions.

Pursuant to art. 88 of the Intermediaries Regulations adopted by CONSOB with resolution 20307 of 15 February 2018, the Compliance Function also carries out regular checks on the effective application (or functioning) of the procedures and the measures taken to resolve any weaknesses.

In line with its mission, it extends the scope of its guidance, control and coordination activities to all Group companies.

The organisational solution for supervised companies (Banks and Financial credit companies) provides for the centralisation of the Compliance Function at the parent company, for which a Contact person is designated.
For Companies not subject to the obligation to set up a Compliance Function (special purpose and service companies), the monitoring of the compliance risk is guaranteed, for regulatory areas that have an impact on the same companies, through the provision of compliance activities carried out by the Parent Company.

For the Group's bank based in Luxembourg (BPER Luxembourg) and the company Arca Fondi SGR, as an exception to the centralised model, only management and coordination activities are envisaged.

As part of the direction and coordination activity exercised by the Parent Company on behalf of the Group companies, the Compliance Function has the following duties:
- it identifies non-compliance risks, at Group level, examining the standards applicable to the Group on an ongoing basis and assessing their impact on Group companies;
- it establishes, depending on the risks that have been identified and assessed, the control objectives foreseen for the Companies that have outsourced this function to the Parent Company, and verifies that the planning of Compliance activities of the individual companies that did not outsource this function to the Parent Company guarantees adequate risk control;
- it ensures adequate reporting on the outcome of its activities to the Corporate Bodies, promptly highlighting the main non-compliance issues and events of particular risk as they emerge;
- it proposes organisational and procedural changes to processes of the Parent Company and Group companies in order to ensure adequate control over the non-compliance risks that have been identified and to monitor that it is carried out.

Other control functions

In addition to the levels of control laid down by Supervisory Regulations, the legal system and the sources of self-regulation attribute monitoring roles to specific structures/roles other than the Corporate Control Functions, whose activities are incorporated in the Internal Control System; in particular, the following are identified in the Group:

- Supervisory Bodies pursuant to Legislative Decree 231/2001;
- the Manager Responsible for Preparing the Company's Financial Reports established on the basis of the provisions of Law 262/2005, who, in order to carry out his/her duties, makes use of the Financial & Sustainability Reporting Supervision service (hereinafter also "Service"). The Manager responsible for preparing the Company's Financial Reports and this unit are therefore part of the Group's Internal Control System.

Manager responsible for preparing the Company's Financial Reports – Financial & Sustainability Reporting Supervision

Pursuant to Italian Law 262/2005, Article 154-bis of the Consolidated Law on Finance, and Bank of Italy Circular 285, the Manager responsible for preparing the Company's Financial Reports is a Control Function and is responsible for overseeing the administrative and accounting procedures for the preparation of the Separate Financial Report, Consolidated Financial Report and any other financial communication. Under the applicable regulations and the Articles of Association, the appointment is approved by the Board of Directors, subject to the opinion of the Board of Statutory Auditors.
The Manager responsible for preparing the Company's Financial Reports also certifies, together with the Chief Executive Officer, the consistency of the content of the public disclosure document – Pillar 3 – with internal documentation, in line with the relevant external regulations (Article 431, paragraph 3, CRR).
Following the adoption of the Corporate Sustainability Reporting Directive (CSRD) in September 2024 (Legislative Decree no. 125 of 6 September 2024), the BPER Banca Group has deemed it appropriate to also confer to the Manager responsible for preparing the Company's Financial Reports the certification of the Sustainability Statement, in line with the highest standards of transparency and compliance in accordance with the ESRS (European Sustainability Reporting Standards).
The Manager responsible for preparing the Company's Financial Reports governs the "Financial and sustainability reporting control model", understood as the set of requirements for the correct management and control of the risk of unintentional errors and fraud in financial reporting, as well as risk factors related to the preparation of sustainability reporting (ESG).

The Parent Company's Manager responsible for preparing the Company's Financial Reports makes use of the following to carry out their mission and assigned responsibilities:

- the Service, which reports hierarchically to the Manager responsible for preparing the Company's Financial Reports, rightsized with respect to the complexity of the company and the group, as well as independent with respect to the functions in charge of preparing the economic, financial and sustainability reporting;
- a Contact person for the Manager responsible for preparing the Company's Financial Reports, identified in the companies within scope, who functionally reports to the Manager responsible for preparing the Company's Financial Reports.

Finally, where companies other than the Parent Company are present within the Group but are classified as "Listed issuers having Italy as their home member state", they must also appoint a Manager responsible for preparing the Company's Financial Reports in accordance with regulations, who functionally reports to the Parent Company's Manager responsible for preparing the Company's Financial Reports.

The Financial and sustainability reporting control model, in its most recent update approved at the 28 November 2024 meeting of the Board of Directors of the Parent Company BPER Banca, consists of the following regulatory framework:

- Group policy for managing the risk of unintentional errors and fraud in Financial Reports (high level legislative source);
- Regulation of the Manager responsible for preparing the Company's Financial Reports and the Financial & Sustainability Reporting Supervision Service (high level legislative source);
- Methodological note addressing the macro-process for the management of unintentional errors and fraud in financial disclosures (high level atypical source).

In accordance with Bank of Italy Circular 285[44] and following the update of the Group Policy on the Internal Control System and the Report on corporate governance and ownership structure, the Financial & Sustainability Reporting Supervision Service has been included among the Control Functions. It is responsible for defining, strengthening, and updating the "Financial and Sustainability Reporting Control Model" to be applied to the Parent Company and, with reference to procedures for the preparation of the consolidated financial and sustainability report, to Banks and Companies within both scopes.

44 Source: "Circular 285 – Part I, Title IV, Chapter III, Section I, Paragraph 3 definitions" – "Control functions: the set of functions which, by legislative, regulatory, statutory or self-regulatory provision, have control duties".

For more details regarding the main characteristics of the current risk management and internal control systems in relation to the financial reporting process, please refer to the 2023 Report on corporate governance and ownership structure, prepared in accordance with art. 123-*bis* of the Consolidated Law on Finance.

Supervisory Body pursuant to Legislative Decree 231/01

The Parent Company, in compliance with arts. 6 and 7 of Legislative Decree 231/01, adopted a Model of Organisation and Management (MOM) in order to prevent the commission and/or the attempted commission of the types of offence provided for in this Decree. In accordance with this law, the Parent Company has established a Supervisory Body to supervise the functioning, compliance with and update of its Model of Organisation and Management.

These activities principally comprise:

- monitoring the functioning of the Model: in all business areas, checking that the risk of committing offences identified in Legislative Decree 231/01 is identified, mapped and monitored; with regard to the risk areas and sensitive processes identified, ensuring the adequacy of the protocols adopted to prevent and stop unlawful conduct and requiring their adoption or amendment in the event of weaknesses, inadequacies or changes in internal organisation and/or business activities;
- monitoring compliance with the Model: in the context of the risk areas and sensitive processes identified, checks compliance with the protocols adopted to prevent and impede unlawful conduct; checks the efficacy of the organisational/managerial changes following the update of the Model; promotes training, communications and dissemination of the Model and the Code of Ethics; receives reports and notifies infringements of the Model of Organisation and Management to the competent bodies;
- monitoring the updating of the Model: makes observations requiring the adjustment of the Model to the Board of Directors, or in cases of particular urgency, to the Chief Executive Officer in the event of changes in the laws on the administrative liability of entities pursuant to Legislative Decree 231/01, changes in the company's internal governance and/or business or significant findings of shortcomings/breaches of the Model;
- expressing its observations on the implementation of the so-called "Action Plan 231" prepared by the Compliance Function and, where it identifies elements of inadequacy and/or the need for further examination of the measures being adopted or already adopted in relation to the risk mitigation objectives, directing its observations to the relevant Process Owners, with the support of the competent Compliance Function, or by communicating directly with them.

The Supervisory Body supervises the functioning of and compliance with the Model by implementing and executing periodic audit activities, even without giving prior notice.
The Supervisory Body reports every six months to the Board of Directors and the Board of Statutory Auditors regarding the verification work and checks carried out, and on any Model weaknesses identified, suggesting as necessary the relevant corrective actions.

The Supervisory Body of the Parent Company also coordinates the Supervisory Bodies of the Companies subject to Group instructions in relation to Legislative Decree 231/01 (Banco di Sardegna, Bibanca, Banca Cesare Ponti, BPER Real Estate, BPER Factor, Sardaleasing and Finitalia) and monitors that they adopt these instructions, albeit with the necessary adjustments to take account of the special responsibilities and characteristics of individual Group companies.

Section 1 – Credit risk

Qualitative Information

The Group's organisation provides for centralisation of the credit risk control function at the Parent Company; consequently, the qualitative information set out below also reflects the individual position of BPER Banca.

1. General aspects

In 2024, the Italian economy followed a trend of gradual slowdown with only modest growth in GDP. The weakness of the economic cycle is clearly reflected in the negative contribution of investments and exports, which have been affected by the sluggish growth of European economies, ongoing geopolitical tensions, and international uncertainties.
Exposure to declining foreign demand has been particularly evident over various quarters due to strong interdependence with the German market, which has been experiencing a period of significant macroeconomic fragility.
The repercussions of falling cross-border sales are also visible in the decline of industrial production, which has negatively affected various manufacturing specialisations; in contrast, the services sector has shown an expansion in activity.
Household spending has shown signs of recovery, driven by increased purchasing power, mainly supported by the decline in inflation and the gradual decrease in interest rates, which has freed up liquidity in household budgets.

In fact, inflation has gradually returned to lower levels: on average in 2024, consumer prices rose by 1%, a sharp decrease from 5.7% in 2023, primarily due to falling energy prices. Food prices also declined significantly, bringing the average annual change to +2.4%[45].
Regarding the labour market, the expansionary cycle continued until the final months of 2024, when the employment rate stabilised at 62.4%[46].
Looking ahead, while the economy will continue to benefit from the recovery in consumer purchasing power, the positive effects of implementing the NRRP (National Recovery and Resilience Plan), and expected improvements in international economies, the effects of reduced building sector incentives and weak investment will persist, as will exogenous risks linked to fragile international balances.
Based on the trend in fundamentals and the characteristics of the macroeconomic context, growth of 0.8% in GDP is forecast for 2025, while a greater 1.1% expansion of GDP is expected for 2026[47], linked to the slightly more contained interest rate assumptions and a recovery of international economies which will give more momentum to the exports.

Despite the gradual reduction of interest rates by the European Central Bank, bank lending has continued to decline, especially loans to non-financial corporations, due to weak demand for investment credit.

The impairment rates for banking assets are still at very contained levels. The portion of performing loans for which banks have recognised a significant increase in credit risk remains limited.

2. Credit risk management policies

Against the backdrop of a low-growth economic scenario and uncertainty arising from geopolitical instability fueled by the protracted Russia-Ukraine conflict, the Israeli-Palestinian crisis and the downturn in German economy, during 2024 the BPER Banca Group confirmed the actions targeted at the segments most exposed to market dynamics, in the aim to better calibrate the sectoral guidelines of its credit policy and hence its asset allocation targets, with the objective of supporting the system and its resilience. The guidelines for promoting "green financing" and "technological innovation" are confirmed, as they cross cut all sectors of the economy and make it possible to ensure greater competitiveness for recipient companies. More specifically, as early as in June 2024, the Group updated its specific "ESG-linked Loan Origination Policy", which sets out the principles adopted by the Group during the credit assessment. In fact, this document[48] indicates:
- the general limitation and exclusion criteria for counterparty and/or project financeability, consistently with the "ESG Policy" of the BPER Group and its voluntary commitments (Net-Zero Banking Alliance, PRB);
- detailed criteria applying to counterparties belonging to single high ESG impact sectors;
- strategies to support transition and the increasing "alignment" of counterparties with the principles of the EU Taxonomy, including via dedicated products or services (build out).

The credit management policy of the BPER Banca Group, by defining a credit strategy micro-founded at counterparty level, continues to pursue the aim of carefully selecting counterparties through an analysis of their creditworthiness, including the use of well-established tools such as the internal rating system, having regard for the achievement of commercial and support objectives, including in an ESG perspective.
In view of the Group's strategic objectives and operations, the general risk management strategy was to accept a moderate level of risk involving:
- the assessment of the current and prospective creditworthiness of counterparties;
- the diversification of the portfolio, limiting the concentration of exposures towards individual counterparties and sectors of economic activity;
- integrating factors specifically pertaining to the transition risk and physical risk to which they are exposed into the definition of credit strategies and prospective assessments of counterparties.

2.1 Organisational aspects

The Group's credit risk management model has the following objectives:
- apply the instructions issued by the Supervisory Authorities, while taking account of the Group's specific operating characteristics;
- ensure that credit risk is managed appropriately by each bank/company and at a Group level.

45 Istat, National consumer price index.

46 Istat, data referring to October and November 2024.

47 Bank of Italy, The Italian economy in brief, January 25.

48 For more information on the "the ESG Policy on granting credit" adopted by the Group, please refer to the information available on the website: https://group.bper.it.

These objectives are achieved via the segregation of responsibilities and duties between the bodies that manage credit risk and those with a control function.

The following elements underpin work to manage and control the exposure to credit risk:
- independence of the function responsible for the measurement of credit risk with respect to the various business functions;
- clear definition of delegated powers and the resulting structure of limits imposed by the Board of Directors of the Parent Company;
- coordination by the Parent Company of credit risk management processes, while leaving individual companies with operational autonomy for the management of credit risk;
- consistent application of measurement models throughout the Group, in line with international best practice;
- transparent methodology and measurement criteria to facilitate understanding of the risk measures adopted;
- performance of periodic stress tests which use endogenous and exogenous shock scenarios to provide deterministic and/or probability-based indicators of risk.

2.2 Systems for managing, measuring and monitoring

The management of risk involves applying a system of methodologies and approaches for the ongoing measurement and/or assessment of risk. This system helps to guide operational decisions and quantify the level of capital required by the Group in order to cover the risks that have been accepted. Each Group bank/company analyses the various components of credit risk and identifies the exposure associated with the loan portfolio using suitable measurement methodologies. In particular, the Group uses many tools to measure and monitor credit risk in relation to both performing and non-performing loans.
As part of its policies for managing loans to customers, the Group has adopted rules and processes for monitoring relationships, which have involved, among other things, a complex activity of classifying them into homogeneous risk categories. In particular, on the basis of “rating” and “early warning” systems, the Group has analysed performing loans to customers valued at amortised cost and identified those most at risk.
The characteristics of the rating models developed by the Parent Company for the calculation of PD (Probability of default: i.e. the probability that the borrower will not be able to meet their commitments) depend on the risk segment to which the counterparty belongs, the amount of the exposure and the stage in the lending process at which they are applied (initial pay-out or monitoring). The classifications are represented by 13[49] creditworthiness rating classes differentiated by business model segment. All of the Parent Company’s systems share a number of common characteristics:
- the rating is determined with reference to the specific counterparty;
- the rating models are established with reference to the loan portfolio of the BPER Banca group (the rating is unique for each counterparty, even if shared by several Group Banks and Companies);
- the models process socio-demographic data and internal performance information (the latter derived from reports issued by the Central Credit Register database), as well as financial information in the case of businesses;
- the models for Corporate SMEs, Long-term Property SMEs, Holding Companies, Financial Companies and Large Corporates add a qualitative element to the purely statistical side. The rating assignment process for these segments involves expert attribution for counterparties that exceed a certain threshold[50] and all Financial Companies, via a central structure operating at Group level. For Corporate SMEs, Long-term Property SMEs, Large Corporates and Holding Companies that fall below the threshold, there is also the possibility for the relationship manager to activate an override, i.e. to request an exception from the quantitative rating on the basis of solid, documented information not processed by the model. In certain cases, the override can also be requested for Newco counterparties (newly established companies). The requested exception is evaluated by a central structure that operates at Group level;
- in addition to the model that evaluates the individual counterparty, the rating model for Large Corporates, Holding Companies, Financial Companies, Corporate SMEs and Multiannual Real Estate SMEs is supplemented by a component that, where applicable, takes into consideration the fact that they belong to a consolidated corporate group;
- the Probability of Default is calibrated with reference to regulatory anomalies, which include past due amounts;
- the time series used in order to develop and calibrate the models cover a broad time horizon, consistent with the requirements of current regulations;
- the rating is reviewed at least once each year; the Bank has also defined a process for the monitoring of each rating, causing the rating to lapse if it no longer represents the true risk profile of the counterparty and there are signs of deterioration in the quality of the related lending;
- use is made of a rating calculation model for counterparties acting as guarantors for individuals, aimed at the quantification and measurement of credit risk attributable to retail counterparties that provide personal guarantees to BPER Banca Group’s customers.

49 Except for the Large Corporate and Holding models, which are structured into 9 classes.
50 Threshold defined based on turnover, balance sheet structure and status of the consolidating parent company.

The estimation of LGD (Loss Given Default represents the extent of the loss expected to occur on default of the borrower, dependent on type of exposure to the counterparty) is based on information on the borrower (segment, geographical area, internal administrative status), the product (technical form, size of exposure), and the presence, type and coverage of guarantees. LGD estimation includes the impact of the recession phase in the economic cycle (downturn LGD).

In addition to indicating the principles of governance, assumption and management of credit risk, the Group Credit Risk Governance Policy defines the BPER Banca Group's credit risk appetite. For this purpose, the policy provides for a new system of credit risk exposure limits, establishing supervisory thresholds that have to be monitored periodically. The document also explains the principles for calculating analytical and collective loan loss provisions and for the classification of loans by status.

In order to manage credit risk, the Group has developed a system of credit limits designed to regulate the lending process, together with a system for authorisations that takes account of the riskiness of the customer and/or the transaction, consistent with the risk evaluation systems adopted. This system ensures compliance with the principle that the level of authorisation be consistent with the riskiness of the transaction, envisaging that the limits on decision making are established with reference to one or more aspects of the specific counterparty and transaction risk (in particular counterparty rating, expected loss, amount of the facility).

The internal rating system's risk measures are used for management reporting purposes; in particular:
- a Credit Risk Report is prepared for management every quarter and the results are included in the quarterly risk report, which is then sent to Top Management and the various Corporate Bodies of the Parent Company and of Group Banks and Companies. The information is discussed by the Risks Committee and presented by the Chief Risk Officer to the Control and Risk Committee and the Board of Directors of the Parent Company;
- a summary report is prepared on a monthly basis, including the monitoring of supervisory thresholds set for credit risk;
- a network reporting tool is also available, characterised by different views of the loan portfolio, with different levels of aggregation (Branch, Regional Department, General Management, Bank and Group) and hierarchical visibility cones.

Advanced methodologies (AIRB) have long been used as part of the process of defining capital adequacy (ICAAP). To be precise, the BPER Banca Group has adopted the advanced methodologies (AIRB) starting from the Supervisory Reports of June 2016 with reference to the Banks falling within the scope of first validation (BPER Banca, Banco di Sardegna and BiBanca), subsequently extended to the Cassa di Risparmio di Bra[51] starting from the Supervisory Reports of March 2019.
Starting from Supervisory Reporting as at 31 December 2021, after the ex-ante notification was sent to the Supervisory Authorities in October 2021, the use of the Group internal models for the calculation of credit risk capital requirements was extended to the credit exposures acquired from the Intesa Sanpaolo business units.
Moreover, following the Final decision of the latest Internal Model Investigation received on 16 February 2023 and the subsequent Follow-Up letter from the ECB, starting from the Supervisory Reports as at 31 March 2023, the calculation of the credit risk capital requirements was extended to former Cassa di Risparmio di Saluzzo and former UBI Banca credit exposures, and starting from the Supervisory Reports as at 30 June 2023 to former Unipol Banca exposures.

The following asset classes are subject to AIRB methodologies:
- "Exposures to retail businesses";
- "Exposure to companies".

The other Group Companies/Banks and asset classes for which Permanent Partial Use (PPU) is not required or which are not included in the roll-out plan, the BPER Group has continued to use the Standardised Approach and the external ratings supplied by the ECAIs (External Credit Assessment Institutions) recognised by the Supervisory Authority. In particular, the following were used:
- the Cerved, Fitch, Moody's and Standard & Poor's ratings were used for "Exposure to corporates";
- the Fitch, Moody's and Standard & Poor's ratings were used for "Exposures to supervised intermediaries" and "Covered bonds";
- Scope Ratings AG for "Exposures to central administrations or central banks";
- the Fitch Rating was used for financial Instruments pledged as collateral;
- the Standard & Poor's ratings for "Exposures to securitisation".

51 Subsequently absorbed by BPER Banca in July 2020.

Through the implementation of the “second best rating” rule, in compliance with the provisions approved by the CRR (Capital Requirements Regulation), article 138 (d)(e)(f), where two ratings of the same customer are present, the more prudential one is adopted; in the case of three ratings, the intermediate one; if all ratings are present, the second best one. In addition, in line with the contents of the CRR, article 444 (d) regarding the association of the external rating of each ECAI with the risk weights corresponding to the credit quality steps set out in said CRR, it is confirmed that the BPER Group respects the association published by the EBA.

2.3 Methods for determining the extent of impairment

The ECL model for calculating expected credit losses is based on the risk parameters estimated for regulatory purposes, whose main characteristics were described in the previous paragraphs, appropriately modified to ensure that they fully comply with IFRS 9. For information on impairment models and related risk parameters, please refer to Part A of the Explanatory Notes to the Consolidated Financial Report as at 31 December 2024 unless otherwise specified in this Part A of the Explanatory Notes.

Update of macroeconomic scenarios and ECL sensitivity

As stated in Part A.1, Section 5 and Part A.2 of these Explanatory Notes, the BPER Banca Group develops forward-looking impairment models using three macroeconomic scenarios that are consistent with those considered in other business areas requiring similar forecasts, such as planning (including the determination of lending policies) and risk management.

The time horizon for the macroeconomic forecasts is 3 years for each of the 3 scenarios used:

- Adverse Scenario (in its “Extreme Adverse” version);
- Baseline Scenario;
- Best Scenario.

The development of the scenarios is outsourced to a leading provider that carries out economic research and provides the BPER Banca Group with short and medium-term forecasts for the Italian and international economies and long-term forecasts for the Italian economy. The scenarios are later customised according to the guidelines of the Bper Banca’s Market Research, Surveys and Innovation office.

The macroeconomic scenarios used by the Bank for the estimate of the multi-scenario ECL as at 31 December 2024, are different from those used in relation to the Financial Report for the period ended 31 December 2023 as a result of an improvement in the context, in spite of some elements of uncertainty.
Among the main factors :

- over the last few months, the global economy has continued to show moderate but stable growth, supported by declining inflation and still-solid labour market conditions in many countries;
- global geopolitical risk remains high because of the conflicts in Ukraine and in the Middle East;
- in the Eurozone, during the third quarter of 2024, the economy accelerated at a modest pace. The deflationary process continues, reflecting the expected decline in energy prices and providing the ECB with support to proceed with monetary easing;
- as of December 2024, in the baseline scenario, an average annual GDP growth rate of 1% for Italy was forecast for the 2025-2027 period, based on the following supportive elements: delayed economic impact of the 110% green ‘Superbonus’ tax deduction, stable inflation, strength of the labour market, more favourable credit conditions, increased household consumption, and benefits from NRRP measures for gross fixed investments.

Scenarios used to determine the multi-scenario ECL in relation to the Financial Report as at 31 December 2024

		Starting point	BASELINE			EXTREME ADVERSE SCENARIO		
		2024	2025	2026	2027	2025	2026	2027
Brent oil: $ per barrel	lev	85	81	82	82	97	103	105
Italy equity index	% chg.	19.9	9.6	6.0	3.0	-12.9	-3.4	2.5
Italian GDP	% chg.	0.7	1.0	1.0	0.9	-2.5	-0.7	0.0
Public spending	% chg.	-1.4	-0.7	-0.3	-0.4	1.3	0.5	0.3
Investments in machinery and means of transport	% chg.	0.9	4.2	4.2	2.9	-7.5	-3.2	-1.8
Export of goods and services	% chg.	0.7	2.0	2.9	3.1	-1.4	0.1	1.4
Industrial production	% chg.	-3.0	0.8	2.5	1.6	-6.5	-0.1	2.1
10Y BTP-Bund Spread	%	1.4	1.6	1.5	1.3	3.1	2.9	2.8
BTP 10Y interest rate	%	3.8	3.9	4.0	4.2	5.1	5.0	5.2
Commercial property price index	% chg.	1.4	1.7	1.4	1.7	-4.1	-1.6	-0.6
Residential property price index	% chg.	2.0	2.0	1.9	2.1	-3.4	-1.5	-0.9

Scenarios used to determine the multi-scenario ECL in relation to the Financial Report as at 31 December 2023

		Starting point	BASELINE			EXTREME ADVERSE SCENARIO		
		2023	2024	2025	2026	2024	2025	2026
Brent oil: $ per barrel	lev	85	95	91	91	121	105	100
Italy equity index	% chg.	17.4	9.8	10.3	6.1	-18.1	3.4	5.2
Italian GDP	% chg.	0.8	0.7	0.7	0.7	-1.3	0.2	0.0
Public spending	% chg.	1.1	2.5	0.1	-0.2	4.4	-0.2	-0.5
Investments in machinery and means of transport	% chg.	4.6	3.0	4.6	2.6	-6.2	0.6	0.3
Export of goods and services	% chg.	0.3	1.8	2.4	2.5	-1.2	-0.8	0.2
Industrial production	% chg.	-2.1	1.4	1.0	1.0	-1.2	0.6	1.2
10Y BTP-Bund Spread	%	1.8	1.7	1.7	1.7	3.2	3.3	2.7
BTP 10Y interest rate	%	4.3	4.6	5.0	5.1	6.0	6.3	6.0
Commercial property price index	% chg.	1.1	1.2	1.7	1.4	0.5	2.0	0.4
Residential property price index	% chg.	0.9	1.1	1.8	2.0	0.2	0.6	-0.4

By comparing the indicators at both dates:

- a forecast revised upwards in December 2024 emerges for the production of goods and services (ITALIAN GDP) as compared to the forecast in December 2023;
- with respect to December 2023 forecasts, some signs are observed that point to a decrease in the price of a number of commodities (which continue to be exposed to high volatility) including oil;
- decline in the 10y BTP-Bund spread was projected over the forecast period compared to the December 2023 estimate;
- a decrease in public spending was also expected relative to the December 2023 forecast.

Shown below is the sensitivity of the ECL in response to a change in the probability of occurrence attributed to each of the (multiple) scenarios considered by the model adopted by the BPER Banca Group, applied on a "recurring" basis by the BPER Banca Group, without taking account of the overlays identified in relation to the uncertainties of the macroeconomic context ("post-model adjustments").
As at 31 December 2024, ECL sensitivity to a change in the probability of occurrence attributed to the favourable and adverse (extreme) scenario with respect to the baseline scenario, ranges between -2.68 % / +26.91%.
The total amount of ECL in the Financial Report as at the reporting date, including the effect of the overlays applied, is confirmed 3.44% higher than at 31 December 2024, compared to the value resulting from the 100% risk weight of the adverse scenario.

2.4 Credit risk mitigation techniques

Mitigation techniques are an important tool for reducing or transferring part of the credit risk associated with the portfolio of exposure. Consistent with the low propensity to accept risk that characterises operations, the Group seeks to mitigate credit risk, in particular, by obtaining and managing secured and unsecured guarantees. For this purpose, the Group has prepared suitable IT procedures and systems for managing mortgages and financial guarantees in compliance with prudent supervisory requirements, as well as appropriate internal regulations for managing the life-cycles of other collateral obtained.

The collateral mostly used by the Group generally comprise mortgages on residential and non-residential property, as part of retail lending and, to a lesser extent, loans to Corporate customers, as well as pledges on securities, receivables and cash. An internal procedure developed over a number of years gathers information in an organised fashion on the property assets of borrowers and on the properties given in guarantee. As collateral for both performing and non-performing positions, properties are periodically revalued and updated with new appraisals or indexed revaluations based on the statistical databases of a leading market player. A dedicated procedure is used to check every month whether a new appraisal or index-based revaluation is needed, in compliance with the Guidelines for banks on non-performing loans (NPL) and EU Regulation no. 575/2013, as later amended. An internal function covering the entire banking group has been established to supervise this process and monitor constantly the value obtained to cover exposures, as required by current regulations. The Group also has a new appraisal management system that automatically directs requests to providers according to the rules consistent with the relevant legislation. The same application monitors the state of the appraisals in progress and acts as a historical archive that preserves the previous assessments in digital format with all the accompanying documents.
Likewise, the collateral represented by financial instruments is managed within a procedure that updates the fair value on the basis of market trends.

The principal types of unsecured guarantees consist of "specific guarantees" and "restricted omnibus guarantees", mainly given by entrepreneurs in favour of their companies and by parent companies in favour of their subsidiaries in the form of binding comfort letters. Particular attention is also given to the phenomenon of surety guarantees provided by various guarantee consortia in favour of their member companies, along with other guarantees issued by third-party entities such as SACE, MCC (Guarantee Fund for SMEs, significantly increased during the COVID-19 crisis), EIF (European Investment Fund), CONSAP (Guarantee Fund for the First Home), EIB (Life for Energy), ISMEA. These are also subject to regular monitoring.

3 Non-performing exposures

3.1. Strategies and management policies

Management of the Under- and Non-Performing portfolio is based on the classification of financial assets within the risk categories envisaged by supervisory regulations on the basis of the identified risk profile.
A position is assigned to one of the above classifications by either an both automated or analytical methodology. The two methodologies are governed by an internal Group regulation that applies the guidelines for identifying any deterioration in creditworthiness and assigning the most appropriate administrative status to the position. When not automated, the classification of positions as anomalous is based on the assessments made by relationship managers as part of the performance monitoring activities carried out by the credit chain. The Early Warning tools available detect, at an early stage, any signs of deterioration of relationships potentially at risk, enabling the analysis of creditworthiness and classification of the position to the correct risk category, if required.

The following are some of the most significant interventions developed at Group level, which are considered to contribute to better managing under- and non-performing loans:

- Organisation and governance: in compliance with ECB Guidance to banks on Non Performing Loans and EBA Guidelines on Loan Origination & Monitoring for an enhanced monitoring of loans and operational specialisation by segment and product complexity, the Bank has evolved its organisational structure by introducing operational units specialised by type of debtor. This is designed to complete the NPL management advancement project with migration to a lifecycle model that overcomes the distinction between *Gestione Proattiva* (Proactive Management) and *Credito Anomalo* ('Credit management and workout') function enabling a new operational process that ensures timely action for safeguarding credit quality (early management of overdrafts and defaults, oversight and faster closure of lawsuits, etc.). More specifically, the new "lifecycle" management model is based on differentiated ownership, scopes of work and objectives. It is specialised by customer clusters and technical form/type of transaction (e.g. credit remediation dealing with instalment loans and standard technical forms, CIB, restructuring (work out), small tickets, etc.) to ensure greater focus on credit management. In particular, the Parent Company:
  - set up a structure dedicated to portfolio analysis and management support, aimed at continuously improving credit quality through ongoing support and supervision of the branch network;
  - has rolled out and revised its internal models since early 2024, with the introduction of: (1) a new statistical component in the EWS for the detection of counterparties with a high probability of 30-day PD in the following months and (2) an NBA algorithm to provide an indication of self-cure positions on the performing credit portfolio. The above activity is overseen by a dedicated structure that ensures supervision of the monitored portfolio flagged by the new statistical EW system, in order to timely process irregular loan files on a sample basis, and possibly trigger on a higher-risk classification as required;
  - oversaw the adoption, as of January 2024, of a new operational/organisational model involving the outsourcing of the recovery of bad loans and the management of UTP loans, owned by BPER Banca and its subsidiary Banco di Sardegna, through the activation of a Strategic Partnership with the Gardant Group, realised through the creation of a servicing platform 70% owned by Gardant Bridge Servicing s.p.a. (former Bridge Servicing s.p.a.), a company belonging to the Gardant Group, and 30% owned by BPER Banca.

- Under- and Non-performing Loan processes and procedures: loan management and monitoring processes make use of procedures that have continuously been developed and improved over the last few years, to have them comply with new regulatory requirements (Guidance to banks on Non Performing Loans). The main areas of action include: the Early Warning model, the Electronic request for loan management action (*Pratica Elettronica di Gestione* – PEG), an external collection system that seeks to recover smaller loans, the expected segregation of the monitoring activity by the organisational unit in charge from the managing activity by the Going supply chains, a more extensive use of the forbearance tool and the introduction of a monitoring system to measure the effectiveness of measures granted.
- In addition to the above, efficiency and strengthening measures for the operational model and the under- and non-performing loan management processes are being defined.
- Credit Granting processes and procedures: a decision-making system is planned to be introduced to prevent potential deterioration already at the time of the credit granting through:
  - the development of point-in-time credit policies, characterised by indications of asset allocation based on risk/return/capital absorption indicators. In this way the quality of the performing portfolio has improved over the years, shifting its concentration towards the best rating classes;
  - strengthening of the preliminary examination of loan files for top management approval, with preparation of a much more complete set of information, similar to the supporting documents for structured finance transactions, with enhancement of the delegated functions involved;
  - a very precise monitoring system also for the Granting process, the timing of approvals and the quality of the approved portfolio.
- Incentive systems: credit quality objectives are allocated to the network and head office teams, addressing the activities of each function, in order to achieve complementary results that are fully consistent with Group objectives.
- Training on lending activities: in order to strengthen credit monitoring in application of current legislation, (NPL Guidance and Guidelines on the application of the definition of default), training cycles segmented by functions are provided to central structures and training cycles with more general content and strategic management indications to pursue are provided to the network.

The consistency of the classification of a position in the right risk category, with respect to internal rules and Bank of Italy regulations, is also ensured by second-level checks that, by applying a suitable method, verify not only that classifications are correct, but also the adequacy of provisions, the presence of first-level controls and the effectiveness of recovery processes, so as to ensure strong supervision throughout the entire credit chain. The improvement in the risk profile of counterparties leads to a transfer to better internal classifications and may result in a return to “performing” status.

With regard to the cycle for the management of exposures showing initial signs of difficulty and non-performing exposures, macro strategies for internal recoveries are envisaged within the Group, which apply specific methods depending on the type of debtor, how critical the anomalies are and an assessment of the entire exposure to the debtor and any related parties.

The main strategies that can be followed are:
- management of arrears/overdrafts, also through outsourcing;
- reshaping of the credit line and/or guarantee framework;
- granting of forbearance measures;
- waiver of loan (with or without debt forgiveness, a.k.a.: Debt forgiveness);
- transfer of loans to third parties;
- repossession of the asset.

The recovery of arrears and the granting of forbearance measures without remission - even partial - of the debt, where judged practicable, are to be preferred to alternative strategies such as a waiver or assignment of loans and the use of debt recovery procedures and enforcement actions, and will be pursued as a matter of priority.
The resolution approving the management strategy envisages a system of increasing delegated powers, consistent with the powers of classification and the estimate of value adjustments, also with the intervention of specialist units competent in the various phases of the relationship, and with different degrees of centralisation of decision-making skills in relationship management.

3.2 Write-offs

In general, and in line with the relevant legislation, the loan must be written off when:
- there is no reasonable prospect of recovery as a result of facts of any nature that make it impossible for the customer to fully meet their obligations (“write-off”), or
- the certainty of a loss materialises (for example, because of definitive legal events).

The assessment and proposal of write-offs, foreseen exclusively for the positions classified as “unlikely to pay” and “bad loans” occurs only in the presence of specific events that make it evident that the exposure is unrecoverable. In such cases, once unrecoverability is ascertained, a loan is timely written off in line with the recommendations of the supervisory authority, the applicable guidelines and Group policies.

3.3 Purchased or originated credit-impaired financial assets

If a credit exposure classified in item 30 "Financial assets measured at fair value through other comprehensive income" or in item 40 "Financial assets measured at amortised cost" at the time of initial recognition becomes impaired, it is identified as "Purchased or Originated Credit Impaired - POCI".
By convention, POCI financial assets are classified in Stage 3 on initial recognition.
Should these assets become performing, following an improvement in the creditworthiness of the counterparty, they are reclassified to Stage 2.
They can never be classified in Stage 1, as the expected credit loss must always be calculated over the residual duration.

The BPER Banca Group identifies as "Purchased or originated credit-impaired financial assets":
- exposures already impaired at the time of purchase, also as part of business combinations;
- exposures originated as part of restructuring transactions of impaired exposures that led to the disbursement of new finance, or introduced substantial changes to the original contractual conditions.

4. Renegotiated financial assets and forborne exposures

The BPER Banca Group adopts the definition of "Forbearance Measure" of the Implementing Regulation EU 227/2015.
Measures of forbearance consist of concessions to debtors who are or are about to find themselves in difficulty in meeting their financial commitments (i.e. in financial difficulty). The exposures subject to forbearance measures are identified as forborne.
"Forbearance" means facilitating measures in favour of the customer which can be summarised in the following categories:
- "modifications", made to the terms and conditions of a loan agreement due to the debtor's inability to perform financially in the commitments assumed previously;
- total or partial "refinancing" of the debt.

An intrinsic characteristic of forbearance is the state of financial difficulty of the debtor: it is based on an overall assessment of the debtor for which the rating is one of the elements to be considered. Financial difficulty is objectively recognised when the counterparty position is classified among the non-performing loans, while it is presumed when loan anomalies envisaged under current regulations are detected, including but not limited to:
- existence during the past 3 months, or potential existence in the absence of assistance granted to the debtor, of past due and/or overdrawn relationships for periods of at least 30 days;
- allocation of new loans, in whole or in part, to paying down existing credit lines that were past due and/or overdrawn for 30 days at least once during the 3-month period prior to granting the new loans to the debtor.

The Group adopts standardised decision-making trees and/or customised solutions in order to apply efficient and effective debt rescheduling solutions, based on customer characteristics and type of exposure, which constitute one of the Group's strategies for reducing non-performing exposures.

The forbearance measures are divided, depending on the time horizon over which they extend, into:
- short-term forbearance measures, or temporary changes in the reimbursement conditions, aimed at facing short-term financial difficulties, and have a duration of less than 24 months;
- long-term forbearance measures, or changes in the reimbursement conditions aimed at definitively resolving the debtor's financial difficulty, and lasting more than 24 months (also in combination with short-term measures).

Not all contractual changes in favour of the customer ("concessions") give rise to forborne exposures, but only if there are also elements of financial difficulty. In their absence, the concessions are configured as transactions for merely commercial purposes.

Forborne positions are monitored by the Bank to check the effectiveness and efficiency of the assistance provided, in order to verify that the financial difficulties have been overcome. The minimum observation period is:
- 24 months if the counterparty is classified as performing (probation period);
- 36 months if the counterparty is in default (12-month cure period and 24-month probation period).

Once the debtor's financial difficulty has been established, the conditions for classification as an unlikely to pay position must also be verified when the measure is granted.

Positions may be forborne in both macro-categories of credit classification ("performing" and "default") and, in accordance with current regulations, may result in the counterparty being classified as non-performing: for example, a counterparty with credit lines that are forborne under probation, that has therefore completed the 12-month cure period and is now in the probation period following reclassification as "performing" from "default", is automatically classified as unlikely to pay if they are overdrawn for more than 30 days or a new concession is made (re-forborne).

Quantitative information

A. Credit quality

A.1 Non-performing and performing credit exposures: amounts, adjustments, changes and economic distribution

A.1.1 Breakdown of financial assets by portfolio classification and credit quality (book values)

Portfolios/quality	Bad loans	Unlikely-To-Pay loans	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	99,036	1,061,365	32,072	576,741	102,921,207	104,690,421
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	4,852,065	4,852,065
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	152,246	152,246
5. Financial assets held for sale	-	-	-	-	-	-
Total 31.12.2024	**99,036**	**1,061,365**	**32,072**	**576,741**	**107,925,518**	**109,694,732**
Total 31.12.2023	**138,965**	**624,521**	**92,024**	**635,597**	**106,002,390**	**107,493,497**

Details of forborne exposures (book values)

Portfolios/quality	Bad loans	Unlikely-To-Pay loans	Non-performing past due exposures	Performing past due exposures	Performing exposures	Total
1. Financial assets measured at amortised cost						
- Loans to customers	15,610	231,657	3	29,365	695,716	972,351

A.1.2 Breakdown of financial assets by portfolio classification and credit quality (gross and net values)

Portfolios/quality	Non-performing				Performing			Total (net exposure)
	Gross exposure	Total impairment provisions	Net exposure	Total partial write-offs (*)	Gross exposure	Total impairment provisions	Net exposure	
1. Financial assets measured at amortised cost	2,168,491	976,018	1,192,473	23,492	104,022,431	524,483	103,497,948	104,690,421
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	4,853,845	1,780	4,852,065	4,852,065
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	152,246	152,246
5. Financial assets held for sale	-	-	-	-	-	-	-	-
Total 31.12.2024	**2,168,491**	**976,018**	**1,192,473**	**23,492**	**108,876,276**	**526,263**	**108,502,259**	**109,694,732**
Total 31.12.2023	**1,697,423**	**841,913**	**855,510**	**31,712**	**107,083,668**	**602,418**	**106,637,987**	**107,493,497**

(*) Amount to be shown for information purposes

Details of counterparties	Total write-offs	
	31.12.2024	31.12.2023
Financial companies	-	-
- of which: financial and non resident companies	-	-
Non-financial companies	23,440	31,487
- of which: non financial and non resident companies	-	-
Households	52	224
- of which: non resident households	-	-
Total	**23,492**	**31,712**
- of which: non resident	**-**	**-**

Previous write-offs do not include those carried out during the year on bad loans as part of credit extinction events, also reported in the tables A.1.9 and A.1.11, as detailed below.

Details of counterparties	Total gross derecognition	
	31.12.2024	31.12.2023
Financial companies	-	412
- of which: financial and non resident companies	-	136
Non-financial corporations	25,121	239,805
- of which: non financial and non resident companies	-	-
Households	3,969	45,382
- of which: non resident households	24	68
Public Administrations	-	38
- of which: non resident Public Administrations	-	-
Total	**29,090**	**285,637**
- of which: non resident	**24**	**204**

The amounts shown above are gross of default interest.

Portfolios/quality	Low credit quality assets		Other assets
	Cumulated capital losses	Net exposure	Net exposure
1. Financial assets held for trading	-	83	689,694
2. Hedging derivatives	-	-	649,351
Total 31.12.2024	**-**	**83**	**1,339,045**
Total 31.12.2023	**-**	**1,363**	**1,754,840**

A.1.3 Breakdown of financial assets by past due buckets (book values)

Portfolios/Risk stage	Stage 1			Stage 2			Stage 3			Purchased or originated credit impaired		
	1 to 30 days	> 30 to 90 days	> 90 days	1 to 30 days	> 30 to 90 days	> 90 days	1 to 30 days	> 30 to 90 days	> 90 days	1 to 30 days	> 30 to 90 days	> 90 days
1. Financial assets measured at amortised cost	284,478	-	7	161,279	110,481	9,964	24,094	61,887	838,903	12,450	4,445	57,765
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**284,478**	**-**	**7**	**161,279**	**110,481**	**9.964**	**24,094**	**61,887**	**838,903**	**12,450**	**4,445**	**57,765**
Total 31.12.2023	**281,157**	**-**	**4**	**191,916**	**126,919**	**23,502**	**25,885**	**57,398**	**434,801**	**14,514**	**14,680**	**81,070**

A.1.4 Financial assets, commitments to disburse funds and financial guarantees granted: changes in total impairment provisions

Sources/Risk stages	Total impairment provisions											
	Financial assets classified in stage 1						Financial assets classified in stage 2					
	On-demand loans to banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment losses	of which: collective impairment losses	On-demand loans to banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment losses	of which: collective impairment losses
Total opening adjustments	**1,143**	**155,570**	**2,595**	**-**	**-**	**159,308**	**-**	**423,812**	**162**	**-**	**-**	**423,974**
Increases in purchased or originated financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Derecognitions other than write-offs	-	-	-	-	-	-	-	-	-	-	-	-
Net impairment losses for credit risk (+/-)	(115)	19,421	(864)	-	-	18,442	-	(92,220)	(113)	-	-	(92,333)
Contractual modifications without derecognition	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Other	-		-	-	-		-		-	-	-	
Total closing adjustments	**1,028**	**174,991**	**1,731**	**-**	**-**	**177,750**	**-**	**331,592**	**49**	**-**	**-**	**331,641**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-

A.1.4 Financial assets, commitments to disburse funds and financial guarantees granted: changes in total impairment provisions

(cont.)

Sources/Risk stages	Total impairment provisions										
	Financial assets classified in stage 3						Purchased or originated credit-impaired				
	On-demand loans to banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment losses	of which: collective impairment losses	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment losses	of which: collective impairment losses
Total opening adjustments	**-**	**578,786**	**779**	**-**	**579,565**	**-**	**282,627**	**-**	**-**	**282,627**	**-**
Increases in purchased or originated financial assets	-	-	-	-	-	-	X	X	X	X	X
Derecognitions other than write-offs	-	(127,513)	-	-	(127,513)	-	(65,255)	-	-	(65,255)	-
Net impairment losses for credit risk (+/-)	-	329,921	(779)	-	329,142	-	9,155	-	-	9,155	-
Contractual modifications without derecognition	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in profit or loss	-	(25,125)	-	-	(25,125)	-	(22,965)	-	-	(22,965)	-
Other	-	34,103	-	-	34,103	-	185	-	-	185	-
Total closing adjustments	**-**	**790,172**	**-**	**-**	**790,172**	**-**	**203,747**	**-**	**-**	**203,747**	**-**
Recoveries from financial assets subject to write-off	-	2,949	-	-	2,949	-	34,215	-	-	34,215	-
Write-offs recognised directly through profit or loss	-	17,774	-	-	17,774	-	-	-	-	-	-

A.1.4 Financial assets, commitments to disburse funds and financial guarantees granted: changes in total impairment provisions

(cont.)

Sources/Risk stages	Total provisions on commitments to disburse funds and financial guarantees issued			Commitments to disburse funds and financial guarantees granted, purchased or originated credit impaired	Total
	Stage 1	Stage 2	Stage 3		
Total opening adjustments	**9,741**	**4,495**	**36,190**	**-**	**1,495,900**
Increases in purchased or originated financial assets	-	-	-	-	-
Derecognitions other than write-offs	-	-	-	-	(192,768)
Net impairment losses for credit risk (+/-)	(86)	731	(4,022)	-	261,029
Contractual modifications without derecognition	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-
Write-offs not recognised directly in profit or loss	-	-	-	-	(48,090)
Other	-	-	(60)	-	34,228
Total closing adjustments	**9,655**	**5,226**	**32,108**	**-**	**1,550,299**
Recoveries from financial assets subject to write-off	-	-	-	-	37,164
Write-offs recognised directly through profit or loss	-	-	-	-	17,774

A.1.5 Financial assets, commitments to disburse funds and financial guarantees granted: transfers between different credit risk stages (gross and nominal values)

Portfolios/Risk stage	Gross exposure/Nominal value					
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
	From Stage 1 to Stage 2	From Stage 2 to Stage 1	From Stage 2 to Stage 3	From Stage 3 to Stage 2	From Stage 1 to Stage 3	From Stage 3 to Stage 1
1. Financial assets measured at amortised cost	3,363,216	2,703,066	775,428	64,991	193,512	13,280
2. Financial assets measured at fair value through other comprehensive income	132,035	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-
4. Commitments to disburse funds and financial guarantees granted	1,742,351	930,118	72,908	3,898	50,115	3,298
Total 31.12.2024	**5,237,602**	**3,633,184**	**848,336**	**68,889**	**243,627**	**16,578**
Total 31.12.2023	**6,040,655**	**5,949,828**	**451,123**	**107,247**	**276,489**	**33,704**

A.1.6 On- and off-balance sheet credit exposures to banks: gross and net values

Type of exposure/amount	Gross exposure					Total impairment provisions					Net exposure	Total partial write-offs (*)
		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
A. ON-BALANCE SHEET CREDIT EXPOSURES												
A.1. ON DEMAND	**7,196,195**	**7,196,195**	**-**	**X**	**-**	**1,028**	**1,028**	**-**	**X**	**-**	**7,195,167**	**-**
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	7,196,195	7,196,195	-	X	-	1,028	1,028	-	X	-	7,195,167	-
A.2 OTHER	**13,752,649**	**13,298,035**	**419,302**	**-**	**-**	**24,597**	**1,812**	**22,785**	**-**	**-**	**13,728,052**	**-**
a) Bad loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non-performing past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	22,551	2	22,549	X	-	22,466	-	22,466	X	-	85	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	13,730,098	13,298,033	396,753	X	-	2,131	1,812	319	X	-	13,727,967	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	**20,948,844**	**20,494,230**	**419,302**	**-**	**-**	**25,625**	**2,840**	**22,785**	**-**	**-**	**20,923,219**	**-**
B. OFF-BALANCE SHEET CREDIT EXPOSURES						-	-	-	-	-		
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	2,939,343	1,741,399	26,504	X	-	57	57	-	X	-	2,939,286	-
TOTAL (B)	**2,939,343**	**1,741,399**	**26,504**	**-**	**-**	**57**	**57**	**-**	**-**	**-**	**2,939,286**	**-**
TOTAL (A+B)	**23,888,187**	**22,235,629**	**445,806**	**-**	**-**	**25,682**	**2,897**	**22,785**	**-**	**-**	**23,862,505**	**-**

* Amount to be shown for information purposes

A.1.7 On- and off-balance sheet credit exposures to customers: gross and net values

Type of exposure/amount	Gross exposure					Total impairment provisions					Net exposure	Total partial write-offs (*)
		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
A. ON-BALANCE SHEET CREDIT EXPOSURES												
a) Bad loans	379,935	X	-	316,220	63,715	280,899	X	-	227,410	53,489	99,036	23,492
- of which: forborne exposures	63,215	X	-	56,201	7,014	47,605	X	-	41,713	5,892	15,610	2,711
b) Unlikely to pay loans	1,739,459	X	-	1,534,231	205,228	678,094	X	-	546,157	131,937	1,061,365	-
- of which: forborne exposures	473,541	X	-	363,384	110,157	241,884	X	-	173,941	67,943	231,657	-
c) Non-performing past due exposures	49,097	X	-	47,708	1,389	17,025	X	-	16,605	420	32,072	-
- of which: forborne exposures	7	X	-	7	-	4	X	-	4	-	3	-
d) Performing past due exposures	608,456	286,009	310,754	X	11,693	31,800	1,526	29,113	X	1,161	576,656	-
- of which: forborne exposures	32,779	-	27,028	X	5,751	3,414	-	2,658	X	756	29,365	-
e) Other performing exposures	94,764,537	87,781,991	6,500,912	X	267,580	469,866	173,384	279,743	X	16,739	94,294,671	-
- of which: forborne exposures	756,220	-	675,703	X	80,516	60,504	-	52,936	X	7,568	695,716	-
TOTAL (A)	**97,541,484**	**88,068,000**	**6,811,666**	**1,898,159**	**549,605**	**1,477,684**	**174,910**	**308,856**	**790,172**	**203,746**	**96,063,800**	**23,492**
B. OFF-BALANCE SHEET CREDIT EXPOSURES												
a) Non-performing	347,336	X	-	347,336	-	49,646	X	-	49,646	-	297,690	-
b) Performing	39,706,178	36,980,298	2,653,188	X	-	42,565	33,396	9,169	X	-	39,663,613	-
TOTAL (B)	**40,053,514**	**36,980,298**	**2,653,188**	**347,336**	**-**	**92,211**	**33,396**	**9,169**	**49,646**	**-**	**39,961,303**	**-**
TOTAL (A+B)	**137,594,998**	**125,048,298**	**9,464,854**	**2,245,495**	**549,605**	**1,569,895**	**208,306**	**318,025**	**839,818**	**203,746**	**136,025,103**	**23,492**

* Amount to be shown for information purposes

As at 31 December 2024, the performing loans to customers, limited to the portion measured at amortised cost, amounted to a gross exposure of Euro 77,993 million. Net of portfolio adjustments for Euro 496 million, the net exposure totalled Euro 77,497 million; the average coverage ratio is therefore 0.64%.
At the same date, non-performing loans to customers, limited to the portion of loans measured at amortised cost, amounted to a gross exposure of Euro 1,803 million. Net of impairment losses for Euro 966 million, the net exposure totalled Euro 837 million; the average coverage ratio for this cluster of loans is therefore 53.55%.

The following is a summary of non-performing and performing credit exposures (amounts and adjustments) by economic distribution.

	Non-performing assets				Performing assets		
	Gross exposure	Individual impairment provisions - analytical	Individual impairment provisions - automated	Net exposure	Gross exposure	Collective impairment provisions	Net exposure
On-balance sheet credit exposures to customers (loans and debt securities)	**2,168,491**	**557,851**	**418,168**	**1,192,472**	**91,636,937**	**500,399**	**91,136,537**
Governments and other public entities	538	-	212	327	14,853,664	4,462	14,849,202
- of which: foreign	-	-	-	-	4,310,717	198	4,310,519
Financial companies	394,536	16,579	7,514	370,443	10,426,407	52,280	10,374,126
- of which: foreign	8	7	1	-	875,074	2,971	872,103
Non-financial companies	1,117,815	463,362	184,387	470,066	32,329,113	254,748	32,074,365
- of which: foreign	459	58	206	195	634,893	584	634,309
Individuals and households	655,602	77,910	226,055	351,636	34,027,753	188,909	33,838,844
- of which: foreign	2,933	630	1,304	999	87,511	1,235	86,276

* Amount to be shown for information purposes

The loans measured at amortised cost, that constitute new liquidity granted through public guarantee mechanisms issued in response to the Covid-19 pandemic are reported below, when the stage of risk in which the exposures are found at the date of this disclosure is different from the stage in which the exposures were classified at the start of the period.

	Gross exposure					Total impairment provisions					Exposure Net
		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	
A. Bad loans	99,581	-	-	96,831	2,750	52,710	-	-	51,117	1,593	46,871
B. Unlikely to pay loans	142,856	-	-	139,054	3,802	28,923	-	-	27,633	1,290	113,933
C. Non-performing past due exposures	4,050	-	-	4,023	27	172	-	-	171	1	3,878
D. Performing loans	29,451	5,109	24,147	-	195	257	5	251	-	1	29,194
E. Other performing loans	3,015,247	2,483,119	526,165	-	5,963	4,574	1,355	3,193	-	26	3,010,673
TOTAL (A+B+C+D+E)	**3,291,185**	**2,488,228**	**550,312**	**239,908**	**12,737**	**86,636**	**1,360**	**3,444**	**78,921**	**2,911**	**3,204,549**

A.1.8 On-balance sheet credit exposures to banks: change in gross non-performing exposures

There are no amounts for this item in this Separate Financial Report.

A.1.8bis On-balance sheet credit exposures to banks: change in gross forborne exposures broken down by credit quality

There are no amounts for this item in this Separate Financial Report.

A.1.9 On-balance sheet credit exposures to customers: change in gross non-performing exposures

Reasons/Category	Bad loans	Unlikely-To-Pay loans	Non-performing past due exposures
A. Opening balance (gross amount)	**404,839**	**1,173,259**	**119,325**
- of which: sold but not derecognised	-	-	-
B. Increases	**596,522**	**1,283,773**	**75,544**
B.1 inflows from performing exposures	55,898	965,455	52,756
B.2 inflows from purchased or originated credit impaired financial assets	-	-	-
B.3 transfers from other non-performing exposures	174,653	74,088	290
B.4 contractual modifications without derecognition	-	-	-
B.5 other increases	365,971	244,230	22,498
C. Decreases	**621,426**	**717,573**	**145,772**
C.1 outflows to performing exposures	-	62,141	20,739
C.2 write-offs	29,090	29,878	1
C.3 recoveries	79,283	382,292	33,305
C.4 sales proceeds	119,248	36,300	-
C.5 losses on disposals	7,263	1,557	-
C.6 transfers to other categories of non performing exposures	-	157,304	91,727
C.7 contractual modifications without derecognition	-	-	-
C.8 other decreases	386,542	48,101	-
D. Closing balance (gross amounts)	**379,935**	**1,739,459**	**49,097**
- of which: sold but not derecognised	-	-	-

A.1.9bis On-balance sheet credit exposures to customers: change in gross forborne exposures broken down by credit quality

Description/Quality	Forborne exposures: impaired	Forborne exposures: non impaired
A. Opening balance (gross amount)	**529,300**	**884,159**
- of which: sold but not derecognised	-	-
B. Increases	**314,417**	**731,941**
B.1 inflows from performing non-forborne exposures	69,700	374,872
B.2 inflows from performing forborne exposures	96,083	X
B.3 inflows from non-performing forborne exposures	X	52,648
B.4 inflows from non-performing non forborne exposure	-	-
B.5 other increases	148,634	304,421
C. Decreases	**306,954**	**827,101**
C.1 outflows to performing non-forborne exposures	X	323,956
C.2 outflows to performing forborne exposures	52,648	X
C.3 outflows to non-performing forborne exposures	X	96,083
C.4 write-offs	6,798	-
C.5 recoveries	120,616	407,062
C.6 sales proceeds	47,223	-
C.7 losses on disposals	8,171	-
C.8 other decreases	71,498	-
D. Closing balance (gross amounts)	**536,763**	**788,999**
- of which: sold but not derecognised	-	-

A.1.10 On-balance sheet non-performing credit exposures to banks: change in total impairment provisions

There are no amounts for this item in this Separate Financial Report.

A.1.11 On-balance sheet non-performing credit exposures to customers: change in total impairment provisions

Reasons/Category	Bad loans		Unlikely-To-Pay loans		Non-performing past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening balance: total impairment provisions	**265,874**	**50,655**	**548,738**	**211,909**	**27,301**	**86**
- of which: sold but not derecognised	-	-	-	-	-	-
B. Increases	**535,205**	**71,836**	**387,151**	**94,070**	**16,139**	**4**
B.1 impairment losses on purchased or originated impaired financial assets	-	X	-	X	-	X
B.2 other value adjustments	156,424	34,483	308,964	73,883	16,031	4
B.3 losses on disposals	7,263	6,701	1,557	1,470	-	-
B.4 transfers from other non-performing exposures	52,711	9,986	17,441	86	107	-
B.5 contractual modifications without derecognition	-	-	-	-	-	-
B.6 other increases	318,807	20,666	59,189	18,631	1	-
C. Decreases	**520,180**	**74,886**	**257,795**	**64,095**	**26,415**	**86**
C.1 write-backs from assessments	30,528	3,172	92,526	24,475	5,906	-
C.2 write-backs from recoveries	27,385	7,973	37,519	15,204	909	-
C.3 gains on disposal	39,372	6,433	-	-	-	-
C.4 write-offs	29,090	1,635	29,878	5,164	1	-
C.5 transfers to other categories of non performing exposures	-	-	50,660	9,986	19,599	86
C.6 contractual modifications without derecognition	-	-	-	-	-	-
C.7 other decreases	393,805	55,673	47,212	9,266	-	-
D. Closing balance: total impairment provisions	**280,899**	**47,605**	**678,094**	**241,884**	**17,025**	**4**
- of which: sold but not derecognised	-	-	-	-	-	-

A.2 Classification of financial assets, commitments to disburse funds and financial guarantees granted by external and internal ratings

A.2.1 Breakdown of financial assets, commitments to disburse funds and financial guarantees granted: by external and internal ratings (gross amounts)

Exposures	External rating classes						Unrated	Total
	class 1	class 2	class 3	class 4	class 5	class 6		
A. Financial assets measured at amortised cost	8,694,975	3,235,102	10,920,167	2,556,043	309,006	10,319	80,465,312	106,190,924
- Stage 1	8,514,627	3,144,680	10,894,513	2,330,460	187,819	1,944	71,580,352	96,654,395
- Stage 2	180,348	90,422	25,170	211,218	118,969	6,033	6,456,605	7,088,765
- Stage 3	-	-	-	13,502	1,665	1,681	1,881,311	1,898,159
- Purchased or originated credit impaired	-	-	484	863	553	661	547,044	549,605
B. Financial assets measured at fair value through other comprehensive income	1,494,054	326,467	2,227,837	18,429	-	-	787,056	4,853,843
- Stage 1	1,375,060	326,467	2,220,606	18,429	-	-	771,079	4,711,641
- Stage 2	118,994	-	7,231	-	-	-	15,977	142,202
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
C. Financial assets classified as held for sale	-	-	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
Total (A + B + C)	**10,189,029**	**3,561,569**	**13,148,004**	**2,574,472**	**309,006**	**10,319**	**81,252,368**	**111,044,767**
D. Commitments to disburse funds and financial guarantees granted	346,719	4,218,514	4,493,212	2,513,150	198,015	1,894	31,221,353	42,992,857
- Stage 1	346,719	4,179,239	4,442,048	2,196,250	179,398	702	28,619,597	39,963,953
- Stage 2	-	39,275	51,164	310,291	18,617	967	2,259,378	2,679,692
- Stage 3	-	-	-	6,609	-	225	342,378	349,212
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
Total (D)	**346,719**	**4,218,514**	**4,493,212**	**2,513,150**	**198,015**	**1,894**	**31,221,353**	**42,992,857**
Total (A + B + C + D)	**10,535,748**	**7,780,083**	**17,641,216**	**5,087,622**	**507,021**	**12,213**	**112,473,721**	**154,037,624**

As at 31 December 2024, BPER Banca avails itself of the external ratings provided by Moody's, Standard & Poor's and Fitch, for the calculation of the capital absorption for exposures to corporates, supervised intermediaries and covered bonds. Cerved is confirmed to be used for exposures to corporates, Fitch for financial instruments pledged as collateral and Standard & Poor's for exposures to securitisation.

In observance of the regulatory provisions, in the presence of three valuations, the second best one is used, while in the presence of two the most prudential one is adopted.

The rating agencies used by BPER Banca are shown below, along with a table for the reconciliation between the external rating classes and the agencies' ratings.

Long-term rating for exposures to companies:

Class of creditworthiness	Risk weighting coefficients	ECAI Cerved Group	ECAI Fitch Ratings	ECAI Moody's Ratings	ECAI S&P Ratings
1	20%	A1.1, A1.2, A1.3	from AAA to AA-	from Aaa to Aa3	from AAA to AA-
2	50%	A2.1, A2.2, A3.1	from A+ to A-	from A1 to A3	from A+ to A-
3	100%	B1.1, B1.2	from BBB+ to BBB-	from Baa1 to Baa3	from BBB+ to BBB-
4	100%	B2.1, B2.2	from BB+ to BB-	from Ba1 to Ba3	from BB+ to BB-
5	150%	C1.1	from B+ to B-	from B1 to B3	from B+ to B-
6	150%	C1.2, C2.1	lower than CCC+	lower than Caa1	lower than CC+

Long-term rating for exposures to Banks and Supervised Intermediaries:

Class of creditworthiness	Risk weighting coefficients	ECAI Fitch Ratings	ECAI Moody's Ratings	ECAI S&P Ratings
1	20%	from AAA to AA-	from Aaa to Aa3	from AAA to AA-
2	50%	from A+ to A-	from A1 to A3	from A+ to A-
3	50%	from BBB+ to BBB-	from Baa1 to Baa3	from BBB+ to BBB-
4	100%	from BB+ to BB-	from Ba1 to Ba3	from BB+ to BB-
5	100%	from B+ to B-	from B1 to B3	from B+ to B-
6	150%	lower than CCC+	lower than Caa1	lower than CC+

Long-term rating for exposures to Covered Bonds:

Class of creditworthiness	Risk weighting coefficients	ECAI Fitch Ratings	ECAI Moody's Ratings	ECAI S&P Ratings
1	10%	from AAA to AA-	from Aaa to Aa3	from AAA to AA-
2	20%	from A+ to A-	from A1 to A3	from A+ to A-
3	20%	from BBB+ to BBB-	from Baa1 to Baa3	from BBB+ to BBB-
4	50%	from BB+ to BB-	from Ba1 to Ba3	from BB+ to BB-
5	50%	from B+ to B-	from B1 to B3	from B+ to B-
6	100%	lower than CCC+	lower than Caa1	lower than CC+

Long-term rating for exposures to securitisations:

Class of creditworthiness	Risk weighting coefficients	ECAI Fitch Ratings	ECAI S&P Ratings
1	20%	from AAA to AA-	from AAA to AA-
2	50%	from A+ to A-	from A+ to A-
3	100%	from BBB+ to BBB-	from BBB+ to BBB-
4	350%	from BB+ to BB-	from BB+ to BB-
5	1250%	lower than BB-	lower than BB-

Long-term rating for exposures to Public Administrations:

Class of creditworthiness	Risk weighting coefficients	ECAI Scope Ratings
1	0%	from AAA to AA-
2	20%	from A+ to A-
3	50%	from BBB+ to BBB-
4	100%	from BB+ to BB-
5	100%	from B+ to B-
6	150%	from CCC to D

A.2.2 Breakdown of financial assets, commitments to disburse funds and financial guarantees granted: by external and internal ratings (gross amounts)

Exposures	Internal rating classes							
	1	2	3	4	5	6	7	8
A. Financial assets measured at amortised cost	16,268,446	12,057,027	11,754,737	12,436,681	9,790,432	9,084,650	3,976,081	2,032,778
- Stage 1	16,236,550	11,842,652	11,367,973	11,674,092	8,836,662	7,635,929	3,248,807	1,296,574
- Stage 2	27,929	200,990	371,093	739,654	913,164	1,408,177	677,169	699,255
- Stage 3	-	-	-	-	-	-	2,277	12,026
- Purchased or originated credit impaired	3,967	13,385	15,671	22,935	40,606	40,544	47,828	24,923
B. Financial assets measured at fair value through other comprehensive income	604,573	133,099	36,973	521,709	155,157	708,797	437,174	162,466
- Stage 1	604,573	133,099	36,973	521,709	150,087	589,803	419,036	162,466
- Stage 2	-	-	-	-	5,070	118,994	18,138	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
C. Financial assets classified as held for sale	-	-	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
Total (A + B + C)	**16,873,019**	**12,190,126**	**11,791,710**	**12,958,390**	**9,945,589**	**9,793,447**	**4,413,255**	**2,195,244**
D. Commitments to disburse funds and financial guarantees granted	15,011,987	9,122,918	4,583,215	3,351,307	1,682,184	1,446,352	596,142	445,364
- Stage 1	14,959,648	8,866,089	4,332,122	2,662,425	1,389,971	971,405	421,832	249,426
- Stage 2	52,339	256,829	251,093	688,882	292,213	474,947	174,310	195,938
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
Total (D)	**15,011,987**	**9,122,918**	**4,583,215**	**3,351,307**	**1,682,184**	**1,446,352**	**596,142**	**445,364**
Total (A + B + C + D)	**31,885,006**	**21,313,044**	**16,374,925**	**16,309,697**	**11,627,773**	**11,239,799**	**5,009,397**	**2,640,608**

(cont.)

Exposures	Internal rating classes					Total
	9	10	11	12	13	
A. Financial assets measured at amortised cost	9,253,894	739,617	1,211,381	172,828	245,596	89,024,148
- Stage 1	8,833,915	140,213	387,891	-	422	81,501,680
- Stage 2	402,109	591,773	426,994	171,078	235,593	6,864,978
- Stage 3	-	110	365,431	-	-	379,844
- Purchased or originated credit impaired	17,870	7,521	31,065	1,750	9,581	277,646
B. Financial assets measured at fair value through other comprehensive income	1,857,369	96,396	135,589	-	-	4,849,302
- Stage 1	1,857,369	96,396	135,589	-	-	4,707,100
- Stage 2	-	-	-	-	-	142,202
- Stage 3	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-
C. Financial assets classified as held for sale	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-
Total (A + B + C)	**11,111,263**	**836,013**	**1,346,970**	**172,828**	**245,596**	**93,873,450**
D. Commitments to disburse funds and financial guarantees granted	116,456	83,371	55,970	13,849	49,883	36,558,998
- Stage 1	58,933	342	330	-	64	33,912,587
- Stage 2	56,544	83,022	55,640	13,849	49,819	2,645,425
- Stage 3	979	7	-	-	-	986
- Purchased or originated credit impaired	-	-	-	-	-	-
Total (D)	**116,456**	**83,371**	**55,970**	**13,849**	**49,883**	**36,558,998**
Total (A + B + C + D)	**11,227,719**	**919,384**	**1,402,940**	**186,677**	**295,479**	**130,432,448**

	With internal rating	Unrated	Total
On-balance-sheet exposures	93,873,450	17,171,317	111,044,767
Off-balance-sheet exposures	36,558,998	6,433,859	42,992,857
Total	**130,432,448**	**23,605,176**	**154,037,624**

On 24 June 2016, the ECB authorised the Group to use the IRB Advanced Method (PD, LGD, EAD parameters) for the quantification of the capital requirement for customers' credit risk.
The internal rating classes are shown as they are used in the management of credit risk. The Group's rating system for the valuation of counterparties is divided into a Large Corporate model, a Corporate model and an Individuals model. Creditworthiness classifications are represented by 13 rating classes regarding performing counterparties, differentiated by risk segment, and by a class relating to default (for the Large Corporate segment, there are 9 rating classes). In turn, the 13 rating classes have been grouped into 5 operational classes, which indicate aggregate risk levels:

Operational classes (of risk)	Rating classes
High	10 - 11 - 12 - 13
Significant	8 -9
Average	5 - 6 - 7
Low	3 - 4
Very low	1 - 2

On-balance sheet exposures include all the credit exposures of the "Financial assets measured at fair value through other comprehensive income" portfolio, and the "Financial assets measured at amortised cost" portfolio; "off-balance sheet" exposures include all financial transactions other than on-balance sheet transactions (guarantees granted, commitments, derivatives) that involve the assumption of a credit risk, whatever the purpose of such transactions is (trading, hedging, etc.).

A.3 Breakdown of guaranteed credit exposures by type of guarantee

A.3.1 Guaranteed on and off-balance sheet credit exposures to banks

	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)	
							Credit derivatives	
			Property - mortgages	Property - finance leases	Debt Securities	Other collateral	CLN	Other derivatives
								Central counterparties
1. Guaranteed on-balance sheet credit exposures:	**2,214,950**	**2,214,919**	**-**	**-**	**1,635,184**	**-**	**-**	**-**
1.1 fully guaranteed	2,214,950	2,214,919	-	-	1,635,184	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-
1.2 partially guaranteed	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-
2. Guaranteed off-balance sheet credit exposures:	**29,006**	**29,005**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 fully guaranteed	14,150	14,150	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-
2.2 partially guaranteed	14,856	14,855	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-

A.3.1 Guaranteed on- and off-balance sheet credit exposures to banks

(cont.)

	Personal guarantees (2)							Total (1)+(2)
	Credit derivatives			Endorsement loans				
	Other derivatives			Public Administrations	Banks	Other financial companies	Other entities	
	Banks	Other financial companies	Other entities					
1. Guaranteed on-balance sheet credit exposures:	**-**	**-**	**-**	**556,550**	**-**	**-**	**-**	**2,191,734**
1.1 fully guaranteed	-	-	-	556,550	-	-	-	2,191,734
- of which non-performing	-	-	-	-	-	-	-	-
1.2 partially guaranteed	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-
2. Guaranteed off-balance sheet credit exposures:	**-**	**-**	**-**	**21,661**	**-**	**-**	**2,742**	**24,403**
2.1 fully guaranteed	-	-	-	11,408	-	-	2,742	14,150
- of which non-performing	-	-	-	-	-	-	-	-
2.2 partially guaranteed	-	-	-	10,253	-	-	-	10,253
- of which non-performing	-	-	-	-	-	-	-	-

A.3.2 Guaranteed on- and off-balance sheet credit exposures to customers

	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)	
							Credit derivatives	
			Property - mortgages	Property - finance leases	Debt Securities	Other collateral	CLN	Other derivatives
								Central counterparties
1. Guaranteed on-balance sheet credit exposures:	**54,397,278**	**53,282,343**	**36,602,443**	**4,347**	**943,265**	**501,956**	**-**	**-**
1.1 fully guaranteed	46,669,852	45,775,478	36,264,033	4,347	731,461	293,747	-	-
- of which non-performing	1,162,674	591,322	395,433	1	6,840	1,525	-	-
1.2 partially guaranteed	7,727,426	7,506,865	338,410	-	211,804	208,209	-	-
- of which non-performing	285,062	149,289	17,613	-	2,590	9,788	-	-
2. Guaranteed off-balance sheet credit exposures:	**5,134,290**	**5,127,385**	**32,765**	**-**	**274,503**	**175,636**	**-**	**-**
2.1 fully guaranteed	4,109,763	4,103,561	30,998	-	214,188	67,360	-	-
- of which non-performing	57,255	52,918	-	-	2,319	511	-	-
2.2 partially guaranteed	1,024,527	1,023,824	1,767	-	60,315	108,276	-	-
- of which non-performing	29,836	29,577	-	-	823	536	-	-

A.3.2 Guaranteed on- and off-balance sheet credit exposures to customers

(cont.)

	Personal guarantees (2)							Total (1)+(2)
	Credit derivatives			Endorsement loans				
	Other derivatives			Public Administrations	Banks	Other financial companies	Other entities	
	Banks	Other financial companies	Other entities					
1. Guaranteed on-balance sheet credit exposures:	**-**	**-**	**-**	**6,636,870**	**1,734**	**166,268**	**5,253,996**	**50,110,879**
1.1 fully guaranteed	-	-	-	3,508,103	253	135,558	4,836,740	45,774,242
- of which non-performing	-	-	-	127,306	91	2,158	57,968	591,322
1.2 partially guaranteed	-	-	-	3,128,767	1,481	30,710	417,256	4,336,637
- of which non-performing	-	-	-	72,723	2	668	15,652	119,036
2. Guaranteed off-balance sheet credit exposures:	**-**	**-**	**-**	**229,439**	**12,962**	**149,832**	**3,705,975**	**4,581,112**
2.1 fully guaranteed	-	-	-	100,259	10,543	146,891	3,533,154	4,103,393
- of which non-performing	-	-	-	1,816	6,559	121	41,592	52,918
2.2 partially guaranteed	-	-	-	129,180	2,419	2,941	172,821	477,719
- of which non-performing	-	-	-	11,699	-	-	4,715	17,773

A.4 Financial and non-financial assets deriving from the enforcement of guarantees

	Derecognised credit exposure	Gross value	Total impairment provisions	Book Value	
					of which obtained during the year
A. Property, plant and equipment	**-**	**-**	**-**	**-**	**-**
A.1. Used in operations	-	-	-	-	-
A.2. Held for investment	-	-	-	-	-
A.3. Inventories	-	-	-	-	-
B. Equity instruments and debt securities	**-**	**-**	**-**	**-**	**-**
C. Other assets	**-**	**-**	**-**	**-**	**-**
D. Non-current assets and disposal groups classified as held for sale	**1,134**	**2,624**	**846**	**1,778**	**-**
D.1. Property, plant and equipment	1,134	2,624	846	1,778	-
D.2. Other assets	-	-	-	-	-
Total 31.12.2024	**1,134**	**2,624**	**846**	**1,778**	**-**
Total 31.12.2023	**1,833**	**4,386**	**901**	**3,485**	**-**

B. Distribution and concentration of credit exposures

B.1 Breakdown by sector of on- and off-balance sheet credit exposures to customers

Exposures/Counterparties	Public Administrations		Financial companies		Financial companies (of which: insurance companies)	
	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions
A. On-balance-sheet exposures						
A.1 Bad loans	-	-	281	1,423	-	-
- of which: forborne exposures	-	-	81	340	-	-
A.2 Unlikely-To-Pay exposures	122	180	370,061	22,595	-	-
- of which: forborne exposures	-	-	1,995	2,941	-	-
A.3 Non-performing past due exposures	205	31	101	75	-	-
- of which: forborne exposures	-	-	-	-	-	-
A.4 Performing exposures	17,198,700	5,138	10,933,458	52,563	165,354	308
- of which: forborne exposures	14,353	144	1,214	470	-	-
Total (A)	**17,199,027**	**5,349**	**11,303,901**	**76,656**	**165,354**	**308**
B. Off-balance sheet credit exposures						
B.1 Non-performing exposures	668	137	255	69	-	-
B.2 Performing exposures	112,772	61	3,828,489	588	272,773	-
Total (B)	**113,440**	**198**	**3,828,744**	**657**	**272,773**	**-**
Total (A+B) 31.12.2024	**17,312,467**	**5,547**	**15,132,645**	**77,313**	**438,127**	**308**
Total (A+B) 31.12.2023	**15,291,043**	**4,749**	**14,317,131**	**55,069**	**472,115**	**72**

B.1 Breakdown by sector of on- and off-balance sheet credit exposures to customers

(cont.)

Exposures/Counterparties	Non-financial companies		Households	
	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions
A. On-balance-sheet exposures				
A.1 Bad loans	76,734	220,078	22,021	59,398
- of which: forborne exposures	11,398	35,140	4,131	12,125
A.2 Unlikely-To-Pay loans	386,882	422,450	304,300	232,869
- of which: forborne exposures	142,692	171,832	86,970	67,111
A.3 Non-performing past due exposures	6,450	5,221	25,316	11,698
- of which: forborne exposures	-	4	3	-
A.4 Performing exposures	32,900,085	255,057	33,839,084	188,908
- of which: forborne exposures	504,387	51,132	205,127	12,172
Total (A)	**33,370,151**	**902,806**	**34,190,721**	**492,873**
B. Off-balance sheet credit exposures				
B.1 Non-performing exposures	290,417	48,515	6,350	925
B.2 Performing exposures	33,958,387	33,858	1,762,393	8,058
Total (B)	**34,248,804**	**82,373**	**1,768,743**	**8,983**
Total (A+B) 31.12.2024	**67,618,955**	**985,179**	**35,959,464**	**501,856**
Total (A+B) 31.12.2023	**67,491,190**	**996,708**	**34,986,238**	**468,377**

B.2 Breakdown by geographical area of on- and off-balance sheet credit exposures to customers

Exposures/Geographical areas	Italy		Other European countries		America
	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure
A. On-balance-sheet exposures					
A.1 Bad loans	98,924	280,215	29	153	83
A.2 Unlikely-To-Pay loans	1,060,350	676,703	798	1,180	207
A.3 Non-performing past due exposures	31,991	16,905	67	99	12
A.4 Performing exposures	87,245,210	496,219	4,902,344	4,941	1,335,062
Total (A)	**88,436,475**	**1,470,042**	**4,903,238**	**6,373**	**1,335,364**
B. Off-balance sheet credit exposures					
B.1 Non-performing exposures	297,633	49,645	57	1	-
B.2 Performing exposures	39,452,850	42,477	168,441	88	40,597
Total (B)	**39,750,483**	**92,122**	**168,498**	**89**	**40,597**
Total (A+B) 31.12.2024	**128,186,958**	**1,562,164**	**5,071,736**	**6,462**	**1,375,961**
Total (A+B) 31.12.2023	**124,381,441**	**1,518,167**	**5,401,573**	**5,509**	**1,537,936**

B.2 Breakdown by geographical area of on- and off-balance sheet credit exposures to customers

(cont.)

Exposures/Geographical areas	United States	Asia		Rest of the world	
	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions
A. On-balance-sheet exposures					
A.1 Bad loans	531	-	-	-	-
A.2 Unlikely-To-Pay exposures	138	5	39	5	34
A.3 Non-performing past due exposures	13	1	3	1	5
A.4 Performing exposures	299	167,617	119	1,221,094	88
Total (A)	**981**	**167,623**	**161**	**1,221,100**	**127**
B. Off-balance sheet credit exposures					
B.1 Non-performing exposures	-	-	-	-	-
B.2 Performing exposures	-	70	-	82	-
Total (B)	**-**	**70**	**-**	**82**	**-**
Total (A+B) 31.12.2024	**981**	**167,693**	**161**	**1,221,182**	**127**
Total (A+B) 31.12.2023	**1,001**	**251,509**	**129**	**513,143**	**97**

The territorial distribution of exposures to customers is presented below, considering just the component of loans and distinguishing between Stage classifications:

Exposures/ Geographical areas	ITALY			Other European countries			United States		
	Gross exposure	Total impairment provisions	Net exposure	Gross exposure	Total impairment provisions	Net exposure	Gross exposure	Total impairment provisions	Net exposure
Total	**79,266,292**	**(1,455,231)**	**77,811,061**	**470,682**	**(5,647)**	**465,035**	**50,598**	**(815)**	**49,783**
Stage 1	*70,449,522*	*(167,377)*	*70,282,145*	*439,381*	*(2,133)*	*437,248*	*48,590*	*(44)*	*48,546*
Stage 2	*6,739,202*	*(306,579)*	*6,432,623*	*27,619*	*(2,046)*	*25,573*	*1,026*	*(90)*	*936*
Stage 3	1,530,186	(778,089)	752,097	1,895	(1,214)	681	552	(380)	172
Purchased or originated credit-impaired financial assets	547,382	(203,186)	344,196	1,787	(254)	1,533	430	(301)	129

(cont.)

Exposures/Geographical areas	Asia			Rest of the world		
	Gross exposure	Total impairment provisions	Net exposure	Gross exposure	Total impairment provisions	Net exposure
Total	**6,524**	**(143)**	**6,381**	**2,067**	**(83)**	**1,984**
Stage 1	*5,383*	*(20)*	*5,363*	*1,545*	*(4)*	*1,541*
Stage 2	*1,095*	*(82)*	*1,013*	*465*	*(29)*	*436*
Stage 3	44	(39)	5	52	(45)	7
Purchased or originated credit-impaired financial assets	2	(2)	-	5	(5)	-

B.2 Breakdown by geographical area of on- and off-balance sheet credit exposures to customers

Exposures/Geographical areas	North West Italy		North East Italy		Centre Italy		South Italy and islands	
	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions
A. On-balance-sheet exposures								
A.1 Bad loans	38,650	110,834	18,153	56,147	20,360	46,250	21,761	66,984
A.2 Unlikely-To-Pay loans	266,723	246,265	525,904	181,445	119,559	118,492	148,164	130,501
A.3 Non-performing past due exposures	10,786	4,895	5,228	2,459	5,005	3,676	10,972	5,875
A.4 Performing exposures	29,226,062	220,854	20,469,886	69,145	24,100,664	113,178	13,448,598	93,042
Total (A)	**29,542,221**	**582,848**	**21,019,171**	**309,196**	**24,245,588**	**281,596**	**13,629,495**	**296,402**
B. Off-balance sheet credit exposures								
B.1 Non-performing exposures	96,691	16,745	126,898	21,963	52,529	7,918	21,515	3,019
B.2 Performing exposures	17,031,492	28,156	11,363,184	8,354	6,936,073	2,526	4,122,101	3,441
Total (B)	**17,128,183**	**44,901**	**11,490,082**	**30,317**	**6,988,602**	**10,444**	**4,143,616**	**6,460**
Total (A+B) 31.12.2024	**46,670,404**	**627,749**	**32,509,253**	**339,513**	**31,234,190**	**292,040**	**17,773,111**	**302,862**
Total (A+B) 31.12.2023	**46,733,859**	**595,545**	**32,119,037**	**354,605**	**26,773,952**	**286,887**	**18,754,593**	**281,130**

B.3 Breakdown by geographical area of on- and off-balance sheet credit exposures to banks

Exposures/Geographical areas	Italy		Other European countries		America
	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure
A. On-balance-sheet exposures					
A.1 Bad loans	-	-	-	-	-
A.2 Unlikely-To-Pay exposures	-	-	-	-	-
A.3 Non-performing past due exposures	-	-	-	-	-
A.4 Performing exposures	13,165,757	1,742	6,447,276	23,783	23,550
Total (A)	**13,165,757**	**1,742**	**6,447,276**	**23,783**	**23,550**
B. Off-balance sheet credit exposures					
B.1 Non-performing exposures	-	-	-	-	-
B.2 Performing exposures	804,230	4	1,032,293	17	123,599
Total (B)	**804,230**	**4**	**1,032,293**	**17**	**123,599**
Total A+B 31.12.2024	**13,969,987**	**1,746**	**7,479,569**	**23,800**	**147,149**
Total A+B 31.12.2023	**16,852,805**	**2,643**	**8,893,084**	**29,534**	**183,380**

B.3 Breakdown by geographical area of on- and off-balance sheet credit exposures to banks

(cont.)

Exposures/Geographical areas	United States	Asia		Rest of the world	
	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions
A. On-balance-sheet exposures					
A.1 Bad loans	-	-	-	-	-
A.2 Unlikely-To-Pay exposures	-	-	-	-	-
A.3 Non-performing past due exposures	-	-	-	-	-
A.4 Performing exposures	13	75,516	33	1,211,120	54
Total (A)	**13**	**75,516**	**33**	**1,211,120**	**54**
B. Off-balance sheet credit exposures					
B.1 Non-performing exposures	-	-	-	-	-
B.2 Performing exposures	3	826,344	24	152,516	9
Total (B)	**3**	**826,344**	**24**	**152,516**	**9**
Total A+B 31.12.2024	**16**	**901,860**	**57**	**1,363,636**	**63**
Total A+B 31.12.2023	**32**	**925,039**	**59**	**1,327,032**	**67**

B.3 Breakdown by geographical area of on- and off-balance sheet credit exposures to banks

Exposures/Geographical areas	North West Italy		North East Italy		Centre Italy		South Italy and islands	
	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions	Net exposure	Total impairment provisions
A. On-balance-sheet exposures								
A.1 Bad loans	-	-	-	-	-	-	-	-
A.2 Unlikely-To-Pay exposures	-	-	-	-	-	-	-	-
A.3 Non-performing past due exposures	-	-	-	-	-	-	-	-
A.4 Performing exposures	698,656	589	215,145	185	7,709,569	968	4,542,387	-
Total (A)	**698,656**	**589**	**215,145**	**185**	**7,709,569**	**968**	**4,542,387**	**-**
B. Off-balance sheet credit exposures								
B.1 Non-performing exposures	-	-	-	-	-	-	-	-
B.2 Performing exposures	594,521	3	88,358	1	30,245	-	91,106	-
Total (B)	**594,521**	**3**	**88,358**	**1**	**30,245**	**-**	**91,106**	**-**
Total (A+B) 31.12.2024	**1,293,177**	**592**	**303,503**	**186**	**7,739,814**	**968**	**4,633,493**	**-**
Total (A+B) 31.12.2023	**2,860,998**	**1,092**	**342,209**	**275**	**9,328,160**	**1,276**	**4,321,438**	**-**

B.4 Large exposures

	31.12.2024	31.12.2023
a) Book value	21,985,293	27,003,394
b) Weighted value	2,661,575	5,824,177
c) Number	8	15

This measurement was made on the basis of the updates to Circular 285 which regulate “large exposures”.

The rules define as a “large exposure” the amount of on-balance-sheet assets at risk and off-balance sheet transactions of a single customer or group of related customers that come to 10% or more of eligible capital.
Note that repurchase agreements are included in the amount of risk activities. These transactions contribute to the value of the counterparty exposure for the amount of “securities to be received”, while they contribute to the exposure after CRM and exemptions under art. 400 CRR only for the difference between the amount of “securities to be received” and the cash deposit received.
At 31 December 2024, there are 8 “large exposures” for an overall amount of Euro 21,985 million, corresponding to Euro 2,662 million after CRM and exemptions under art. 400 CRR. Of these, repurchase agreements account for Euro 5,322 million and Euro 408.2 million respectively.

For an amount of over 60% of the total, the positions shown include government counterparties for a total exposure of Euro 16,905 million and Euro 1,079 million after CRMs and exemptions.
The rest is made up of leading European and world companies/banks (for Euro 5,080 million - Euro 1,583 million after CRM and exemptions) and an associated/related company.
To facilitate an understanding of the degree of concentration of loans, the nominal value of major exposures has been provided.

Risk concentration:

Reference date: 31.12.2024	Amount of the exposure	Amount of the exposure after CRM and exemptions under art. 400 CRR
First 5 exposures	19,074,445	2,118,961
First 10 exposures	23,683,942	2,661,575
First 20 exposures	30,063,144	7,116,107

Reference date: 31.12.2023	Amount of the exposure	Amount of the exposure after CRM and exemptions under art. 400 CRR
First 5 exposures	18,061,459	1,928,977
First 10 exposures	23,176,120	3,677,389
First 20 exposures	29,890,759	7,460,189

C. Securitisation transactions

Qualitative Information

The primary objectives of the securitisation transactions arranged by the Parent Company in relation to non-performing loans are:
- to improve the asset structure of the banks concerned;
- to facilitate loan recovery strategies and make them more efficient (by centralising work with one group of lawyers);
- to exercise rigorous, direct control over higher risk loans, without modifying the overall risk profile.
- Transactions involving performing contracts are, on the other hand, arranged in order to optimise sources of funding.

The Bank's transactions, other than self-securitisations[52], still outstanding at 31 December 2024 as explained in Section 1.4 below, are as follows:
- Italian Credit Recycle
- Restart
- AQUI SPV
- Spring SPV
- Summer SPV
- Grogu SPV (execution of the "Skywalker" sale project)
- Loira SPV
- Pillarstone
- Sestante no. 2
- Sestante no. 3
- Brisca Securitisation
- Riviera NPL
- Lanterna Mortgage
- Lanterna Finance 4.

The "own" transactions also include those originated by the Banks absorbed by BPER Banca s.p.a. In particular, they include:
- the securities issued by Sestante Finance SPV s.r.l. deriving from transactions originated by Meliorbanca s.p.a., which was absorbed by BPER Banca in 2012.

52 The information report provided on the so-called "Self-securitisations" is provided in Section 4 – Liquidity risk, below

Italian Credit Recycle (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	20 June 2017
Seller:	Nuova Cassa di Risparmio di Ferrara s.p.a.
Special purpose vehicle:	Italian Credit Recycle s.r.l., based in Rome
Servicer:	Master Gardant s.p.a., acting as Servicer, Corporate Servicer, Calculation and Paying Agent.
Issue date of securities	28 June 2017
Type of transaction	Traditional
Organisational structure	Master Gardant s.p.a. prepares a quarterly report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 252 million.
Disposal price of securitised assets	The disposal price was Euro 41 million.
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	None

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024
IT0005274565	Senior	Dec-37	22,400	-
IT0005274573	Junior	Dec-37	18,600	1
Total			**41,000**	**1**

The securities were placed with institutional investors on issue and, for a residual part, were subscribed by BPER Banca (Euro 2.2 million).

Restart (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	20 June 2017
Seller:	Nuova Cassa di Risparmio di Ferrara s.p.a.
Special purpose vehicle:	Restart SPV s.r.l., based in Rome
Servicer:	Master Gardant s.p.a., acting as Servicer, Corporate Servicer, Calculation and Paying Agent.
Issue date of securities	20 June 2017
Type of transaction	Traditional
Organisational structure	Master Gardant s.p.a. prepares a quarterly report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 343 million.
Disposal price of securitised assets	The disposal price was Euro 22 million.
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	None

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024
IT0005274532	Senior	Dec-37	18,200	-
IT0005274540	Junior	Dec-37	14,800	679
Total			**33,000**	**679**

The securities were placed with institutional investors on issue and, for a residual part, were subscribed by BPER Banca (Euro 1.8 million).

AQUI SPV S.R.L. (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	2 October 2018
Seller:	BPER Banca s.p.a.; Cassa di Risparmio di Bra s.p.a.; Cassa di Risparmio di Saluzzo s.p.a.
Special purpose vehicle:	AQUI SPV s.r.l., based in Conegliano (TV)
Servicer:	Prelios Credit Servicing s.p.a., as Servicer.
Issue date of securities	07 November 2018
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee)
Organisational structure	Prelios Credit Servicing s.p.a. prepares a half-year report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 2,082 million.
Disposal price of securitised assets	The disposal price was Euro 618 million.
Guarantees and credit lines granted by the bank	Subordinated loan of Euro 27.235 million.
Guarantees and credit lines granted by third parties	Cap Agreement to hedge interest rates on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024	*Rating Scope*	*Rating Moody's*
IT0005351330	Senior	Oct-38	544,700	228,253	B+(sf)	B2(sf)
IT0005351348	Mezzanine	Oct-38	62,900	3,145	n.r.	n.r.
IT0005351355	Junior	Oct-38	10,852	543	n.r.	n.r.
Total			**618,452**	**231,941**		

The notes were fully subscribed by BPER Banca s.p.a. on issue. The Mezzanine and Junior notes were subsequently placed with institutional investors net of a residual part equal to 5% (Euro 3.7 million), kept by BPER Banca in compliance with the retention obligations prescribed by the CRR (Capital Requirements Regulation).

Spring (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	1 June 2020
Seller:	BPER Banca s.p.a.; Banco di Sardegna s.p.a.; Cassa di Risparmio di Bra s.p.a.
Special purpose vehicle:	SPRING SPV s.r.l., based in Conegliano (TV)
Servicer:	Prelios Credit Servicing s.p.a., as Servicer.
Issue date of securities	18 June 2020
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee)
Organisational structure	Prelios Credit Servicing s.p.a. prepares a half-year report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 1,377 million.
Disposal price of securitised assets	The disposal price was Euro 341 million.
Guarantees and credit lines granted by the bank	Subordinated loan of Euro 16.450 million.
Guarantees and credit lines granted by third parties	Cap Agreement to hedge interest rates on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024	*Rating Scope*	*Rating Moody's*
IT0005413197	Senior	Sep-40	320,000	77,174	BBB+(sf)	Baa1(sf)
IT0005413213	Mezzanine	Sep-40	20,000	1,000	n.r.	n.r.
IT0005413221	Junior	Sep-40	3,400	170	n.r.	n.r.
Total			**343,400**	**78,344**		

The securities were fully subscribed by BPER Banca s.p.a. and Banco di Sardegna s.p.a. on issue. The Mezzanine and Junior notes were subsequently placed with institutional investors net of a residual part equal to 5% (Euro 1.2 million), kept by BPER Banca s.p.a. in compliance with the retention obligations prescribed by the CRR (Capital Requirements Regulation).

Summer (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	18 December 2020
Seller:	BPER Banca s.p.a.; Banco di Sardegna s.p.a.
Special purpose vehicle:	SUMMER SPV s.r.l., based in Conegliano (Treviso)
Servicer:	Fire s.p.a. as Special Servicer and - Banca Finint s.p.a. as Master Servicer.
Issue date of securities	30 December 2020
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee)
Organisational structure	Banca Finint s.p.a. prepares a half-year report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 322 million.
Disposal price of securitised assets	The disposal price was Euro 86 million.
Guarantees and credit lines granted by the bank	Subordinated loan of Euro 3.666 million.
Guarantees and credit lines granted by third parties	Cap Agreement to hedge interest rates on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024	*Rating Scope*	*Rating Moody's*
IT0005432445	Senior	Oct-40	85,400	37,243	BBB(sf)	Baa1(sf)
IT0005432452	Mezzanine	Oct-40	10,000	500	n.r.	n.r.
IT0005432460	Junior	Oct-40	1,000	50	n.r.	n.r.
Total			**96,400**	**37,793**		

The Senior notes were fully subscribed by BPER Banca s.p.a. and Banco di Sardegna s.p.a. The Mezzanine and Junior notes were placed with an institutional investor and for a residual part equal to 5% (Euro 550 thousand), they were subscribed by BPER Banca s.p.a. in compliance with the retention obligations prescribed by the CRR (Capital Requirements Regulation).

Grogu (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	28 July 2021
Seller:	BPER Banca s.p.a.; Banca Intesa San Paolo S.p.
Special purpose vehicle:	GROGU SPV s.r.l., based in Conegliano (TV)
Servicer:	Prelios Credit Servicing s.p.a., as Special Servicer and Banca Finint s.p.a. as Master Servicer.
Issue date of securities	15 December 2021
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee)
Organisational structure	Banca Finint s.p.a. prepares a quarterly report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The amount of receivables from the portfolios sold is Euro 3,077 million, of which Euro 914 million relating to the Bper portfolio and Euro 2,163 million relating to the Intesa San Paolo portfolio.
Disposal price of securitised assets	The disposal price was Euro 500 million.
Guarantees and credit lines granted by the bank	Subordinated loan of Euro 8.4 million.
Guarantees and credit lines granted by third parties	Subordinated Loan of Euro 12.2 million granted by Intesa San Paolo. Cap Agreement to hedge the rates on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Subscribed amount	Residual balance at 31.12.2024	*Rating Scope*	*Rating Moody's*	*DBRS rating*
IT0005473852	Senior	Jan-42	460,000	187,680	47,515	BBB+ (sf)	A3(sf)	A(high)
IT0005473860	Mezzanine	Jan-42	37,000	4,757	550	n.r.	n.r.	n.r.
IT0005473878	Junior	Jan-42	3,000	386	45	n.r.	n.r.	n.r.
Total			**500,000**	**192,823**	**48,110**			

The Senior securities were subscribed to in proportion to the price of sale by BPER Banca and Intesa San Paolo. The Mezzanine and Junior notes were placed with an institutional investor and for a residual part equal to 5% (Euro 550 thousand), they were subscribed by BPER Banca s.p.a. in compliance with the retention obligations prescribed by the CRR (Capital Requirements Regulation).

Loira (transaction structured pursuant to Law 130 dated 30 April 1999)

Disposal date:	14 April 2023
Seller:	BPER Banca s.p.a.; Banco di Sardegna s.p.a.
Special purpose vehicle:	Loira SPV s.r.l., registered office in Via Curtatone 3, 00185, Rome
Servicer:	MASTER GARDANT s.p.a. as Master Servicer, Corporate Servicer, Calculation Agent and Paying Agent, Special GARDANT as Special Servicer, Intesa Sanpaolo s.p.a. as Account Bank
Issue date of securities	27 April 2023
Type of transaction	Traditional
Organisational structure	Master Gardant s.p.a. prepares a quarterly report that it shares with investors.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	UTPs
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 466 million.
Disposal price of securitised assets	The disposal price was Euro 155.9 million.
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	None

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Subscribed amount	Residual balance at 31.12.2024
IT0005543738	Senior	Dec-42	84,588	84,588	45,118
IT0005543746	Mezzanine	Dec-42	18,126	907	558
IT0005543761	Mezzanine	Dec-42	9,063	454	454
IT0005543787	Junior	Dec-42	14,063	704	504
Total			**125,840**	**86,653**	**46,634**

The Senior notes were fully subscribed by BPER Banca s.p.a. The Mezzanine and Junior notes were placed with an institutional investor and for a residual part equal to 5%, they were subscribed by BPER Banca s.p.a. in compliance with the retention obligations prescribed by the CRR (Capital Requirements Regulation).

Pillarstone

In 2017, BPER Banca securitised, through the vehicle Pillarstone Italy SPV s.r.l. (established under Law 130/99), a loan of 21 million US Dollars due from the company Premuda s.p.a.
The transaction, carried out jointly with other important Italian banks, was carried out in order to allow a restructuring of the receivables from Premuda s.p.a., with the aim of facilitating and increasing the recoveries of the securitised exposures.
The sale was finalised with the issue by the vehicle of Super Senior class securities (subscribed by third parties), of Senior and Junior class securities (fully subscribed by the bank).
The transaction also involves the transfer of all the loans purchased by the vehicle (Pillarstone Italy SPV s.r.l.) to a company (Pillarstone Italy Holding s.p.a.) which, through separate assets established pursuant to art. 2447-bis letter a) of the Italian Civil Code, provides for the restructuring of the loan due from the Premuda group.
BPER Banca does not hold any interest in the companies indicated above.
None of the securities issued by the SPV have a rating.
To match the derecognition of the loan, the Bank has recognised the securities subscribed as an asset.
The carrying value of the securities of US dollar 81,575 thousand and Euro 25,645 thousand includes the securities previously pertaining to the acquiree Banca Carige s.p.a. and is equal to the amount of the restructured loan entered into between Pillarstone Italy Holding s.p.a. and the Premuda group.

Sestante no. 2

Disposal date:	3 December 2004
Seller:	Meliorbanca s.p.a.
Special purpose vehicle:	Sestante Finance s.r.l., based in Via Mario Carucci 131, Rome
Servicer:	Italfondiario s.p.a.
Issue date of securities	3 December 2004
Type of transaction	Traditional
Organisational structure	Italfondiario s.p.a. provides a quarterly report on the collections in which it comments on the activity carried out with indications relating to collections, providing specific details about interest and principal payments.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out by the Servicer.

The operational aspects are summarised below:

Assets sold	ABS securities with mortgage loans on residential and commercial properties as underlying.
Quality of assets securitised	Performing loans
Amount of securitised assets	The nominal value of ABS securities issued by Sestante W s.r.l. was Euro 625 million.
Disposal price of securitised assets	The disposal price was Euro 653 million.
Guarantees and credit lines granted by the bank	Contingency liquidity
Guarantees and credit lines granted by third parties	None
Analysis by business sector	Mortgage agreements stipulated with both individuals and legal entities excluding Public Administrations.
Analysis by geographical area	Securitised loans are concentrated in Italy.

The special purpose vehicle has issued the following bonds:

ISIN code	Seniority	Maturity	Issue amount	Residual balance at 31.12.2024
IT0003760136	Senior	Jul-42	575,300	26
IT0003760193	Mezzanine	Jul-42	34,400	-
IT0003760227	Mezzanine	Jul-42	15,600	-
IT0003760243	Mezzanine	Jul-42	21,900	-
IT0003760284	Junior	Jul-42	6,253	-
Total			**653,453**	**26**

The Senior and Mezzanine securities were placed with institutional investors on issue, while the Junior securities were subscribed by the merged company Meliorbanca s.p.a. and subsequently sold on the secondary market.

Sestante no.3

Disposal date:	16 December 2005
Seller:	Meliorbanca s.p.a.
Special purpose vehicle:	Sestante Finance s.r.l., based in Via Mario Carucci 131, Rome
Servicer:	Italfondiario s.p.a.
Issue date of securities	16 December 2005
Type of transaction	Traditional
Organisational structure	Italfondiario s.p.a. provides a quarterly report on the collections in which it comments on the activity carried out with indications relating to collections, providing specific details about interest and principal payments.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out by the Servicer.

The operational aspects are summarised below:

Assets sold	ABS securities with mortgage loans on residential and commercial properties as underlying
Quality of assets securitised	Performing loans
Amount of securitised assets	The nominal value of ABS securities issued by Sestante W s.r.l. was Euro 858 million.
Disposal price of securitised assets	The disposal price was Euro 900 million.
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	Contingency liquidity
Analysis by business sector	Mortgage agreements stipulated with both individuals and legal entities excluding Public Administrations.
Analysis by geographical area	Securitised loans are concentrated in Italy.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024
IT0003937452	Senior	Jul-45	791,900	193
IT0003937486	Mezzanine	Jul-45	47,350	237
IT0003937510	Mezzanine	Jul-45	21,500	-
IT0003937569	Mezzanine	Jul-45	30,150	-
IT0003937551	Junior	Jul-45	8,610	-
Total			**899,510**	**430**

The Senior and Mezzanine securities were placed with institutional investors on issue, while the Junior securities were subscribed by the merged company Meliorbanca s.p.a. and subsequently sold on the secondary market.

Brisca Securitisation s.r.l.

Disposal date:	16 June 2017
Seller:	Banca Carige s.p.a.; Banca Cesare Ponti s.p.a.; Banca del Monte di Lucca s.p.a.
Special purpose vehicle:	Brisca Securitisation s.r.l.
Servicer:	Prelios Credit Servicing s.p.a., as Servicer; Zenith Service s.p.a. as Monitoring Agent.
Issue date of securities	05 July 2017
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee)
Organisational structure	Banca Finint s.p.a. as Representative of the Noteholders, Calculation Agent, BUS and Corporate Services Provider; BNP Paribas S.S. as Agent Bank, Account Bank Cash Manager and Principal Paying Agent
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 961 million.
Disposal price of securitised assets	The disposal price was Euro 309.7 million.
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	Cap Agreement to hedge interest rates on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Subscribed amount	Residual balance at 31.12.2024	*DBRS rating*	*Rating Moody's*
IT0005274599	Senior	Dec-37	267,400	267,400	97,864	CC (sf)	Caa2 (sf)
IT0005274607	Mezzanine	Dec-37	30,500	-	-	C (sf)	Ca (sf)
IT0005274615	Junior	Dec-37	11,800	-	-	n.r.	n.r.
Total			**309,700**	**267,400**	**97,864**		

Riviera NPL s.r.l.

Disposal date:	4 December 2018
Seller:	Banca Carige s.p.a.; Banca del Monte di Lucca s.p.a.
Special purpose vehicle:	Riviera NPL s.r.l.
Servicer:	Credito Fondiario s.p.a. as Master Servicer; Credito Fondiario s.p.a. as Special Servicer A and Italfondiario s.p.a. as Special Servicer B; Zenit Service s.p.a. as Monitoring Agent
Issue date of securities	17 December 2018
Type of transaction	Traditional with Guarantee from the Ministry of Economy and Finance (GACS or Bad Loan Securitisation Guarantee)
Organisational structure	Banca Finint s.p.a. as Representative of the Noteholders, Calculation Agent, BUS and Corporate Services Provider; BNP Paribas S.S. as Agent Bank, Account Bank Cash Manager and Principal Paying Agent
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out, in accordance with the contractually-agreed code of conduct, by an organisational unit dedicated to this task.

The operational aspects are summarised below:

Assets sold	Loans of banking origin
Quality of assets securitised	Non-performing
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 963 million.
Disposal price of securitised assets	The disposal price was Euro 215 million.
Guarantees and credit lines granted by the bank	During the loan disposal phase, Banca Carige s.p.a. disbursed a subordinated loan facility of Euro 7 million
Guarantees and credit lines granted by third parties	Cap Agreement to hedge interest rate risk on the notes issued.

The special purpose vehicle has issued the following bonds:

ISIN code	***Seniority***	**Maturity**	**Issue amount**	**Subscribed amount**	**Residual balance at 31.12.2024**	***Rating Scope***	***Rating Moody's***
IT0005356040	Senior	Jul-36	175,000	175,000	50,797	BB+ (sf)	Ba1 (sf)
IT0005356057	Mezzanine	Jul-36	30,000	1,500	1,500	CCC (sf)	Ca (sf)
IT0005356065	Junior	Jul-36	10,000	500	500	n.r.	n.r.
Total			**215,000**	**177,000**	**52,797**		

Lanterna Mortgage s.r.l.

Disposal date:	16 July 2020
Seller:	Banca Carige s.p.a.; Banca del Monte di Lucca s.p.a.
Special purpose vehicle:	Lanterna Mortgage s.r.l., with registered office in Via della Cassa di Risparmio 15, Genoa
Servicer:	BPER Banca s.p.a. (former Banca Carige s.p.a.), in the role of Servicer - Corporate Servicer and Cash Manager.
Issue date of securities	31 July 2020
Type of transaction	Traditional - STS compliant
Organisation	BNY Mellon in the role of Account Bank and Paying Agent; Zenith Services as Representative of the Noteholders and BUS; Prime Collateralised Securities EU SAS as Third Party Verifying STS compliance
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out by the Originator. This activity has been delegated to Servicer since the absorption date of Banca Carige into BPER Banca.

The operational aspects are summarised below:

Assets sold	Mortgage loans on residential properties
Quality of assets securitised	Performing loans
Amount of securitised assets	The total claimed principal amount of the loan portfolio sold is Euro 248.4 million.
Disposal price of securitised assets	The disposal price was Euro 249.4 million.
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	None
Analysis by business sector	Mortgage agreements stipulated with both individuals and legal entities excluding Public Administrations.
Analysis by geographical area	Securitised loans are concentrated in Italy.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Subscribed amount	Residual balance at 31.12.2024	*DBRS rating*	*S&P rating*
IT0005417990	A1	Jan-65	173,891	-	-	AAA (sf)	AA
IT0005418006	A2	Jan-65	11,179	11,179	11,179	AAA (sf)	AA
IT0005418014	Junior	Jan-65	69,034	69,034	69,034	n.r.	n.r.
Total			**254,104**	**80,213**	**80,213**		

Lanterna Finance 4

Disposal date:	8 June 2021
Seller:	Banca Carige s.p.a.; Banca del Monte di Lucca s.p.a.
Special purpose vehicle:	Lanterna Finance s.r.l., with registered office in Via della Cassa di Risparmio 15, 16123 - Genoa
Servicer:	BPER Banca s.p.a. (former Banca Carige s.p.a.), in the role of Servicer - Corporate Servicer and Cash Manager.
Issue date of securities	30 June 2021
Type of transaction	Traditional - STS compliant
Organisation	BNY Mellon in the role of Account Bank, Calculation Agent and Paying Agent; Zenith Services as Representative of the Noteholders and BUS; Prime Collateralised Securities EU SAS as Third Party Verifying STS compliance
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out by the Originator. This activity has been delegated to Servicer since the absorption date of Banca Carige into BPER Banca.

The operational aspects are summarised below:

Assets sold	Mortgages granted to SMEs assisted by the specific Guarantee Provision
Quality of assets securitised	Performing loans
Amount of securitised assets	The total claimed principal amount of the loan portfolio sold is Euro 384 million.
Disposal price of securitised assets	The disposal price was Euro 384 million.
Guarantees and credit lines granted by the bank	Subordinated loan for Euro 3.275 million disbursed pro rata by Banca Carige s.p.a. and Banca del Monte di Lucca s.p.a.
Guarantees and credit lines granted by third parties	None
Analysis by business sector	Mortgage agreements stipulated with legal entities with SME status pursuant to Law 662/96.
Analysis by geographical area	Securitised loans refer to borrowers based in Italy.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Subscribed amount	Residual balance at 31.12.2024	*Moody's*	*S&P rating*
IT0005450710	Senior	Apr-50	320,000	-	-	Aa3 (sf)	A+
IT0005450728	Junior	Apr-50	62,700	62,700	62,700	n.r.	n.r.
Total			**382,700**	**62,700**	**62,700**		

Quantitative information

C.1 Breakdown of exposures deriving from the main "own" securitisations by type of securitised asset and type of exposure

Type of securitised assets/Exposure	On-balance-sheet exposures					
	Senior		Mezzanine		Junior	
	Book Value	Net impairment losses/write-backs	Book Value	Net impairment losses/write-backs	Book Value	Net impairment losses/write-backs
A. Fully derecognised	**548,344**	**10,823**	**5,354**	**-**	**504**	**-**
- performing residential mortgages	789	36	-	-	-	-
- non-performing residential mortgages	76,472	737	555	-	175	-
- non-performing non-residential mortgages	270,027	6,281	665	-	151	-
- non-performing leases	-	-	680	-	-	-
- other non-performing loans	201,056	3,769	3,454	-	178	-
B. Partially derecognised						
C. Not derecognised	**-**	**-**	**-**	**-**	**45,716**	**-**
- performing residential mortgages	-	-	-	-	-	-
- other performing loans	-	-	-	-	45,716	-

(cont.)

Type of securitised assets/Exposure	Guarantees granted					
	Senior		Mezzanine		Junior	
	Net exposure	Net impairment losses/write-backs	Net exposure	Net impairment losses/write-backs	Net exposure	Net impairment losses/write-backs
A. Fully derecognised	**1,637**	**61**	**-**	**-**	**-**	**-**
- performing residential mortgages	1,637	61				
- non-performing residential mortgages						
- non-performing non-residential mortgages						
- non-performing leases						
- other non-performing loans						
B. Partially derecognised						
C. Not derecognised	**-**	**-**	**-**	**-**	**-**	**-**

The table shows the on-balance-sheet exposures assumed by the Group in connection with its own securitisations Sestante, Pillarstone, Restart, Italian Credit Recycle, Brisca, Aqui, Riviera, Spring, Summer, Grogu, Loira. "Net impairment losses" show the annual flow of impairment losses and write-backs as required by the Bank of Italy's Circular 262/2005. The parts of the table relating to "Credit Lines" have not been shown as there is nothing to report.

C.2 Breakdown of exposures deriving from the main "third-party" securitisations by type of securitised asset and type of exposure

Type of underlying asset/Exposures	On-balance-sheet exposures					
	Senior		Mezzanine		Junior	
	Book Value	Net impairment losses/write-backs	Book Value	Net impairment losses/write-backs	Book Value	Net impairment losses/write-backs
- performing residential mortgages	9,310	2				
- non-performing residential mortgages						
- other performing loans	20,598					
- other non-performing loans						

(cont.)

Type of underlying asset/Exposures	Credit lines					
	Senior		Mezzanine		Junior	
	Net exposure	Net impairment losses/write-backs	Net exposure	Net impairment losses/write-backs	Net exposure	Net impairment losses/write-backs
- performing residential mortgages						
- non-performing residential mortgages						
- other performing loans	2,100					
- other non-performing loans						

The parts of the table relating to "Guarantees granted" have not been shown as there is nothing to report.

C.3 Securitisation vehicle

There are no amounts to be disclosed in this Separate Financial Report.

C.4 Non-consolidated securitisation vehicles

Securitisation name/ Name of vehicle company	Registered head office	Consolidation	Assets			Liabilities		
			Loans	Debt securities	Other	Senior	Mezzanine	Junior
Lanterna Finance 4 - Pmi 100	Via Cassa di Risparmio, 15, 16123, Genoa	-	126,406		17,463	73,505	-	63,040
Lanterna Mortgage	Via Cassa di Risparmio, 15, 16123, Genoa	-	154,001		9,405	74,982	-	69,408

C.5 Servicer activities - "own" securitisation: collection of securitised loans and reimbursement of securities issued by securitisation vehicle

There are no amounts for this item in this Separate Financial Report.

D. Information on structured entities not consolidated for accounting purposes (other than securitisation vehicles)

Please refer to information disclosed in the Consolidated Financial Report.

E. Disposal transactions

A. Financial assets sold but not fully derecognised

Qualitative Information

The business reflected in the following table mainly relates to the use of investment securities for short/medium/long-term repo transactions and to the disposal of loans to customers in the context of securitisation transactions.

Quantitative information

E.1 Financial assets sold and fully recognised and associated financial liabilities: book value

	Financial assets sold and fully recognised				Related financial liabilities		
	Book Value	o.w. subject to securitisation transactions	o.w. subject to sale contracts with repurchase agreement	of which non-performing	Book Value	o.w. subject to securitisation transactions	o.w. subject to sale contracts with repurchase agreement
A. Financial assets held for trading	**-**	**-**	**-**	**X**	**-**	**-**	**-**
1. Debt securities	-	-	-	X	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
B. Other financial assets mandatorily measured at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets measured at fair value through other comprehensive income	**608,635**	**-**	**608,635**	**-**	**591,883**	**-**	**591,883**
1. Debt securities	608,635	-	608,635	-	591,883	-	591,883
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets measured at amortised cost	**4,959,589**	**266,962**	**4,692,627**	**6,186**	**4,494,012**	**135,014**	**4,358,998**
1. Debt securities	4,601,870	-	4,601,870	-	4,269,055	-	4,269,055
2. Loans	357,719	266,962	90,757	6,186	224,957	135,014	89,943
Total 31.12.2024	**5,568,224**	**266,962**	**5,301,262**	**6,186**	**5,085,895**	**135,014**	**4,950,881**
Total 31.12.2023	**6,128,057**	**363,706**	**5,764,351**	**13,582**	**5,667,090**	**236,809**	**5,430,281**

E.2 Financial assets sold partially recognised and related financial liabilities: book value

There are no amounts for this item in this Separate Financial Report.

E.3 Sale transactions with liabilities having recourse exclusively on the assets sold and not fully derecognised: fair value

There are no amounts for this item in this Separate Financial Report.

B. Financial assets sold and not fully derecognised with recognition of continuing involvement

Qualitative Information

The Bank did not make any disposal for which it would have to provide information in accordance with IFRS 7 § 7, 42D letters a), b), c) and § 42H.

C. Financial assets sold and fully derecognised

The instrument of the assignment of loans to mutual investment funds aims to assign the management of exposures classified as high risk to specialised and independent professional operators (represented by asset management companies, hereinafter also "SGR") which, through managerial discontinuity actions, should allow a more effective turnaround of Target debtor Companies in a state of financial tension and/or distress with respect to the amount that can be pursued by the creditor bank through own management of its exposure. The strategies pursued by the SGR that manages the fund, in fact, leverage management tools such as, for example, the conversion of debt to equity, the entry of Target debtor Companies in the management bodies in order to achieve an effective operational turnaround, the development of distressed M&A transactions aimed at protecting the value of companies through business partnerships, the direct purchase of property in the case of real estate operators and, lastly, the contribution of new finance from third party investors aimed at the relaunch of companies through tools that enable a greater degree of priority in reimbursements with respect to already existing financial debt (Debtor-in-Possession Financing).
From said perspective, the intervention of an SGR guarantees adequate mechanisms for protecting the rights of investing banks, through the powers attributed to the appropriate investor committees. In addition, in order to align the interests of the SGR with those of the investing banks, the fee and commission structure in favour of the SGR includes not only management fees, proportional to the net assets of the fund, but also performance fees or a carried interest in the extra return on the transaction.

Starting from 2018 until the current year 2024, the BPER Banca Group carried out various assignment transactions attributable to the scheme of the transfer to a mutual investment fund, which involved the derecognition of the assets transferred, following the verification that the originator transferred substantially the risks and rewards of the assets transferred and, also did not retain any substantial control over said assets which was instead assumed by the fund management company.
In replacement of the derecognised assets, under item 20 c) "Financial assets measured at fair value through profit and loss - other financial assets mandatorily measured at fair value", of Balance sheet assets, the BPER Banca Group recognised units of the Funds received in respect of said transfers. The risks and rewards that the Group may achieve on the units held in exchange for the transfer of assets depend on the general performance of the fund managed by the SGR. In compliance with Part A4 - Information on fair value, for the initial recognition and subsequent recognitions, in view of the characteristics of the instruments - units in mutual closed-end unlisted (illiquid) funds, the fair value was determined using a mark-to-model approach as level 3 fair value. A type of Discounted Cash Flow (DCF) model was used.

As at 31 December 2024, therefore, the BPER Banca Group holds units of 8 mutual investment funds in its portfolio, summarised hereunder:

- Clessidra Restructuring Fund – CRF
- IDeA Corporate Credit Recovery II – CCR II
- RSCT Fund
- Efesto
- Illimity Credit and Corporate Turnaround Fund - iCCT
- Illimity Real Estate Credit Found - iRECF
- Back2Bonis
- KEYstone

In relation to the provisions contained in the Communication of the Bank of Italy of 23 December 2019, acknowledged in the 8th update of Circular 262, the quali-quantitative information for each transaction in place as at 31 December 2024 is reported below.

Sale of non-performing loans to Clessidra Restructuring Fund

Seller:	BPER Banca s.p.a.	
Acquiring investment fund:	Clessidra Restructuring Fund ("CRF")	
SGR that manages the investment fund:	Clessidra SGR s.p.a.	
Disposal date:	25.09.2019	05.05.2021
Assets sold:	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	27.7	4.1
NBV of assets transferred (in millions of Euro):	11.5	1.0
Units of Fund assigned:		
ISIN:	IT0005362659	IT0005362659
No. of units assigned at signing:	18,317,941	813,967
Book value of the units at signing (in millions of Euro):	12.0	0.8
No. of units outstanding at year-end:	19,131,908	
Book value of the units at year-end (in millions of Euro)	10.9	

Sale of non-performing loans to IDeA Corporate Credit Recovery II

Seller:	BPER Banca s.p.a.	
Acquiring investment fund:	IDeA Corporate Credit Recovery II or "IDeA CCR II"	
SGR that manages the investment fund:	Dea Capital Alternative Funds SGR s.p.a.	
Disposal date:	26.06.2018	24.01.2020
Assets sold:	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	6.1	8.7
NBV of assets transferred (in millions of Euro):	1.9	3.4
Units of Fund assigned:		
ISIN:	IT0005276065	IT0005276065
No. of units assigned at signing:	87	144
Book value of the units at signing (in millions of Euro):	4.3	2.5
No. of units outstanding at year-end:	231	
Book value of the units at year-end (in millions of Euro)	3.5	

Sale of non-performing loans to RSCT Fund

Seller:	BPER Banca s.p.a.
Acquiring investment fund:	RSCT Fund
SGR that manages the investment fund:	Davy Global Fund Management Limited, part of the company Pillarstone Italia s.p.a.
Disposal date:	13.05.2020
Assets sold:	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans
GBV of assets transferred(*) (in millions of Euro):	42.2
NBV of assets transferred(*) (in millions of Euro):	17.6
Units of Fund assigned:	
ISIN:	IT0005407975
No. of units assigned at signing(*) (in millions of Euro):	25,126,391
Book value of the units at signing (*) (in millions of Euro):	17.4
No. units outstanding at year-end:	25,126,391
Book value of the units at year-end (in millions of Euro)	21.7

(*) The value stated is considered net of the value of the position repurchased in 2021 which, upon transfer, had a GBV of Euro 3.2 and a NBV of Euro 1.5 million. The repurchase by the transferor involved a reduction in the units initially acquired of 1,397,653 for a value of Euro 1.1 million.

Sale of non-performing loans to Efesto

Seller:	BPER Banca s.p.a.	
Acquiring investment fund:	EFESTO Fund	
SGR that manages the investment fund:	Finanziaria Internazionale Investments SGR s.p.a.	
Disposal date:	27.10.2020	11.03.2021
Assets sold:	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	25.1	112.5
NBV of assets transferred (in millions of Euro):	9.7	52.7
Units of Fund assigned:		
ISIN:	IT0005419491	IT0005419491
No. of units assigned at signing:	13,814,877	55,405,549
Book value of the units at signing (in millions of Euro):	10.0	51.5
No. of units outstanding at year-end:	69,220,426	
Book value of the units at year-end (in millions of Euro)	35.6	

Sale of non-performing loans to Illimity Credit and Corporate Turnaround Fund - iCCT

Seller:	BPER Banca s.p.a.			
Acquiring investment fund:	Illimity Credit and Corporate Turnaround Fund ("iCCT")			
SGR that manages the investment fund:	Illimity SGR s.p.a.			
Disposal date:	31.03.2021	26.11.2021	23.02.2023	14.12.2023
Assets sold:	Corporate Loans	Corporate Loans	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	37.8	5.5	22.0	7.6
NBV of assets transferred (in millions of Euro):	23.9	2.5	12.3	7.0
Units of Fund assigned:				
ISIN:	IT0005416653	IT0005416653	IT0005416653	IT0005416653
No. of units assigned at signing:	30,357,527	3,230,166	12,247,369	5,457,745
Book value of the units at signing (in millions of Euro):	25.0	3.3	12.2	1.7
No. of units outstanding at year-end:	51,292,807			
Book value of the units at year-end (in millions of Euro)	37.3			

Disposal of non-performing loans to Illimity Real Estate Credit Fund - iRECF

Seller:	BPER Banca s.p.a.
Acquiring investment fund:	Illimity Real Estate Credit Fund or “iRECF”
SGR that manages the investment fund:	Illimity SGR s.p.a.
Disposal date:	24.10.2023
Assets sold:	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	30.2
NBV of assets transferred (in millions of Euro):	20.9
Units of Fund assigned:	
ISIN:	IT0005493371
No. of units assigned at signing:	28,827,038
Book value of the units at signing (in millions of Euro):	16.3
No. of units outstanding at year-end:	28,827,038
Book value of the units at year-end (in millions of Euro)	17.7

Sale of non-performing loans to Back2Bonis

Seller:	BPER Banca s.p.a.	
Acquiring investment fund:	Back2Bonis	
SGR that manages the investment fund:	SGR Prelios s.p.a.	
Disposal date:	21.05.2021	26.06.2023
Assets sold:	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	51.6	23.4
NBV of assets transferred (in millions of Euro):	25.6	19.4
Units of Fund assigned:		
ISIN:	IT0005396327	IT0005396327
No. of units assigned at signing:	50	45
Book value of the units at signing (in millions of Euro):	24.4	13.5
No. of units outstanding at year-end:	95	
Book value of the units at year-end (in millions of Euro)	36	

Sale of non-performing loans to KEYstone

Seller:	BPER Banca s.p.a.		
Acquiring investment fund:	KEYstone Fund		
SGR that manages the investment fund:	KRYALOS SGR s.p.a.		
Disposal date:	08.02.2022	20.12.2022	17.12.2024
Assets sold:	Corporate Loans	Corporate Loans	Corporate Loans
Quality of assets sold:	Unlikely-To-Pay loans	Unlikely-To-Pay loans	Unlikely-To-Pay loans
GBV of assets transferred (in millions of Euro):	37.1	34.8	26.8
NBV of assets transferred (in millions of Euro):	16.7	7.6	14.5
Units of Fund assigned:			
ISIN:	IT0005474462	IT0005474462	IT0005474462
No. of units assigned at signing:	31,914,369	11,320,122	21,367,446
Book value of the units at signing (in millions of Euro):	20.4	7.7	14.6
No. of units outstanding at year-end:	64,601,937		
Book value of the units at year-end (in millions of Euro)	42.5		

The price of the positions transferred as at December 2024 was Euro 14.1 million. With respect to the gross value of the assets transferred, 40% relates to companies operating in the sector of rental of own or leased real estate, 15% to companies operating in the sector of processing and preservation of meat (excluding poultry), 9% to companies operating in the sector of buying and selling of own properties, 8% to companies operating in the sector of manufacture of plastic products, 6% to companies operating in the sector of construction of residential and non-residential buildings, and 6% to companies operating in the sector of retail trade in non-specialised stores of computers, peripherals, telecommunications equipment, consumer electronics (audio and video), and household appliances. The remaining portion is distributed across various sectors; 76% relates to companies operating in Northern Italy, and 20% to companies operating in Southern Italy.

D. Covered bond transactions

Introduction

Covered Bond (OBG) issues are foreseen by BPER Banca Group's strategic plan as a means to diversify funding sources, reduce funding costs and extend the maturities of liabilities. In particular, OBG issues are extremely appealing at a time when market yields are lower than traditional bonds.
The Board of Directors:

- on 8 February 2011, by means of a specific programme resolution, it launched the structuring of a First OBG issue programme ("OBG1"), based on a portfolio secured by residential mortgages, pursuant to Law no. 130 of 30 April 1999 (the "Law 130/99") and the related implementing regulations in force at the time;
- on 3 March 2015, launched the structuring of a second programme for the issue of Covered Bonds ("OBG2"), based on a collateralised portfolio of residential and commercial mortgage loans;
- following the merger by absorption of the subsidiary Banca Carige s.p.a. on 24 November 2022, with economic effect from 28 November 2022, BPER Banca became the issuer of a third covered bond issuing programme ("OBG3"), based on a collateralised portfolio of residential and commercial mortgages.

The basic structure of a covered bond issue

Covered Bonds may be issued under an operating scheme that includes:

- the sale by a bank, which may differ from the bond issuer, to a special purpose vehicle of high credit quality assets and which constitute segregated assets pursuant to the applicable provisions of Law 130/99;
- the selling bank or another bank of the same banking group granting a subordinated loan to the assignee vehicle company to provide the assignee with the funding required to purchase the assets;
- the assignee company providing a guarantee, within the limits of its segregated assets, in favour of holders of bonds issued by the selling bank or another bank in the same group.

High credit quality assets are intended to mean loans that meet the selection criteria defined by the Regulations and related contracts (the "Eligible Assets").

Key elements of the BPER Banca Group's Programmes for the issue of Covered Bonds

The BPER Banca's Covered Bond Programmes (the "OBG Programmes") have been structured as follows:

- the sale without recourse of high credit quality assets, which constitute segregated assets pursuant to Law 130/99, respectively to the special purpose vehicles Estense Covered Bond s.r.l. for OBG1, Estense CPT Covered Bond s.r.l. for OBG2 and Carige Covered Bond s.r.l. for OBG3, initially just by BPER Banca or by the respective originator banks and then, during the Programmes, also by other Group Banks;
- the provision to the assignee vehicle companies, by BPER Banca and other Group Banks that will eventually join the Programmes as selling banks, of subordinated loans to provide the assignees with the funding required to purchase the assets sold;
- the issue by the assignee SPVs, up to the amount of the segregated assets, of guarantees in favour of the holders of the Covered Bonds issued by BPER Banca.

Although they are presented "as Group Programmes", the initial and subsequent transactions only involved BPER Banca or the respective originator bank as the selling bank, the understanding being that BPER Banca always takes on the role of issuing bank. Only at a later stage, after an expert assessment of the risks and opportunities, it is expected that other Group Banks will join the Programmes as selling banks of additional Eligible Assets.
The portfolios of Eligible Assets are composed of loans originating from residential mortgage loans for OBG1 and of residential and commercial mortgage loans for OBG2 and OBG3, which meet the requirements of the regulations in force. These portfolios were identified based on general and specific criteria indicated in the sale agreements. The additional portfolios of Eligible Assets may include loans deriving from mortgages that meet the requirements of the Regulations.
The sale price of the portfolios is determined, as laid down in the *Supervisory Provisions for Banks*, with reference to their book values in the latest Financial Reports approved by BPER Banca with a view to specific sale dates or by having the sale price certified by the Independent Auditors. The sale prices so determined are subject to adjustment to take account of movements on the loans between the financial year end and the date of sale. More specifically, the sale prices shall be adjusted to consider the collection of the capital element of the loans in the intervening period and the payment of contractually agreed interest in the same period.

The sale of the portfolios - without recourse and under the combined provisions of articles 1 and 4 of Law 130/99 and art. 58 of the Consolidated Law on Finance - is communicated to the mortgage holders by publishing a notice of sale with the above selection criteria in the Official Journal and by filing the same notice of sale with the Companies' Register. Further formalities are also carried out for privacy legislation purposes (Legislative Decree 196/2003 and Regulation (EU) 679/2016, as later amended and supplemented).

The mortgage holders maintain a direct operational relationship with BPER Banca since the three SPVs have given BPER Banca responsibility for managing and administering the loans sold and the related collection and payment services ("servicing activities"), with BPER Banca having the power to grant a sub-proxy to the pertinent selling banks to perform servicing activities for the portfolios sold.
This, in accordance with the regulations in force, is in order to minimise the commercial impact with the mortgage holders and, at the same time, to optimise the operational management of each portfolio which, in fact, remains in the hands of the assignors.
At predetermined dates and based on specific operational and market situations, BPER Banca, in the role of Calculation Agent, will perform assessment tests to compare the portfolios sold with the bonds issued, aimed at verifying the adequacy of the guarantees issued with reference to specific legal parameters and the parameters set by the related OBG Programmes' documentation based on indications provided by rating agencies, on which the credit rating assigned to these OBGs depends.

In the case of non-compliance with one or more of the required parameters, it will be necessary to add to the portfolios sold by selling further Eligible Assets. The portfolios can be supplemented through the use of the vehicle companies' liquid funds or further disbursements of the subordinated loans granted by BPER Banca (or, by the other selling banks, as the case may be).
Other initiatives are required in the case of violation of contractual conditions, up to the extreme consequences of enforcement of the guarantees provided by the vehicle companies in the case of an Event of Default by the issuer (for example, default in repayment of principal or non-payment of interest on the Covered Bonds).
Moreover, on predetermined dates, the functions responsible for supervising the Bank's risk management verify the quality and integrity of the Eligible Assets.
The structure of the OBG Programmes, as outlined, permits the creation of segregated assets (consisting of the Eligible Assets assigned), to serve as a preferred guarantee for the Covered Bond holders, for the counterparties to derivative contracts entered into under the Programmes to hedge the risks inherent in the portfolio of transferred Eligible Assets and for the payment of other transaction costs.
Normally, the charges for payment and redemption of the OBG remain with the Issuer and, only when there is an Event of Default by the Issuer, will automatic protection mechanisms be activated to protect the investors.
To further support the financial structure, provision has been made for swaps with one or more external counterparties selected on the market and with an appropriate credit standing in line with the eligibility criteria required by rating agencies. The purpose of these contracts is to transform the interest flow produced by the loan portfolios sold so as to make them consistent with that incurred on the bonds issued.
In particular, among the various options available, it is normally envisaged that two separate swap derivative contracts will be entered into:

- asset swap: under this contract, the SPV will pay the swap counterparty the flow received as interest on a notional amount represented by a portion of segregated assets and determined by taking into account the outstanding amount of the liability represented by the Covered Bonds issued and will collect from it a flow corresponding to Euribor for the period plus or minus a Spread applied to the same notional amount;
- liability swap: under this derivative the SPV will receive from the swap counterparty a fixed rate equal to the coupon of the related series of OBGs and will pay thereto a flow corresponding to Euribor plus or minus (as appropriate) a Spread applied to an amount equal to the nominal value of the corresponding series of Covered Bonds.

These contracts can be linked to back-to-back swap agreements between the swap counterparties and BPER Banca, a situation that currently exists in the case of the ninth issue of the OBG1 Programme. No swap currently exists for the remaining issues.
The financial back-to-back mechanism allows, on the one hand, BPER Banca, as selling bank, to maintain a financial position as desired and consistent with its Asset & Liability Management strategies and, on the other hand, the SPV, as guarantor, in the Event of the occurrence of an Event of Default of the Issuer, to cover the costs of the Covered Bonds by trading them for the expected return on portfolio of loans sold.

The OBG1 Programme

The OBG1 Programme provides for the issue of Covered Bonds up to a maximum of Euro 7 billion, to take place in a number of issues over time, by the term of legal existence of the special purpose vehicle acting as guarantor (subject to the obligations for annual renewal of the prospectus prepared in compliance with EU Regulations).

OBG1 Programme issuances

Issue	Issue date	Nominal amount of the OBGs issued	Repayment date	Nominal amount repaid	OBG characteristics	Purpose
I	01/12/2011	750,000,000	22/01/2014	750,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
II	25/06/2012	300,000,000	22/04/2015(*)	300,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
III	15/10/2013	750,000,000	22/10/2018	750,000,000	Fixed rate	placed on the national and international market
III(**)	24/02/2014	250,000,000	22/10/2018	250,000,000	Fixed rate	placed on the national and international market
IV	22/01/2015	750,000,000	22/01/2022	750,000,000	Fixed rate	placed on the national and international market
V	29/07/2015	750,000,000	22/07/2020	750,000,000	Fixed rate	placed on the national and international market
VI	31/05/2016	500,000,000	22/07/2020	500,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
VII	03/02/2017	540,000,000	22/04/2021	540,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
VIII	19/07/2018	500,000,000	22/07/2023	500,000,000	Fixed rate	placed on the national and international market
IX	19/03/2019	600,000,000	22/04/2026	-	Fixed rate	placed on the national and international market
X	18/09/2020	1,150,000,000	22/10/2024	1,150,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
XI	18/05/2021	600,000,000	22/04/2025	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
XII	16/11/2021	400,000,000	22/10/2025	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
XIII	29/06/2022	1,000,000,000	22/07/2026	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
XIV	28/11/2023	750,000,000	22/10/2028	-	Fixed rate	placed on the national and international market
XV	21/03/2024	500,000,000	22/01/2031	-	Fixed rate	placed on the national and international market
XVI	03/09/2024	500,000,000	22/07/2029	-	Fixed rate	placed on the national and international market
Total		**10,590,000,000**		**6,240,000,000**		

The residual debt of outstanding operations as at 31 December 2024 amounted to Euro 4,350 million.
(*) The II issue was early repaid on 12 January 2015.
(**) III series reopened in February 2014

In line with the operational chart described above, on 2 November 2011, BPER Banca sold to Estense Covered Bond s.r.l., the special purpose vehicle acting as guarantor, a first portfolio of assets complying with the eligibility requirements provided for under the law, selected in accordance with the criteria noted above and featuring the following main characteristics:

- residential mortgage loans provided in accordance with mortgage lending legislation;
- concluded by 31 December 2010;
- final instalment due after 31 December 2012;
- ratio of outstanding debt to the value of secured property, estimated at the payment date, not higher than 80%.

The table below shows the details of all subsequent disposals.

OBG1 Programme sale of receivables

(in million)

Disposals	Disposal date	Price of receivables assigned
I	02/11/2011	1,091
II	04/05/2012	546
III	10/07/2013	681
IV	23/07/2014	501
V	28/04/2015	1,074
VI	28/01/2016	1,086
VII	27/07/2016	310
VIII	25/01/2017	404
IX	23/10/2017	816
X	27/04/2018	652
XI	29/04/2019	570
XII	25/06/2020	515
XIII	24/09/2021	937
XIV	24/05/2022	991
XV	22/06/2023	648
XVI	07/11/2023	890
XVII	08/03/2024	928
XVIII	27/05/2024	909
Total		**13,549**

The credit facility granted by BPER Banca to Estense Covered Bond s.r.l. to finance the purchase of the transferred portfolios amounted to Euro 8 billion as at 31 December 2024. This is without prejudice to BPER Banca's right to increase the amount of said credit facility to finance the purchase of additional portfolios for the purpose of adding to the segregated assets. The relevant subordinated loan is remunerated so as to guarantee a return to the transferor of the yield on the segregated loans, albeit residual with respect to payment of the vehicle company's operating expenses, thus making the asset transfers essentially neutral from an economic standpoint.

Repayment of this loan is linked to the gradual reimbursement of the Covered Bonds that, in turn, will allow the release of the loan portfolio or the cash collections generated thereby.

Repayment of subordinated loan OBG1 Programme

(in million)

Disposal date	Amounts repaid
22/10/2014	250
22/10/2015	250
22/01/2016	120
22/04/2016	250
22/07/2016	250
23/10/2017	400
23/04/2018	100
23/07/2018	250
22/10/2018	500
22/01/2019	280
23/04/2019	150
22/07/2019	150
22/10/2019	147
22/07/2020	495
22/01/2021	50
22/04/2021	50
22/07/2021	50
22/10/2021	450
22/04/2022	540
24/10/2022	75
24/04/2023	350
24/07/2023	370
23/10/2023	145
22/01/2024	150
22/04/2024	160
22/07/2024	200
22/10/2024	180
Total	**6,362**

The liquidity generated by the portfolio can also be used - within the limits established by law - for suitable investments or deposits, based on BPER Banca's indications as Investment Agent. Cash generated from the portfolio of sold Eligible Assets - for which BPER Banca remains as Servicer - are transferred to current accounts with banks with appropriate rating.

Counterparties involved in the OBG1 Programme

Issuing Bank, initial Selling Bank, Servicer, Investment Agent, Principal Paying Agent, Subordinated Loan Provider and Calculation Agent: BPER Banca.

Any other seller bank that could join the Programme:

- Banco di Sardegna s.p.a.
- Bibanca s.p.a.
- Banca Cesare Ponti s.p.a.
- BPER Bank Luxembourg s.a.

Arranger: NatWest Market N.V.

Guarantor: Estense Covered Bond s.r.l.

Representative of the Noteholders, Corporate Servicer, Guarantor Calculation Agent and Back-up Servicer Facilitator: Banca Finint s.p.a.
Italian Paying Agent, Cash Manager and Account Bank: BNP Paribas (both the Italian and London branches).
Liability Swap counterparty: for the ninth issue, BNP-Paribas.
Legal advisor to BPER Banca: Hogan Lovells Studio Legale.
Asset Monitor and Pool Auditor: PriceWaterhouseCoopers s.p.a.
Independent Auditors of the special purpose vehicle: Deloitte & Touche s.p.a.
Rating agencies: Moody's Italia s.r.l.

The OBG2 Programme

The OBG2 Programme provides for the issue of Covered Bonds up to a maximum of Euro 7 billion, to take place in a number of issues over time, by the term of legal existence of the special purpose vehicle acting as guarantor (subject to the obligations for annual renewal of the prospectus prepared in compliance with EU Regulations).

OBG2 Programme issuances

Issue	Issue date	Nominal amount of the OBGs issued	Repayment date	Nominal amount repaid	OBG characteristics	Purpose
I	16/12/2015	625,000,000	28/01/2018(*)	625,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
II	01/08/2016	200,000,000	28/10/2020	200,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
III°	24/02/2017	240,000,000	28/04/2021	240,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
IV	25/01/2018	420,000,000	28/10/2021	420,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
V	17/10/2018	1,050,000,000	28/04/2022	1,050,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
VI	13/03/2019	200,000,000	28/04/2022	200,000,000	Fixed rate	self-subscribed for the purpose of ECB refinancing
VII	10/07/2019	250,000,000	28/07/2023	250,000,000	Fixed rate	self-subscribed for the purpose of ECB refinancing
VIII	30/01/2020	200,000,000	28/01/2024	200,000,000	Fixed rate	self-subscribed for the purpose of ECB refinancing
IX	30/04/2020	900,000,000	28/04/2024	900,000,000	Fixed rate	self-subscribed for the purpose of ECB refinancing
X	12/11/2020	550,000,000	28/10/2024	550,000,000	Floating rate	self-subscribed for the purpose of ECB refinancing
XI	12/11/2020	600,000,000	28/10/2024	600,000,000	Fixed rate	self-subscribed for the purpose of ECB refinancing
XII	14/05/2021	250,000,000	28/04/2025	-	Floating rate	self-subscribed for the purpose of ECB refinancing
XIII	11/11/2021	700,000,000	28/10/2025	-	Floating rate	self-subscribed for the purpose of ECB refinancing
XIV - I Tranche	11/11/2021	1,000,000,000	28/10/2025	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
XIV - II Tranche	23/09/2022	700,000,000	28/10/2025	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
XV	13/06/2024	250,000,000	28/10/2028	-	Floating rate	self-subscribed for the purpose of ECB refinancing
XVI	15/11/2024	250,000,000	28/01/2031	-	Floating rate	self-subscribed for the purpose of ECB refinancing
XVII	15/11/2024	1,000,000,000	28/10/2030	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
Total		**9,385,000,000**		**5,235,000,000**		

The residual debt of outstanding operations as at 31 December 2024 amounted to Euro 4,150 million.

(*) The first issue was early repaid on 27 September 2017 for Euro 150 million and on 22 January 2018 for the residual nominal amount.

In line with the operational chart described above, on 17 September 2015, BPER Banca sold to Estense CPT Covered Bond s.r.l., the special purpose vehicle acting as guarantor, a first portfolio of assets complying with the eligibility requirements provided for under the law, selected in accordance with the criteria noted above, featuring the following main characteristics:

- residential and commercial mortgage loans;
- granted by 31 December 2014;
- final instalment due after 31 December 2015;
- ratio of outstanding debt to the value of secured property, revalued close to the date of sale, not higher than 80% for residential mortgage loans and than 60% for commercial mortgage loans.

The table below shows the details of all subsequent disposals.

Asset disposals under the OBG2 Programme

(in million)

Disposals	Disposal date	Price of assets sold
I	17/09/2015	870
II	23/06/2016	478
III	21/11/2016	411
IV	22/05/2018	594
V	24/09/2018	732
VI	27/02/2019	276
VII	25/06/2019	593
VIII	26/11/2019	594
IX	25/03/2020	441
X	23/04/2020	1,123
XI	23/10/2020	840
XII	20/10/2021	1,443
XIII	24/06/2022	1,168
XIV	24/03/2023	481
Total		**10,044**

The credit facility granted by BPER Banca to Estense CPT Covered Bond s.r.l. to finance the purchase of the transferred portfolios amounted to Euro 8 billion as at 31 December 2024. This is without prejudice to BPER Banca's right to increase the amount of said credit facility to finance the purchase of additional portfolios for the purpose of adding to the segregated assets. The relevant subordinated loan is remunerated so as to guarantee a return to the transferor of the yield on the segregated loans, albeit residual with respect to payment of the vehicle company's operating expenses, thus making the asset transfers essentially neutral from an economic standpoint.

Repayment of this loan is linked to the gradual reimbursement of the Covered Bonds that, in turn, will allow the release of the loan portfolio or the cash collections generated thereby.

Repayment of subordinated loan OBG2 Programme

(in million)

Disposal date	Amounts repaid
28/07/2017	70
30/10/2017	200
30/04/2018	100
30/07/2018	150
28/01/2019	110
29/07/2019	200
28/10/2019	335
28/04/2020	235
28/07/2020	75
28/01/2021	50
28/04/2021	100
29/07/2021	50
28/10/2021	600
28/04/2022	250
28/10/2022	285
30/01/2023	250
28/04/2023	200
28/07/2023	330
29/01/2024	260
29/04/2024	300
29/07/2024	150
28/10/2024	160
Total	**4,460**

The liquidity generated by the portfolio can also be used - within the limits established by law - for suitable investments or deposits, based on BPER Banca's indications as Investment Agent. Cash collections generated by the portfolio of Eligible assets sold - on which BPER Banca retains the role of Servicer - are channelled into current accounts opened with BPER Banca.

The specific financial feature of the OBG2 Programme is a different structural technique which, in the event of the Parent Company's default and under other circumstances foreseen in the OBG2 Programme, makes it possible to adjust the repayment plan of the Covered Bonds according to the loan portfolio amortisation schedule pledged as collateral. This eliminates the financial risk associated with a forced and peremptory liquidation of this portfolio, thereby transforming the outstanding Covered Bonds into securities similar to pass-through securities issued as part of ordinary securitisation transactions. In this way, the risk profile of a default on the Covered Bonds is clearly attenuated, making it possible to obtain a higher rating.

Counterparties involved in the OBG2 Programme
Issuing Bank, initial Selling Bank, Servicer, Investment Agent, Primary Paying Agent, Account Bank, Subordinated Loan Provider and Calculation Agent: BPER Banca.
Any other seller bank that could join the Programme:
- Banco di Sardegna s.p.a.
- Bibanca s.p.a.
- Banca Cesare Ponti s.p.a.
- BPER Bank Luxembourg s.a.

Arranger: UBS Europe SE.
Initial Dealer of the first series of bonds issued: Banca Finint s.p.a.
Guarantor: Estense CPT Covered Bond s.r.l.
Representative of the Noteholders, Corporate Servicer, Guarantor Calculation Agent and Back-up Servicer Facilitator: Banca Finint s.p.a.
Subsequent Paying Agent and Back-up Account Bank: Bank of New York Mellon SA/NV - Milan Branch.
Legal advisor to BPER Banca: Hogan Lovells Studio Legale.
Asset Monitor: PricewaterhouseCoopers s.p.a.
Independent Auditors of the special purpose vehicle: Deloitte & Touche s.p.a.
Rating agencies: Moody's Italia s.r.l.

The OBG3 Programme

The OBG3 programme provides for the issue of Covered Bonds up to a maximum of Euro 5 billion.

Issues of OBG3 Programme outstanding as at 31 December 2024

issue	Issue date	Nominal amount of the OBGs issued	Repayment date	Nominal amount repaid	OBG characteristics	Purpose
I	20/09/2010	75,000,000	20/09/2030	-	Fixed rate	placed on the national and international market
II	25/11/2010	20,000,000	25/11/2030	-	Fixed rate	placed on the national and international market
III	27/12/2010	40,000,000	27/12/2030	-	Fixed rate	placed on the national and international market
IV	23/04/2012	30,000,000	23/04/2032	-	Fixed rate	placed on the national and international market
V	02/11/2012	17,000,000	02/11/2032	-	Fixed rate	placed on the national and international market
VI	05/11/2012	50,000,000	05/11/2032	-	Fixed rate	placed on the national and international market
VII	06/11/2012	10,000,000	26/10/2032	-	Fixed rate	placed on the national and international market
VIII	25/01/2013	5,000,000	25/01/2028	-	Fixed rate	placed on the national and international market
IX	29/08/2013	10,000,000	29/08/2033	-	Fixed rate	placed on the national and international market
X	05/06/2014	10,000,000	25/05/2029	-	Fixed rate	placed on the national and international market
XI	28/10/2021	750,000,000	28/10/2028	-	Fixed rate	placed on the national and international market
XII	06/09/2024	500,000,000	27/10/2028	-	Fixed rate	self-subscribed for the purpose of ECB refinancing
Total		**1,517,000,000**		**-**		

In line with the operational scheme described above Banca Carige s.p.a. (now merged into BPER Banca, as stated) on 14 November 2008 sold to Carige Covered Bond s.r.l. a first portfolio of assets complying with the eligibility requirements provided for under the law, selected in accordance with the criteria noted above and featuring the following main characteristics:
- residential and commercial mortgage loans;
- concluded by 30 March 2007;
- final instalment due by 30 June 2045;
- ratio of outstanding debt to the value of secured property, estimated at origination, not exceeding 80% for residential mortgage loans and 60% for commercial mortgage loans.

The funds, in the form of a line of credit, granted by BPER Banca to Carige Covered Bond s.r.l. to pay the purchase price of the transferred portfolios, are remunerated so as to guarantee to the transferor a return consisting in the yield originating from the segregated loans, albeit marginal with respect to the payment of the SPV's operating expenses, and thus makes the asset disposals essentially neutral from an economic standpoint.

Repayment of this loan is linked to the gradual reimbursement of the Covered Bonds that, in turn, will allow the release of the loan portfolio or the cash collections generated thereby.

The liquidity generated by the portfolio can also be used - within the limits established by law - for suitable investments or deposits, based on BPER Banca's indications as Investment Agent. Cash generated from the portfolio of sold Eligible Assets - for which BPER Banca remains as Servicer - are transferred to current accounts with BNP Paribas, either in Italy or the UK, since this is a third party with appropriate rating.

Counterparties involved in the OBG3 Programme
Issuing Bank, Selling Bank, Servicer, Italian Account Bank, Investment Agent, Liquidity Facility Provider, Subordinated Loan Provider, and Calculation Agent: BPER Banca.
Joint Arrangers and Dealers: NatWest Markets N.V. and UBS Europe SE.
Guarantor: Carige Covered Bond s.r.l.
Representative of the Noteholders: Deutsche Trustee Company Limited.
Principal Paying Agent, Cash Manager and Transaction Bank: BNP Paribas.
Italian Paying Agent: Deutsche Bank s.p.a.
Corporate Servicer and Guarantor Calculation Agent: Banca Finint s.p.a.
Back-up Servicer Facilitator: Zenith Global s.p.a.
Legal advisor to BPER Banca: Hogan Lovells Studio Legale.
Asset Monitor: PricewaterhouseCoopers s.p.a.
Independent Auditors of the special purpose vehicle: Deloitte & Touche s.p.a.
Rating agencies: Moody's Italia s.r.l. and Morningstar DBRS Ratings Limited.

Organisational structure and procedures
The structuring process for the OBG Issue Programmes made it necessary to organise specific internal work teams. In this regard, a specific structure was set up, the Institutional Funding Office, which acts as coordinator of the work teams, taking care to involve all the structures involved in the management process of the Covered Bonds.
To supervise the structuring process and management of the OBG Programmes, a specific Regulation with Operating Instructions has been prepared.

Accounting, capital and tax impact
Through the issuance of Covered Bonds, the selling banks essentially retain all risks and rewards of the transferred assets, since repayment of the subordinated loan granted to the vehicle companies is conditional upon the performance of the transferred assets used as collateral.
The selling banks are required to reinstate, in line with several alternatives, the collateral sold should the eligible assets value deteriorate and their value fall below the thresholds set by contract.

The primary objective of creating a special purpose vehicle and the sale of eligible assets thereto is, in fact, to legally segregate, by means of a without recourse sale contract, the selling bank's assets within a separate legal entity. These assets, thus segregated, are subject to a collateral constraint under Law 130/99. Thus, the holders of Covered Bonds benefit, on the one hand, from the general guarantee represented by the issuer's capital and on the other, from the guarantee issued by the SPV in respect of the segregated portfolio. This structure of "dual protection" facilitates the creation of conditions for a potential reduction in the funding costs of the selling bank.
The overall risk profile of BPER Banca as initial selling bank is not altered in any way.
The same "Supervisory Provisions for banks" stipulate that the selling banks retain the same capital requirement that they are already required to comply with, in respect of the assets sold, prior to the sale. The transactions do not, therefore, result in a derecognition: the selling banks must continue to recognise the transferred assets in their entirety in the balance sheet and the considerations received from the sale must be accounted for as opposite entries to the financial liabilities due to the SPVs.
In turn, these liabilities must be shown net of the subordinated loans granted to the vehicles, due to the principle of substance over form: it is as if the purchases of loans by the SPVs have never taken place.

The subordinated loans are not taken into consideration for the purposes of counterparty risk; these loans must not, in fact, be considered, as the credit risk is already reflected in the valuation of the loans being sold.
As regards the impact at consolidation level, it should be noted that the aforementioned special purpose vehicle companies are BPER Banca Group's entities, as they are subsidiaries of the Parent Company. They are therefore consolidated.
Finally, regarding the tax implications, consistent with the dictates of art. 7 bis, Law 130/99, all taxes and dues are payable as though the sales of the loans had never taken place.

Again, to ensure that the operation was neutral for tax purposes, it was established, as foreseen in art. 7 bis, paragraph 7 of Law 130/99, that the sale price would be equal "to the latest carrying amount of the loans", or as certified by the Independent Auditors of the selling Bank.

Risks associated with the transaction

The Covered Bond Programmes involve some financial and non-financial risks, subject to analysis and monitoring by the Group's Risk Management and Compliance functions and, specifically with regard to the risks of fraud and unintentional errors in financial reporting, by the Manager responsible for preparing the company's financial reports.
In summary the main risk profiles can be summarised as follows:

- Interest rate risk. In the structure of a Covered Bond, the interest rate risk originates from the different characteristics of interest rates on Covered Bonds and on the portfolio of their collateral, eligible assets. These risks are mitigated by hedging derivatives, possibly put in place from time to time with market counterparties.
- Credit risk. In the structure of a covered bond, credit risk is attributable to the quality of loans sold by each Selling Bank. Given this risk, the rating agencies, in order to attribute to the Covered Bonds the maximum rating possible, require a level of over-collateralisation which is also linked to the quality of the Eligible Assets being disposed.
- Counterparty risk. The counterparty risk is the possibility that the creditworthiness of third parties involved in the transaction, in other words, the swap counterparties and any third-party bank, with which the SPV has its accounts, may worsen to the point of creating a liquidity problem, with the result that the funds of the portfolio of assets sold that flow into the accounts of the SPV or payments made in connection with the swaps are retained by the same counterparties. This risk is mitigated by the involvement of high rated counterparties and the existence of clauses, in the relevant ISDA and CSA contracts as well as in the "Cash Management and Agency Agreement", according to which, in the case of downgrading of the counterparties, they will be immediately replaced.
- Liquidity risk. An issue of "bullet" Covered Bonds with a portfolio of eligible assets relating to loans with given repayment plans entails the need for the latter to be dynamically managed. The funds received from the collection of capital instalments on the loans sold may be, in fact, reinvested in new loans with similar characteristics. If the Banking Group does not have eligible loans available to be sold to supplement the loan portfolio sold (including to replace non-performing loans), it would be necessary to supplement the portfolio by paying cash or eligible securities, thereby impacting negatively on the counterbalancing capacity of the selling banks.
- Compliance risk. The articulate and accurate external legislation regulating Covered Bonds, together with management and internal operating rules, require a precise and formal structuring of activities under the OBG Programmes, both during the up front and on going phases. The analysis of compliance requirements is performed by the Compliance and Audit functions.
- Reputational risk. Reputational risk is the possibility that the failure by BPER Banca to fulfil certain obligations arising from its role in the OBG Programmes adversely affects the credibility and image of the banking Group on the market, resulting in a significant economic and financial impact.
- Risk of financial inadequacy. The Supervisory Instructions for banks, in the discipline of Covered Bonds, in relation to the complexity of the contractual profiles and the possible impact on the technical structure of the banks carrying out these transactions, require, among other things, a careful assessment of the impact on the financial stability of those banks. The analysis of the projects by BPER Banca's Board of Directors highlighted:
  - regarding the impact on results, the transactions would have led to, with reference to available market data, a lower cost of funding compared with equivalent senior unsecured transactions and this would have allowed start-up costs to be fully covered, already in the first year, as well as to cover ongoing costs for the period.
  - regarding the impact on the financial position, having considered the portfolio at Group level, of residential or commercial mortgage loans potentially suitable for disposal, a plan of multi-year issuances was hypothesised so as to have sufficient room to replenish the cover pool, if necessary, without affecting the financial position and/or commercial practices of the Group.

These findings have allowed BPER Banca's Board to determine that the transactions do not negatively affect the financial stability of the bank and of the Group as a whole.

Organisational and management aspects of special purpose vehicles

With regard to organisational and management aspects of special purpose vehicles (in order to assess their adequacy in relation to the role assigned to them) and the contracts entered into as part of the OBG Programmes, Reports were acquired with the support of external legal consultants, in order to ensure that the contracts entered into contain clauses that ensure the regular and efficient performance of the functions by the vehicle companies, as required by the Regulations.

Assessment of legal aspects of the Programmes for Issue of Covered Bonds

Reports were originally acquired from the law firms Linklaters and Allen & Overy, as well as from Orrick, Herrington & Sutcliffe on the Bank's OBG Programme so as to assess, in accordance with the existing rules and regulations, the legal aspects of the activities involved in the OBG Programmes. The reports contain a thorough assessment of legal structures and contractual arrangements used, with particular attention to the characteristics of the guarantees given by the assignee companies and the overall relationships between and among the participants in the OBG Programmes.

Annual assessment of the Programmes for Issue of Covered Bonds by Asset Monitor

It should be noted that, in accordance with the regulations in force, the Asset Monitors - in this case PricewaterhouseCoopers s.p.a. - carry out annual analyses on the status of the OBG programmes and report to the Board of Directors, the Board of Statutory Auditors, the Bank's Internal Audit Function and the Bank of Italy.
To date, the analyses conducted have not identified any findings.

Quantitative information relating to the loans sold

OBG1 Programme

1. Changes during the year

Description	31.12.2024
Opening balance	**5,851,537**
Increases	**2,046,253**
Purchase of loan portfolio	1,836,638
Other increases:	209,615
- Interest income accrued on loans	201,984
- Default interest	-
- Penalties and various recoveries	-
- Charges from IAS adjustments	3,611
- Contingent assets on bad loans	-
- Recovery of impairment provisions	4,020
Decreases	**(944,154)**
Collections from customers	(912,434)
Other increases:	(4,124)
- Impairment losses on loans	(239)
- Loan losses	-
- Charges from IAS adjustments	-
- Other changes/adjustments	(3,885)
Repurchases by the Originator	(27,596)
Closing balance	**6,953,636**

2. Breakdown by residual life

Residual life of securitised loans	31.12.2024
Up to 3 months	571
From 3 months to 1 year	10,869
From 1 to 5 years	324,245
> 5 years	6,682,811
Undefined maturity	4
Total	**7,018,500**

The loan balance is gross of loan provisions and IAS impairment losses.

3. Risk concentration:

Amount by category (Euro)	Number of customers	31.12.2024
0 - 25,000	11,288	148,802
25,000 - 75,000	30,640	1,534,218
75,000 - 250,000	37,754	4,662,418
Over 250,000	1,939	673,062
Total	**81,621**	**7,018,500**

The loan balance is gross of loan provisions and IAS impairment losses.
As of 31 December 2024, sold debtors are for the most part resident in Italy and the loans are denominated in Euro.

OBG2 Programme

1. Changes during the year

Description	31.12.2024
Opening balance	**6,044,650**
Increases	**147,154**
Purchase of loan portfolio	-
Other increases:	147,154
- Interest income accrued on loans	125,153
- Default interest	-
- Penalties and various recoveries	-
- Recovery of impairment provisions	2,311
- Contingent assets on bad loans	-
- Other changes/adjustments	19,690
Decreases	**(779,028)**
Collections from customers	(759,259)
Other increases:	4,512
- Impairment losses on loans	21
- Loan losses	-
- Charges from IAS adjustments	4,491
Repurchases by the Originator	(24,281)
Closing balance	**5,412,776**

2. Breakdown by residual life

Residual life of securitised loans	31.12.2024
Up to 3 months	1,038
From 3 months to 1 year	12,564
From 1 to 5 years	416,877
> 5 years	5,039,863
Undefined maturity	17
Total	**5,470,359**

The loan balance is gross of loan provisions and IAS impairment losses.

3. Risk concentration:

Amount by category (Euro)	Number of customers	31.12.2024
0 - 25,000	7,820	106,550
25,000 - 75,000	25,774	1,298,055
75,000 - 250,000	28,415	3,454,089
Over 250,000	1,504	611,665
Total	**63,513**	**5,470,359**

The loan balance is gross of loan provisions and IAS impairment losses.
As of 31 December 2024, sold debtors are for the most part resident in Italy and the loans are denominated in Euro.

The OBG3 Programme

1. Changes during the year

Description	31.12.2024
Opening balance	**2,861,821**
Increases	**67,694**
Purchase of loan portfolio	-
Other increases:	67,694
- Interest income accrued on loans	65,469
- Default interest	522
- Penalties and various recoveries	97
- Recovery of impairment provisions	1,606
Decreases	**(441,194)**
Collections from customers	(328,395)
Other decreases:	(103,536)
- Impairment losses on loans	(141)
- Loan losses	-
- Charges from IAS adjustments	(103,395)
Repurchases by the Originator	(9,263)
Closing balance	**2,488,321**

2. Breakdown by residual life

Residual life of securitised loans	31.12.2024
Up to 3 months	202
From 3 months to 1 year	3,952
From 1 to 5 years	123,186
> 5 years	2,491,763
Undefined maturity	55
Total	**2,619,158**

The loan balance is gross of loan provisions and IAS impairment losses.

3. Risk concentration:

Amount by category (Euro)	Number of customers	31.12.2024
0 - 25,000	4,469	60,752
25,000 - 75,000	12,127	605,082
75,000 - 250,000	13,653	1,689,122
Over 250,000	756	264,202
Total	**31,005**	**2,619,158**

The loan balance is gross of loan provisions and IAS impairment losses.
As of 31 December 2024, sold debtors are for the most part resident in Italy and the loans are denominated in Euro.

F. Models for the measurement of credit risk

BPER Banca does not have internal portfolio credit risk models (VAR methodology).

Section 2 – Market risk

2.1 Interest rate risk and price risk - Trading portfolio for regulatory purposes

The Group's organisation provides for centralisation of the market risk control function at the Parent Company; consequently, the qualitative information set out below also reflects the individual position of BPER Banca.

Qualitative information

A. General aspects

The Group's proprietary trading portfolio comprises all of the financial instruments acquired for trading purposes or for hedging a risk factor inherent to the portfolio or the banking book.
"For trading purposes" is understood as being the purchase of financial instruments with the following features:

- exposure to managed risk factors (interest rate risk and price risk, exchange rate risk, issuer risk, counterparty risk and liquidity risk);
- trading done prevalently on active markets;
- securities issued by operators of prime standing.

The trading portfolio is managed according to exposure to the interest rate risk deriving from the overall asset-liability structure and, as a rule, does not include complex or innovative derivatives.
The trading portfolio comprises all those financial instruments not purchased with the aim of achieving equilibrium of the asset-liability structure, but with a view to contributing to the results of the year, optimising the overall risk-yield profile.
The size of this portfolio is closely linked to the overall liquidity position of the Group.
Arbitrage and short-term speculative activity with regard to listed derivative instruments are marginal with respect to the management of the proprietary portofolio. The objective of the investment strategy underlying trading in these financial instruments is to maximise the overall risk/yield profile via appropriate diversification.
The Parent Company makes medium-term speculative investments in stock markets, in commodity derivatives, in mutual funds and, to a marginal extent, in hedge funds. However, this activity is just a small part of the transactions carried out in the bond markets.
The trading portfolio governance process is centralised in BPER Banca to respond to the needs of central oversight of market risk and greater efficiency of Group investment processes.
This process implies that the individual Group Banks remain responsible for optimisation of the return on liquidity through treasury transactions with BPER Banca or, alternatively, by investing in floating rate or fixed rate bonds issued by the Bank.
In this way, the governance of market risk has been centralised by the Parent Company on the basis of decisions taken by the Finance Committee, which is chaired by the Chief Executive Officer.

B. Management processes and measurement methods for interest rate and price risk

The BPER Banca Group's system of daily checking is consistent with market standards. Value at Risk (VaR) metrics are used to measure market risk.
VaR represents the estimated maximum potential loss, determined based on probabilities, that may be suffered by the aggregate concerned over a given time horizon at a pre-determined level of confidence.
The method adopted for calculating VaR belongs to the class of "historical simulation" models, according to which the overall risk is determined on the basis of the historical distribution of the returns on the risk factors to which the financial instruments held are sensitive. The methodologies used to monitor market risks also include sensitivity analyses based on parallel shifts in the market rate curves and periodic stress testing analyses.
Currently, the daily calculation of VaR makes reference to two distinct time horizons of portfolio holding; in fact, an analysis is carried out with a time horizon of one month and with a confidence interval of 99% on the entire Group's proprietary portfolio (banking book and trading book), in line with the Group's Risk Appetite Framework. This is accompanied by further analysis with the same confidence interval, but with a one-day time horizon, in order to monitor day by day the market risk dynamics of the Bank's trading portfolio. This model is only used for internal management purposes and is not involved in the calculation of the capital adequacy requirements regarding market risk.
The process of controlling interest-rate risk and price risk is centralised at BPER Banca. Periodic information is assured by the distribution of specific reports prepared at different time intervals, starting from the one produced daily.
The monitoring and control of interest rate risk of the trading portfolio aims to mitigate the risk in question, by defining a system of operating limits for the portfolios managed by the appropriate Group structures, addressing the various risks to which they are exposed. The limits are checked on a daily basis.
The daily monitoring and control of the price risk associated with the trading portfolio for supervisory purposes is performed via Value-at-Risk (VaR) analyses, in accordance with the method indicated above.

Quantitative information

3. Interest rate risk - Trading portfolio for regulatory purposes: internal models and other methodologies for the sensitivity analysis

The VaR readings determined over time horizons of ten days and one day are set out below, in relation to the rate risk associated with the trading portfolio reported for regulatory purposes at 31 December 2024.

Descriptive data		VaR		VaR	
		Time horizon: 10 days		Time horizon: 1 day	
		Confidence interval: 99%		Confidence interval: 99%	
Type of transaction	Present value	VaR	Var/Present Value	VaR	Var/Present Value
BOT	19,875	10	0.00%	3	0.02%
BTP	27,432	408	1.49%	131	0.48%
CCT	-	-	0.00%	-	0.00%
Other government securities	808	88	10.89%	29	3.59%
Bonds	51,187	144	0.28%	46	0.09%
Equity instruments	-	-	0.00%	-	0.00%
Mutual funds and Sicavs	-	-	0.00%	-	0.00%
Derivatives/Transactions to be settled	58,729	1,428	2.43%	454	0.77%
Effect of diversification		(704)		(228)	
Total portfolio 2024	**158,031**	**1,374**	**0.87%**	**435**	**0.28%**
Total portfolio 2023	**52,979**	**21,296**	**40.20%**	**6,736**	**12.71%**

The value of the trading portfolio at 31 December 2024 given a parallel shift of +/- 100 bps (sensitivity analysis) is set out below.

	+100 bps	-100 bps
31 December 2024	**(370)**	**2,118**
31 December 2023	**(47,706)**	**50,082**

3. Price risk - Trading portfolio for regulatory purposes: internal models and other methodologies for the sensitivity analysis

The VaR determined over time horizons of ten days and one day is set out below, in relation to the price risk associated with the trading portfolio reported for regulatory purposes at 31 December 2024.

Descriptive data		VaR		VaR	
		Time horizon: 10 days		Time horizon: 1 day	
		Confidence interval: 99%		Confidence interval: 99%	
Type of transaction	Present value	VaR	Var/Present Value	VaR	Var/Present Value
Equity instruments	2,862	175	6.11%	55	1.92%
Mutual funds and Sicavs	-	-	0.00%	-	0.00%
Derivatives/Transactions to be settled	557	780	140.04%	254	45.60%
Effect of diversification		(94)		(14)	
Total portfolio 2024	**3,419**	**861**	**25.18%**	**295**	**8.63%**
Total portfolio 2023	**50,858**	**2,793**	**5.49%**	**865**	**1.70%**

2.2 Interest rate risk and price risk - Banking book

Qualitative Information

A. General aspects, management processes and measurement methods for interest rate risk and price risk

Interest rate risk represents the potential impact of unexpected changes in market rates on current profits and the equity value of the Parent Company. This risk typically affects the positions included in the banking book.
The exposure to interest rate risk can be further analysed into:
- income risk;
- investment risk.

Income risk derives from the possibility that an unexpected change in interest rates may reduce net interest income, being the difference between interest received and interest paid. This risk is measured by maturity gap models and depends on:
- the mismatch in the maturity structures of lending and funding, in cases where the related assets and liabilities are remunerated at fixed rates until final maturity;
- the mismatch of the review periods for rate conditions, in the case of floating-rate assets and liabilities.

The timing mismatches mentioned above expose BPER Banca to:
- refinancing risk: the risk arising when the average maturity period (period until the next rate review) is shorter for funding than for lending. In this case, the Bank is exposed to possible increases in interest rates (the Bank is Liability Sensitive);
- reinvestment risk: the risk arising when the average maturity period (period until the next rate review) is shorter for lending than for funding. In this case, the Bank's net interest income will decline if interest rates fall (the Bank is Asset Sensitive).

Investment risk derives from the possibility that adverse changes in the value of all assets, liabilities and off-balance sheet instruments held by the Bank, following changes in interest rates, may destabilise the equilibrium of the balance sheet. This risk is measured by duration gap and sensitivity analysis techniques.
The following types of interest rate risk are identified:
- Gap Risk: risk associated with differences in the maturities (fixed rate) and the repricing dates (floating rate) of the assets and liabilities held in the portfolio.
- Yield Curve Risk: risk associated with changes in the gradient and shape of the yield curve.
- Basis Risk: risk arising from the imperfect correlation between the indexation parameters for lending and funding, or from unfavourable changes in the gradient of the curve.
- Option Risk: risk associated with "explicit" or "embedded" options embedded in the banking book's assets and liabilities (e.g. cap/floor/collar, loan prepayment options).

Every month, BPER Banca monitors at both consolidated and legal entity level the impact that unexpected changes in market interest rates might have on the positions in the banking book, according to the following prospects:
- standpoint of current profits: the purchase of considering the impact on current profits is to evaluate interest risk with reference to the sensitivity of net interest income to rate changes over a given period of time. Adverse changes in net interest income potentially affect the financial stability of a bank by weakening its capital adequacy. The change in net interest income depends on the various types of risk;
- standpoint of economic value: changes in interest rates may affect the economic value of the Parent Company's assets and liabilities. The economic value of a bank is represented by the present value of its expected cash flows, defined as the sum of the present value of the cash flows to be generated by its assets, liabilities and positions in derivatives. By contrast with the standpoint of current profits, the standpoint of economic value identifies the risk generated by the repricing or maturity gap over a long time horizon.

The objectives to be pursued in support of the proper management of interest rate risk are:
- reduce the adverse effects of the volatility of net interest income (standpoint of current profits). The stability of net interest income is mainly influenced by the Yield Curve Risk, Gap Risk, Basis Risk and Option Risk;
- immunise the economic value, being the sum of the present values of all the expected cash flows, generated by both sides of the balance sheet. By contrast with the standpoint of current profits, the standpoint of economic value takes a medium/long-term view and is mainly associated with the Gap Risk;
- ensure compliance with the related organisational requirements envisaged by the domestic and international supervisory bodies.

The model for the governance of interest rate risk is based on the following principles:

- assignment to the Parent Company of guidance and coordination rights over the strategic planning and control processes, treasury and financial management, the commercial area and the governance of lending for the entire Group, in order to ensure the consistent management of interest-rate risk and compliance with regulatory requirements,
- segregation between governance processes and the management of interest rate risk.

The strategic decisions at Group level regarding the management of risk are made by the corporate bodies of the Parent Company. The decisions made take account of the operational specifics and related risk profiles of each Group company, in order to establish an integrated and consistent risk management policy.
Given the above, the BPER Group has adopted a centralised model for the governance and management of risk.
As the Parent Company, BPER Banca is responsible for defining guidance for the governance, acceptance and management of interest-rate risk at Group level.

The model for the management of interest rate risk focuses on the following measures of risk:

- sensitivity of net interest income;
- sensitivity of economic value.

The sensitivity analysis of net interest income identifies the impact of changes in interest rates as a result of parallel and other shocks.
The Bank calculates the sensitivity of net interest income holding volumes constant. According to this model, maturing amounts are reinvested in transactions of similar size and financial characteristics to those maturing during the analysis period.
The indicator is calculated at both Group and Legal Entity levels.

The sensitivity analysis of economic value identifies the impact of yield curve shocks on the value of shareholders' equity. This change is calculated by discounting all the cash flows using two different yield curves: the current curve at the analysis date and that following the shock, and comparing the two values.

$$\Delta VA = VA_{(Curve1)} - VA_{(Curve2)}$$

In order to include the prepayment phenomenon (early repayment, in whole or in part, of the residual debt by the borrower) when measuring the sensitivity, a statistical model has been adopted whereby the potential prepayment of loan principal is estimated using different variables, both of financial nature (such as market interest rates) and contractual (such as the original duration of the loan, the type of loan, the personal characteristics of the borrower, etc.).

For the calculation of sensitivity, demand balances outstanding with customers are simulated using an econometric model which identifies a portfolio that replicates them, by allocating demand funding (lending) to a portfolio of liabilities (assets) with an identified effective repricing profile.

In addition to the risk measures mentioned above, the capital absorbed in relation to interest rate risk is also calculated. Sensitivity analysis is applied in order to estimate the capital absorbed. Under this approach, the capital absorbed in relation to the banking book's interest rate risk is the change in the economic value (defined as the present value of expected cash flows) caused by an adverse interest-rate shock.

BPER Banca monitors, on a monthly and consolidated basis, the impact that unexpected changes in credit spreads may have on the positions in the banking book from both the current earnings and economic value perspectives. Credit spread risk arising from the banking book, CSRBB, captures the risk of changes in the credit spread of an instrument of the same credit quality, i.e. the trend of the credit spread within a given rating/probability of default range. The CSRBB is a combination of two elements:

- market credit spread: i.e. changes in the market price of credit risk (as opposed to the idiosyncratic credit spread), which represents the credit risk premium demanded by market operators for a given credit quality;
- market liquidity spread: i.e. changes in the market liquidity spread, which represents the liquidity premium that stimulates market appetite for investment and the presence of willing buyers and sellers

With regard to price risk, the banking book essentially includes transactions in equity instruments, mutual funds and SICAVs classified in the financial statements as measured at fair value through profit or loss and other comprehensive income.
The monitoring of the aforementioned portfolio takes place through the Value at Risk (VaR) methodology presented in detail in the section on qualitative information: "Interest rate risk and price risk - Trading portfolio reported for regulatory purposes".
The Financial Risks Service records and monitors on a daily basis the exposure to price risk through the production of specific reporting containing the main risk metrics (mainly expressed in terms of Value-at-Risk) and, where appropriate, the associated exposure limits for said type of risk.

Quantitative information

2. Interest rate risk - Banking book: internal models and other methodologies for the sensitivity analysis

Below are the year-end figures at 31 December 2024 and their trends (minimum, average, maximum) of the management reporting year relating to the banking book's net interest income, against a parallel shift of +100/-50 bps.

	+100 bps	-50 bps
31 December 2024	**56,749**	**(33,107)**
maximum change	88,046	(48,053)
minimum change	29,835	(18,371)
average change	60,404	(33,033)
31 December 2023	**34,921**	**(18,566)**

Below are the year-end figures at 31 December 2024 and their trends (minimum, average, maximum) of the management reporting year relating to the change in the value of the banking book, against a parallel shift of +/- -100 bps (sensitivity analysis).

	+100 bps	-100 bps
31 December 2024	**(366,741)**	**182,708**
maximum change	(366,741)	193,582
minimum change	(65,793)	26,480
average change	(155,932)	120,718
31 December 2023	**(32,089)**	**50,570**

In relation to the measurement of interest-rate risk, the VaR of the overall securities portfolio (banking and trading) amounts to Euro 331 million (Euro 311 million at 31 December 2023) and is principally attributable to the Italian government securities held in the portfolio, which account for approximately 30% of the indicator for an amount of Euro 92 million.

2. Price risk - Banking book: internal models and other methodologies for the sensitivity analysis

VaR measurements referring to time horizons of ten days and one day are set out below, in relation to the price risk associated with the trading portfolio reported for regulatory purposes at 31 December 2024.

Descriptive data		**VaR**		**VaR**	
		Time horizon: 10 days		**Time horizon: 1 day**	
		Confidence interval: 99%		**Confidence interval: 99%**	
Type of transaction	**Present value**	**VaR**	**Var/Present Value**	**VaR**	**Var/Present Value**
Equity instruments	650,386	26,498	4.07%	8,379	1.29%
Mutual funds and Sicavs	395,465	10,054	2.54%	3,179	0.80%
Derivatives/Transactions to be settled	(8,036)	2,555	-31.79%	808	-10.05%
Effect of diversification		(4,460)		(1,410)	
Total portfolio 2024	**1,037,815**	**34,647**	**3.34%**	**10,956**	**1.06%**
Total portfolio 2023	**901,993**	**42,232**	**4.68%**	**13,354**	**1.48%**

1.2.3 Exchange risk

Qualitative Information

A. General aspects, management and measurement of exchange risk

BPER Banca is exposed to exchange risk in connection with routine funding and lending activities and, to a marginal extent, in relation to speculative activities.
The Financial Risks Service of the Parent Company records and monitors on a daily basis the exposure to currency risk through the production of specific reporting containing the main risk metrics (mainly expressed in terms of Value-at-Risk) and, where appropriate, the associated exposure limits for said type of risk.

B. Hedging of exchange risk

BPER Banca uses plain vanilla instruments for the operational hedging of exchange risk.

Quantitative information

1. Breakdown of assets, liabilities and derivatives by currency

Items	Currency					
	USD	GBP	CHF	CNY	JPY	OTHER CURRENCIES
A. Financial assets	**2,946,062**	**430,610**	**166,976**	**19,098**	**13,055**	**37,835**
A.1 Debt securities	2,421,704	394,161				
A.2 Equity instruments	16,074					
A.3 Loans to banks	61,262	33,530	3,951	16,152	8,708	31,282
A.4 Loans to customers	447,022	2,919	163,025	2,946	4,347	6,553
A.5 Other financial assets						
B. Other assets	**83,692**	**1,712**	**3,519**		**185**	**840**
C. Financial liabilities	**2,870,859**	**385,181**	**21,219**	**2,172**	**4,795**	**22,235**
C.1 Deposits from banks	2,268,034	354,784	3,684	61	214	3,464
C.2 Deposits from customers	602,825	30,397	17,535	2,111	4,581	18,771
C.3 Debt securities in issue						
C.4 Other financial liabilities						
D. Other liabilities	**6,907**	**354**	**14**			**1,524**
E. Financial derivatives	**1,458,158**	**69,111**	**178,196**	**64,708**	**24,541**	**77,796**
- Options						
+ Long positions	142,550	635		330	829	
+ Short positions	147,822	207		30,987	3,077	3,629
- Other derivatives						
+ Long positions	545,444	8,310	6,121	23,704	7,543	32,280
+ Short positions	622,342	59,959	172,075	9,687	13,092	41,887
Total assets	**3,717,748**	**441,267**	**176,616**	**43,132**	**21,612**	**70,955**
Total liabilities	**3,647,930**	**445,701**	**193,308**	**42,846**	**20,964**	**69,275**
Net balance (+/-)	**69,818**	**(4,434)**	**(16,692)**	**286**	**648**	**1,680**

2. Internal models and other methodologies for the sensitivity analysis

The VaR determined over time horizons of ten days and one day is set out below, in relation to the risk faced by BPER Banca at 31 December 2024.

	VaR Time horizon: 10 days Confidence interval: 99%	VaR Time horizon: 1 day Confidence interval: 99%
2024	**9,874**	**3,079**
2023	**24,740**	**7,627**

Section 3 – Derivative instruments and hedging policies

3.1 Trading derivative instruments

The Group's organisation provides for centralisation of the derivatives' management process at the Parent Company; consequently, the qualitative information set out below also reflects the individual position of BPER Banca.

A. Financial derivatives

A.1 Trading financial derivatives: notional values at the end of the period

Underlying assets/Type of derivatives	Total 31.12.2024				Total 31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates	**-**	**12,292,595**	**4,815,814**	**-**	**-**	**10,492,831**	**4,299,215**	**-**
a) Options	-	1,506,429	320,370	-	-	1,090,478	339,747	-
b) Swaps	-	10,728,502	3,239,131	-	-	9,352,447	2,758,408	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	1,222,600	-	-	-	1,159,263	-
e) Other	-	57,664	33,713	-	-	49,906	41,797	-
2. Equities and stock indexes	**-**	**9,122,290**	**2,391**	**-**	**-**	**12,035,541**	**50,043**	**-**
a) Options	-	9,122,290	216	-	-	12,035,541	142	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	2,175	-	-	-	49,901	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**721,956**	**752,607**	**-**	**-**	**984,315**	**633,912**	**-**
a) Options	-	57,618	291,090	-	-	26,557	261,986	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	478,452	461,517	-	-	836,921	371,926	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	185,886	-	-	-	120,837	-	-
4. Commodities	**-**	**151**	**151**	**-**	**-**	**-**	-	**-**
5. Other	**-**	**84,003**	**82,265**	**-**	**-**	**47,523**	**49,596**	**-**
Total	**-**	**22,220,995**	**5,653,228**	**-**	**-**	**23,560,210**	**5,032,766**	**-**

A.2 Trading financial derivatives: positive and negative gross fair value - breakdown by product

Type of derivatives	Total 31.12.2024				Total 31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Positive Fair Value								
a) Options	-	305,893	6,591	-	-	290,557	5,089	-
b) Interest rate swaps	-	211,560	31,933	-	-	273,660	14,887	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	7,466	8,076	-	-	7,668	3,279	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	13,945	7,193	-	-	18,639	5,943	-
Total	**-**	**538,864**	**53,793**	**-**	**-**	**590,524**	**29,198**	**-**
2. Negative Fair Value								
a) Options	-	37,405	7,250	-	-	44,050	9,414	-
b) Interest rate swaps	-	128,275	57,081	-	-	139,365	109,254	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	3,054	8,259	-	-	8,691	4,134	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	3,079	7,849	-	-	2,553	14,136	-
Total	**-**	**171,813**	**80,439**	**-**	**-**	**194,659**	**136,938**	**-**

A.3 OTC trading financial derivatives - notional values, gross positive and negative fair value by counterparty

Underlying assets	Central counterparties	Banks	Other financial companies	Other entities
Contracts not included in netting agreements				
1) Debt securities and interest rates				
- notional value	X	1,222,600	187,987	3,405,227
- positive fair value	X	-	3,111	34,667
- negative fair value	X	-	63	64,674
2) Equities and stock indexes				
- notional value	X	2,175	101	115
- positive fair value	X	-	-	2
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	32	20,695	731,880
- positive fair value	X	-	491	12,628
- negative fair value	X	-	-	13,325
4) Commodities				
- notional value	X	-	-	151
- positive fair value	X	-	-	2
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	82,265
- positive fair value	X	-	-	2,892
- negative fair value	X	-	-	2,377
Contracts included in netting agreements				
1) Debt securities and interest rates				
- notional value	-	10,831,721	559,333	901,540
- positive fair value	-	218,082	1,717	15,355
- negative fair value	-	141,214	6,772	2,666
2) Equities and stock indexes	-			
- notional value	-	9,122,280	10	-
- positive fair value	-	290,747	6	-
- negative fair value	-	14,133	-	-
3) Currencies and gold	-			
- notional value	-	721,957	-	-
- positive fair value	-	10,404	-	-
- negative fair value	-	4,219	-	-
4) Commodities	-			
- notional value	-	151	-	-
- positive fair value	-	-	-	-
- negative fair value	-	2	-	-
5) Other	-	-	-	-
- notional value	-	84,003	-	-
- positive fair value	-	2,553	-	-
- negative fair value	-	2,807	-	-

A.4 Residual life of OTC trading financial derivatives: notional values

Underlying assets/Residual life	Up to 1 year	Over 1 year up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	3,346,174	12,100,911	1,661,324	17,108,409
A.2 Financial derivatives on equity securities and stock indexes	3,020,478	6,104,094	109	9,124,681
A.3 Financial derivatives on currencies and gold	1,347,774	126,789	-	1,474,563
A.4 Financial derivatives on commodities	302	-	-	302
A.5 Other financial derivatives	165,393	875	-	166,268
Total 31.12.2024	**7,880,121**	**18,332,669**	**1,661,433**	**27,874,223**
Total 31.12.2023	**7,832,081**	**18,571,345**	**2,189,550**	**28,592,976**

B. Credit derivatives

B.1. Trading credit derivatives: end-of-period notional amounts

There are no amounts for this item in this Separate Financial Report.

B.3 OTC trading credit derivatives: notional values, gross positive and negative fair value by counterparty

There are no amounts for this item in this Separate Financial Report.

B.4 Residual life of OTC trading credit derivatives: notional values

There are no amounts for this item in this Separate Financial Report.

B.5 Credit derivatives connected with the fair value option: annual changes

There are no amounts for this item in this Separate Financial Report.

3.2 Accounting hedges

Qualitative Information

BPER Banca has adopted Chapter 6 Hedge Accounting of IFRS 9. For more details on the choices applied, please refer to Part A.2 of the Explanatory Notes, paragraph 4. “Hedging transactions”.

A. Fair value hedges

Hedged Risk - Rate Risk

As already mentioned previously and in other parts of the Financial Report, the corporate strategies provide for specific interventions aimed at the best possible management of interest rate risk. Among the intervention levers, the Parent Company has recourse to derivative contracts (classified from an accounting point of view both as “hedging” and “trading”), used to reduce the sensitivity of the proprietary securities portfolio, loans granted and own liabilities (bond issues and on demand items), compared with a movement in risk-free rates.
The derivatives used for this purpose are:

- Interest Rate Swaps (IRS), also in currencies other than the Euro, traded over the counter, that are specific for each asset or liability instrument to be hedged, or refer to several instruments with the same maturity;
- Futures, listed, generic with underlying bonds (typically German, Italian and US bonds).

Compared with what is shown, micro-hedge accounting relationships are qualified only for hedging the interest rate risk connected to bonds in the banking book, classified among Financial assets measured at fair value through other comprehensive income and Financial assets measured at amortised cost, using IRS-type derivatives for this purpose. Hedging relationships of fixed rate bond loans issued by BPER Banca and sight deposits were treated similarly under the micro-hedging arrangement.
In addition, starting from 2022, BPER Banca qualified macro hedging relations (macro-hedge accounting) for the hedging of interest rate risk connected with some liability items - Sight Items - modelled according to the results of the behavioural model adopted by the BPER Banca Group and therefore characterised by features of “inelastic core” funding, i.e. those that are substantially characterised by a trend-based fixed cost and a stable duration over time.

Hedged risk - Credit / Counterparty Risk

Given the unexpected increase in credit/counterparty risk, BPER Banca may use derivative instruments to reduce the sensitivity of the investment portfolio to this type of risk.
The derivatives used for this purpose are:

- Credit Default Swaps – CDS, traded over-the-counter, generic and linked to sub-indexes;
- Futures, listed, generic with underlying bonds (typically German, Italian and US bonds).

Compared with what is shown, the credit risk is hedged only by management, as no Hedge Accounting relationship has been qualified.

Hedged risk – Price risk

The coverage of potential unwanted changes in fair value also includes transactions involving equity securities.
The derivatives used for this purpose are generally Total Return Swap (TRS), traded over the counter, specific for each individual exposure.

B. Cash flow hedges

Hedged Risk – Rate Risk

The objective pursued by the Parent Company in this case is to stabilise the contribution made by the securities portfolio to the net interest income of the Bank should risk-free rates rise and fall.
Cash flow hedging generally requires the use of Interest Rate Swaps - IRS, traded over the counter, specific for each instrument to be hedged or for multiple instruments with the same maturity.

Hedged Risk – Exchange Rate Risk

The objective pursued by the Parent Company in this case is to stabilise the contribution made by the foreign currency securities portfolio to the net interest income of the Bank should the exchange rate depreciate.
Also in this case, hedging tends to be very limited (at the end of 2024 there was just one currency hedge in place) and generally requires the use of Cross Currency Swaps - CCS, traded over the counter, specific for each issue to be hedged or for multiple issues with the same maturity.

C. Hedging of foreign investments

BPER Banca does not have any foreign investment hedging relationships.

D. Hedging instruments

The hedge accounting implemented by BPER Banca is therefore achieved by the use of OTC IRS derivative contracts, either plain vanilla or with cap & floor options, and CCS or TRS derivatives.

E. Hedged items

BPER Banca currently has accounting hedges on securities (bonds and equities) in the banking book, on loans (mortgages) granted and on its own bond issues. For these instruments, either just the Interest rate risk component or the Interest rate risk and Inflation rate risk components are hedged.
From 2022, in addition to previous hedges, some new accounting hedges were entered into on sight items, i.e. funding. In particular, Macro Fair Value Hedges were created, in order to hedge the core fixed-rate inelastic component

Quantitative information

A. Hedging financial derivatives

A.1 Hedging financial derivatives: end-of-period notional amounts

Underlying assets/Type of derivatives	Total 31.12.2024				Total 31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates	**-**	**14,585,632**	**-**	**-**	**-**	**18,678,514**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	14,585,632	-	-	-	18,678,514	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equities and stock indexes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**57,753**	**-**	**-**	**-**	**54,299**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	57,753	-	-	-	54,299	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**14,643,385**	**-**	**-**	**-**	**18,732,813**	**-**	**-**

A.2 Hedging financial derivatives: gross positive and negative fair value - breakdown by product

Type of derivatives	Positive and negative fair value								Changes in the value used to calculate hedge effectiveness	
	Total 31.12.2024				Total 31.12.2023				Total 31.12.2024	Total 31.12.2023
	Over the counter			Organised markets	Over the counter			Organised markets		
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties				
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements			
1. Positive Fair Value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	649,351	-	-	-	1,122,269	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**-**	**649,351**	**-**	**-**	**-**	**1,122,269**	**-**	**-**	**-**	**-**
2. Negative Fair Value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	207,098	-	-	-	248,696	-	-	-	-
c) Cross currency swaps	-	3,249	-	-	-	1,428	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**-**	**210,347**	**-**	**-**	**-**	**250,124**	**-**	**-**	**-**	**-**

A.3 OTC hedging financial derivatives - notional values, gross positive and negative fair value by counterparty

Underlying assets	Central counterparties	Banks	Other financial companies	Other entities
Contracts not included in netting agreements				
1) Debt securities and interest rates				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
2) Equities and stock indexes				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreements				
1) Debt securities and interest rates				
- notional value	-	14,585,632	-	-
- positive fair value	-	649,351	-	-
- negative fair value	-	207,098	-	-
2) Equities and stock indexes				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	57,753	-	-
- positive fair value	-	-	-	-
- negative fair value	-	3,249	-	-
4) Commodities				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC hedging financial derivatives: notional values

Underlying assets/Residual life	Up to 1 year	Over 1 year up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	1,785,577	7,551,913	5,248,142	14,585,632
A.2 Financial derivatives on equity securities and stock indexes	-	-	-	-
A.3 Financial derivatives on currencies and gold	-	57,753	-	57,753
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 31.12.2024	**1,785,577**	**7,609,666**	**5,248,142**	**14,643,385**
Total 31.12.2023	**1,326,113**	**11,353,901**	**6,052,799**	**18,732,813**

B. Hedging credit derivatives

There are no amounts for this item in this Separate Financial Report.

C. Non-hedging derivatives

There are no amounts for this item in this Separate Financial Report.

D. Hedged instruments

D.1 Fair value hedges

	Micro-hedges: book value	Micro-hedges - net positions: book value of assets or liabilities (prior to netting)	Micro-hedges			Macro-hedges: Book Value
			Cumulative fair value changes (hedged instrument)	Termination of hedging: residual cumulative fair value changes	Change in value used to assess hedge ineffectiveness	
A. Assets						
1. Financial assets measured at fair value through other comprehensive income - hedging of:	**680,192**	**-**	**(45,840)**	**(6,116)**	**(45,840)**	**-**
1.1 Debt securities and interest rates	678,596	-	(55,278)	(6,116)	(55,278)	x
1.2 Equities and stock indexes	1,596	-	9,438	-	9,438	x
1.3 Currencies and gold	-	-	-	-	-	x
1.4 Loans	-	-	-	-	-	x
1.5 Other	-	-	-	-	-	x
2. Financial assets measured at amortised cost - hedging of:	**6,223,601**	**-**	**(443,597)**	**(233,175)**	**(443,597)**	**-**
1.1 Debt securities and interest rates	6,223,601	-	(443,597)	(233,175)	(443,597)	x
1.2 Equities and stock indexes	-	-	-	-	-	x
1.3 Currencies and gold	-	-	-	-	-	x
1.4 Loans	-	-	-	-	-	x
1.5 Other	-	-	-	-	-	x
Total 31.12.2024	**6,903,793**	**-**	**(489,437)**	**(239,291)**	**(489,437)**	**-**
Total 31.12.2023	**9,341,928**	**-**	**(1,115,077)**	**-**	**(1,115,077)**	**-**
B. Liabilities						
1. Financial liabilities measured at amortised cost - hedging of:						
1.1 Debt securities and interest rates	5,452,074	-	69,868	25,464	69,868	2,127,778
1.2 Currencies and gold	5,452,074	-	69,868	25,464	69,868	x
1.3 Other	-	-	-	-	-	x
Total 31.12.2024	**5,452,074**	**-**	**69,868**	**25,464**	**69,868**	**2,127,778**
Total 31.12.2023	**5,946,419**	**-**	**133,615**	**-**	**133,615**	**2,953,330**

D.2 Hedging of cash flows and foreign investments

	Change in value used to calculate hedging ineffectiveness	Hedging reserves	Termination of hedging: residual value of hedging reserves
A. Cash flow hedges			
1. Assets	-	20	-
1.1 Debt securities and interest rates	-	-	-
1.2 Equities and stock indexes	-	-	-
1.3 Currencies and gold	-	20	-
1.4 Loans	-	-	-
1.5 Other	-	-	-
2. Liabilities	-	-	-
1.1 Debt securities and interest rates	-	-	-
1.2 Currencies and gold	-	-	-
1.3 Other	-	-	-
Total (A) 31.12.2024	**-**	**20**	**-**
Total (A) 31.12.2023	**-**	**(1,651)**	**-**
B. Hedges of foreign investments	**X**	**-**	**-**
Total (A+B) 31.12.2024	**-**	**20**	**-**
Total (A+B) 31.12.2023	**-**	**(1,651)**	**-**

E. Effects of hedging on shareholders' equity

E.1 Reconciliation of components of shareholders' equity

	Cash flow hedging reserve				
	Debt securities and interest rates	Equities and stock indexes	Currencies and gold	Loans	Other
Initial balance	**-**	**-**	**(1,651)**	**-**	**-**
Changes in Fair Value (effective portion)	-	-	1,671	-	-
Transfer to P&L	-	-	-	-	-
of which: future transactions not expected	-	-	-	-	-
Other	-	-	-	-	-
of which: transfer of hedged instruments at initial book value (IFRS 9 para. 6.5.11 letter d) points i)	-	-	-	-	-
Closing balance	**-**	**-**	**20**	**-**	**-**

The parts of the table relating to hedging reserves for foreign investments and hedging instruments (non-designated elements) are not shown as they do not apply.

3.3. Other information on derivative instruments (trading and hedging)

Financial and credit derivatives

At 31 December 2024, BPER Banca does not have any derivatives that satisfy the criteria envisaged in IAS 32, para. 42 for offsetting financial assets and liabilities.

Section 4 – Liquidity risk

Qualitative Information

A. General aspects, management and measurement of liquidity risk

Liquidity risk typically crystallises in the form of failure to meet payment obligations; it may take various forms, depending on the circumstances in which the risk arises. With reference to the definitions adopted at international level, a distinction is made between funding liquidity risk and market liquidity risk.

Funding liquidity risk is the risk that the Group will not be able to make, in an efficient manner, expected and unexpected cash payments, both current and future, without an adverse effect on the Group's current operations or its financial position.
Market liquidity risk, on the other hand, is the risk that the Group is not able to sell a financial asset without incurring a capital loss due to low depth in the reference market or as a consequence of the time frame within which the assets need to be transferred.
In the context of funding liquidity risk, a distinction is also made between:
- mismatch liquidity risk, being the liquidity risk implicit in the structure of the Group's assets and liabilities due to the transformation of maturities typical of financial intermediaries, when the profile of cash outflows is not perfectly matched by the profile of cash inflows (with reference to contractual maturities and routine behaviour);
- contingency liquidity risk, being the risk that future events may require access to significantly more liquidity than previously planned by the Group; in other words, this is the risk of not being able to settle sudden and unexpected payment commitments in the short or very short term.

The BPER Banca Group, in line with the Group Guidelines on the Internal Control System, has a specific policy for the governance and management of liquidity and funding risk (Group Policy for Liquidity and Funding Risk Governance), which includes the plan covering the objectives, processes and strategies for action under contingency circumstances (Contingency Funding Plan).

The Policy, which forms an integral part of the Risk Appetite Framework – RAF of the BPER Group, defines the principles, objectives and methods of governance and monitoring of liquidity and funding risk at Group level. More specifically, it contains:
- the definition of the governance model in terms of the parties involved in risk governance and their roles and responsibilities;
- definition of limits and mitigating actions aimed at risk containment;
- the formalisation of risk management methods, through the establishment of rules, procedures and metrics for the measurement and monitoring of liquidity and funding risk and describing the stress test model adopted to evaluate the risk exposure in adverse scenarios.

In particular, the Group's model for the governance of liquidity and funding risk has the following objectives:
- guarantee solvency in the ordinary course of business and under crisis conditions;
- ensure enough liquidity to satisfy the contractual commitments of the Group at all times, while also optimising the cost of funding given both current and expected market conditions;
- apply the instructions issued by the Supervisory Authorities, while also taking account of the Group's own operating characteristics.
- development of processes for the governance and management of liquidity and funding risk, using a model that involves the appropriate corporate bodies and functions;
- ensuring conformity of the processes for the governance and management of liquidity and funding risk with the prudential supervision instructions.

The BPER Banca Group's model for the governance of liquidity and its risk is characterised by a centralised-type system, in which the Parent Company BPER Banca s.p.a. exercises management, coordination and control over each of the Group's Banks and Companies.
Internal assessment of liquidity adequacy is conducted periodically through the ILAAP (Internal Liquidity Adequacy Assessment Process), which allows the Group to identify, measure, manage, and monitor its liquidity and funding risk profile. Through the ILAAP, carried out at consolidated level, the Corporate Bodies and organisational Functions acquire the information and instruments necessary to define liquidity and funding strategies and to manage liquidity in a prudent and effective manner, maintaining on an ongoing basis the adequacy of the risk profile with respect to the objectives of the Risk Appetite Framework.

With regard to short-term liquidity (i.e., operational liquidity), the Parent Company manages funding and lending operations, defines and oversees the Funding Plan, and monitors the liquidity risk profile for each entity within the consolidated perimeter.

Similarly, for medium- to long-term liquidity (i.e., structural liquidity), the Parent Company:
- coordinates the commercial and credit policies of the Group's Banks and Companies to ensure consistency in the overall governance of funding risk and to ensure compliance with regulatory requirements ;
- ensures the clear attribution of responsibilities among the governance, control, and operational bodies within the Group, consistently developing the processes for managing and controlling funding risk.

The metrics that monitor short-term liquidity risk, aimed at maintaining the ability of the Group to meet both routine and unexpected payment obligations, while minimising the related cost, envisage:
- calculation of the exposure using the Liquidity Risk Mismatch Model, considering the eligible assets that are readily convertible into liquid funds, as well as any reserves held in the form of working capital;
- maintenance of the lending-funding due to mature in the various time bands within a cumulative limit; verification both daily for internal operational purposes and weekly in accordance with the frequency requirements specified by the Supervisory Authorities;

The metrics that monitor funding risk are designed to maintain suitable dynamics in the ratio of medium/long-term assets and liabilities, avoiding pressure on the sources of current and expected short-term liquidity while optimising the cost of funding. These metrics envisage:
- calculation of the liquidity mismatch which, in practical terms, means calculating the gap ratios between assets and liabilities in the time bands beyond one year;
- calculation of the funding gap, being the difference between lending and commercial funding as a percentage of total lending;
- the use of statistical/quantitative behavioural models for items without contractual maturities or which are subject to options;

Group liquidity is monitored both in the ordinary course of business and under stress conditions; The Liquidity Stress Testing framework is aimed at assessing and monitoring the Group's ability to withstand severe but plausible liquidity stress situations, fulfilling its contractual and regulatory obligations without business interruption.
This framework is based on the simulation of scenarios characterised by adverse components of a Systemic (Market Driven) nature, Idiosyncratic (Bank Specific) nature, and a combination of systemic and idiosyncratic components, of sufficient intensity to negatively impact the Group's liquidity position.

In line with both external and internal regulatory frameworks, the Group has also implemented comprehensive organisational safeguards and internal control processes, set out in an emergency plan, or Contingency Funding Plan (CFP), to be activated in the event of anomalies identified through an appropriate system of early warning indicators.
The CFP is identified as a suitable tool for mitigating liquidity risk, with its primary purpose being to protect the Group's liquidity and funding position during periods of stress or liquidity crisis, through the provision of stress management strategies and procedures suitable for raising funds in the event of a contingency.
The CFP formalises the process of liquidity management under stress or crisis scenarios. The business functions responsible for monitoring and managing liquidity risk must be able to carry out their activities both under normal conditions and at times of stress and/or liquidity crises that are unlikely to occur, but which would have a significant impact.
In view of the governance model of the liquidity and funding risk previously illustrated, BPER Banca - as the lender of last resort for all Group subsidiaries - guarantees their short, medium and long-term solvency and is responsible for activating the CFP, regardless of where in the Group the liquidity crisis arises.
The purpose of the CFP is to safeguard the net assets of the Bank and/or Group Company at the early stages of liquidity stress and to guarantee the Group's continuity in the event of a serious and/or prolonged liquidity crisis, by:
- defining a process for the identification and monitoring of risk indicators that signal and measure the stages in a liquidity crisis;
- identifying ex ante a system of predetermined but flexible actions to be implemented in the early stages of a crisis;
- determining the roles and responsibilities of each business function;
- identifying the internal regulations that may be invoked to justify the actions of the Group's management, which at a time of crisis must be authorised to modify on a timely and perhaps radical basis the structure of the assets and liabilities in the balance sheet.

The BPER Banca Group's CFP identifies four reference operating scenarios:
- ordinary course of business;
- state of attention;
- state of stress;
- state of crisis.

Depending on the operational scenario of reference, identified by monitoring a system of quantitative alerts, the management process will be defined in terms of functions involved and actions to be adopted.

The Contingency Funding Plan and its revisions must be approved by the Board of Directors of the Parent Company.

B. Liquidity indicators

The harmonised rules for banks and investment companies contained in EU Regulation 575/2013 (CRR), as subsequent updates, introduced the following liquidity indicators, to be calculated at a consolidated level:

- Liquidity Coverage Ratio (LCR): this is an indicator of coverage of short-term liquidity whose purpose is to force banks to accumulate sufficient high-quality assets that are readily convertible into cash, in order to deal with a scenario of high stress on the funding side over a period of thirty days. At 31 December 2024 it was 166.9% calculated as a ratio of Euro 25,773 million of highly liquid assets and Euro 15,439 million of net cash outflows.
- Net Stable Funding Ratio (NSFR): a structural long-term indicator that is measured with a view to reporting any mismatches between assets and liabilities. As at 31 December 2024, the ratio stood at 128.4%, calculated as the ratio between Euro 102,646 million of available stable funding and Euro 79,941 million of required stable funding.

The liquidity requirements are over 100%, so above the minimum requirements.

Alongside these indicators, the legislation also sets the Leverage Ratio which is highlighted in the Directors' Report on Operations under the heading "Key figures".

Quantitative information

1. Time breakdown of financial assets and liabilities by contractual residual maturity

EURO

Items/time bands	On demand	From 1 to 7 days	From 7 to 15 days	From 15 days to 1 month	From 1 to 3 months
A. On-balance-sheet assets	**15,545,795**	**1,028,951**	**1,599,419**	**3,745,731**	**5,572,139**
A.1 Government securities	2,741	-	3,939	35,450	568,369
A.2 Other debt securities	10,994	1,834	10,677	138,354	167,208
A.3 UCITS units	396,166	-	-	-	-
A.4 Loans	15,135,894	1,027,117	1,584,803	3,571,927	4,836,562
- Banks	7,223,826	48,193	43,164	20,644	1,576,864
- Customers	7,912,068	978,924	1,541,639	3,551,283	3,259,698
B. On-balance sheet liabilities	**88,019,533**	**1,945,904**	**213,742**	**3,189,235**	**957,939**
B.1 Deposits and current accounts	86,669,305	35,067	169,849	201,193	447,084
- Banks	6,612,827	-	-	16,160	139,533
- Customers	80,056,478	35,067	169,849	185,033	307,551
B.2 Debt securities	7,237	26,194	36,310	103,555	172,727
B.3 Other liabilities	1,342,991	1,884,643	7,583	2,884,487	338,128
C. Off-balance sheet transactions					
C.1 Financial derivatives with exchange of principal					
- Long positions	41	35,261	118,482	85,965	211,989
- Short positions	593	44,060	37,104	58,630	129,338
C.2 Financial derivatives without exchange of principal					
- Long positions	269,147	-	-	-	-
- Short positions	195,116	-	-	-	-
C.3 Deposits and loans to be received					
- Long positions	-	4,777,637	-	-	-
- Short positions	-	4,777,637	-	-	-
C.4 Commitments to disburse funds					
- Long positions	51,646	-	11,874	281	25,249
- Short positions	2,968,548	-	-	-	-
C.5 Financial guarantees granted	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Credit derivatives with exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.8 Credit derivatives without exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-

1. Time breakdown of financial assets and liabilities by contractual residual maturity

EURO

(cont.)

Items/time bands	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	Over 5 years	Undefined maturity
A. On-balance-sheet assets	**4,394,584**	**7,100,979**	**37,082,643**	**40,016,207**	**1,011,799**
A.1 Government securities	300,144	192,264	4,114,137	7,140,697	-
A.2 Other debt securities	283,993	648,457	6,264,196	3,992,847	200
A.3 UCITS units	-	-	-	-	-
A.4 Loans	3,810,447	6,260,258	26,704,310	28,882,663	1,011,599
- Banks	237,846	80,656	1,996,986	939,709	1,011,599
- Customers	3,572,601	6,179,602	24,707,324	27,942,954	-
B. On-balance sheet liabilities	**2,203,357**	**2,373,115**	**9,043,933**	**6,325,105**	**-**
B.1 Deposits and current accounts	616,246	618,341	250,037	64	-
- Banks	150,000	300,000	250,000	-	-
- Customers	466,246	318,341	37	64	-
B.2 Debt securities	516,843	1,639,526	8,123,139	4,718,416	-
B.3 Other liabilities	1,070,268	115,248	670,757	1,606,625	-
C. Off-balance sheet transactions					
C.1 Financial derivatives with exchange of principal					
- Long positions	101,710	104,839	107,858	-	-
- Short positions	101,633	92,705	63,625	-	-
C.2 Financial derivatives without exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.3 Deposits and loans to be received					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.4 Commitments to disburse funds					
- Long positions	52,261	21,068	1,557,112	43,836	-
- Short positions	-	-	-	-	-
C.5 Financial guarantees granted	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Credit derivatives with exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.8 Credit derivatives without exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-

1. Time breakdown of financial assets and liabilities by contractual residual maturity

OTHER CURRENCIES

Items/time bands	On demand	From 1 to 7 days	From 7 to 15 days	From 15 days to 1 month	From 1 to 3 months
A. On-balance-sheet assets	**228,162**	**63,629**	**66,222**	**63,084**	**355,290**
A.1 Government securities	-	-	-	-	1
A.2 Other debt securities	-	-	55,347	82	104,352
A.3 UCITS units	-	-	-	-	-
A.4 Loans	228,162	63,629	10,875	63,002	250,937
- Banks	154,813	7,050	-	12,084	16,192
- Customers	73,349	56,579	10,875	50,918	234,745
B. On-balance sheet liabilities	**648,823**	**120,638**	**391,364**	**238,640**	**1,847,684**
B.1 Deposits and current accounts	613,283	77	29,147	3,530	47,129
- Banks	33,327	-	-	-	-
- Customers	579,956	77	29,147	3,530	47,129
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	35,540	120,561	362,217	235,110	1,800,555
C. Off-balance sheet transactions					
C.1 Financial derivatives with exchange of principal					
- Long positions	-	52,498	39,118	94,471	265,340
- Short positions	-	74,967	120,558	120,976	345,900
C.2 Financial derivatives without exchange of principal					
- Long positions	224	-	-	-	-
- Short positions	222	-	-	-	-
C.3 Deposits and loans to be received					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.4 Commitments to disburse funds					
- Long positions	-	-	248	-	-
- Short positions	239	9	-	-	-
C.5 Financial guarantees granted	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Credit derivatives with exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.8 Credit derivatives without exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-

1. Time breakdown of financial assets and liabilities by contractual residual maturity

OTHER CURRENCIES

(cont.)

Items/time bands	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	Over 5 years	Undefined maturity
A. On-balance-sheet assets	**104,312**	**386,667**	**1,431,523**	**1,113,596**	**-**
A.1 Government securities	19,251	57,755	156,897	818,173	-
A.2 Other debt securities	39,921	299,144	1,221,860	197,644	-
A.3 UCITS units	-	-	-	-	-
A.4 Loans	45,140	29,768	52,766	97,779	-
- Banks	-	-	-	-	-
- Customers	45,140	29,768	52,766	97,779	-
B. On-balance sheet liabilities	**26,175**	**8,314**	**6,738**	**93**	**-**
B.1 Deposits and current accounts	7,022	8,314	-	-	-
- Banks	-	-	-	-	-
- Customers	7,022	8,314	-	-	-
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	19,153	-	6,738	93	-
C. Off-balance sheet transactions					
C.1 Financial derivatives with exchange of principal					
- Long positions	127,755	97,218	66,929	-	-
- Short positions	125,849	109,602	113,693	-	-
C.2 Financial derivatives without exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.3 Deposits and loans to be received					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.4 Commitments to disburse funds					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.5 Financial guarantees granted	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Credit derivatives with exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.8 Credit derivatives without exchange of principal					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-

As required by the regulations, liquidity risk includes the self-securitisations carried out by the Parent Company and outstanding as at 31 December 2024.

Diamantino RMBS

On 9 May 2023, BPER Banca s.p.a. signed a contract for the sale of loans relating to residential mortgages and property loans of Euro 3.7 billion in favour of the Diamantino RMBS vehicle that, on 22 June 2023, issued securities for a total of Euro 3,648,422,000 (of which Euro 2,645,100,000 in class A and Euro 1,003,322,000 in class J), which were fully subscribed for by BPER Banca s.p.a. in order to optimise the counterbalancing capacity with securities highly rated by the refinancing market.

Disposal date:	9 May 2023
Seller:	BPER Banca s.p.a.
Special purpose vehicle:	DIAMANTINO RMBS s.r.l., Via Vittorio Emanuele II 24/28, 20122 Milan
Servicer:	BPER Banca s.p.a., as Servicer, Account Bank and Paying Agent, Zenith Services as Calculation Agent and Corporate Servicer
Issue date of securities	22 June 2023
Type of transaction	Traditional
Organisational structure	(BPER Banca s.p.a.) provides a quarterly report on the collections in which it comments on the activity carried out with indications relating to collections, providing specific details about interest and principal payments. The Corporate Servicer activities has been delegated to Zenith Service s.p.a.
Internal systems for the measurement and control of risk	The recovery of loans and management of collections is carried out by the Originator.

The operational aspects are summarised below:

Assets sold	Property loans and residential mortgage loans
Quality of assets securitised	Performing loans
Amount of securitised assets	The total nominal value of the loan portfolio sold is Euro 3.7 billion
Disposal price of securitised assets	The disposal price is Euro 3.7 billion
Guarantees and credit lines granted by the bank	None
Guarantees and credit lines granted by third parties	None
Analysis by business sector	Mortgage agreements entered into with both natural and legal persons, excluding Public Administrations.
Analysis by geographical area	Securitised loans are concentrated in Italy.

The special purpose vehicle has issued the following bonds:

ISIN code	*Seniority*	Maturity	Issue amount	Residual balance at 31.12.2024
IT0005549594	Senior	Dec-75	2,645,100	1,970,824
IT0005549602	Junior	Dec-75	1,003,322	1,003,322
Total			**3,648,422**	**2,974,146**

During the 2024 financial year, the "Lanterna Finance 5" transaction, originated by Banca Carige s.p.a. together with Banca del Monte di Lucca s.p.a., and incorporated into BPER Banca following the 2022 merger, was completed through the repurchase of receivables, which took place on 14 June 2024, and the cancellation of the remaining securities.

Section 5 – Operational risk

Qualitative Information

A. General aspects, governance and measurement of operational risk

Operational risk is “the risk of losses due to inadequate or dysfunctional procedures, human resources or internal systems, or to exogenous events, including the legal risk[53].

The BPER Banca Group adopts the Traditional Standardised Approach (TSA) to calculate the capital requirement for operational risk. The Own Funds requirement is calculated using the standardised approach by determining the three-year average of the sum of the annual Own Funds requirement for the lines of business in which the relevant indicator was classified[54].
Note that, on the basis of the principles of organisational separation and independence of functions exercising second and third level control activities, it is envisaged that there is:
- a first level control of operational risk;
- a function that performs second level controls of operational risk within the Risk Management Department, part of the Operational, ICT and Reputational Risk Unit;
- a function for third-level controls that is attributed to the Internal Audit Department, in accordance with the Group’s internal control system.

Operational risk management is based on the following principles:
- identification: operational risks are identified, highlighted and reported to senior management;
- measurement and assessment: the risk is quantified by determining the impact on business processes, inclusive of the financial impact thereon;
- monitoring: monitoring of operational risk and of exposure to significant losses is ensured, generating information flows that favour active risk management;
- mitigation: appropriate measures have been taken to mitigate operational risk;
- reporting: a reporting system has been set up to report on operational risk management.

The collection and storage of data relating to loss events is done by means of the Group’s Loss Data Collection process.
The process of Loss Data Collection is supported by special IT tools, which are under constant development, to ensure the integrity and quality of data.
The assessment of operational risk exposure, which is performed by means of risk self assessment, is aimed at determining, with an annual time horizon and for significant operating segments:
- the extent of exposure to operational risk;
- an assessment of the adequacy of line processes and controls.

The management of operational risk also includes assessment of the risks associated with the approval of new products and services, the start-up of new activities, the entry into new markets and the third party management process.

As of 2015, the Group has implemented an analytical framework for ICT and Security risk, in compliance with Circular 285 of 17 December 2013, with the aim of providing an overview of the current risk situation and the remedy plan needed to avoid exceeding the threshold set for the Group’s risk appetite.
Following the new regulatory provisions (Directive (EU) 2015/2366 implemented in the 28th update of Circular 285 of July 2019), every year the Group carries out an in-depth assessment of the operational and security risks related to the payment services provided and the adequacy of the mitigation measures and control mechanisms put in place to address them.

The Parent Company prepares a quarterly report for Senior Management and the managers of central organisational units on the operational losses incurred during the period, as well as an annual report that analyses the forward-looking assessments of operational risk, based on the risk self assessments carried out, and describes the various risk mitigation actions planned. Specific reporting is also provided for the ICT and Security risk management framework and the third-party risk management framework.

53 See (EU) Regulation 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment companies (CRR) – Part one, Title I, art. 4. Legal risk is the risk of losses resulting from violations of laws or regulations, from contractual or extra-contractual liability or from other disputes.

54 See CRR – Part three, Title III, Chapter 3, art. 317.

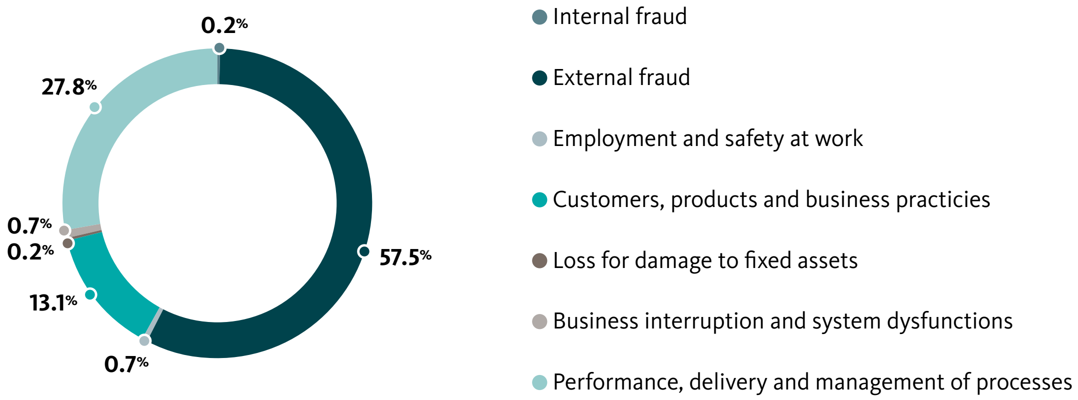
Membership by the BPER Banca Group of the DIPO consortium[55] allows the Bank to obtain feedback about the operational losses reported by the other Italian banks that are members. The Parent Company currently uses this feedback to analyse the positioning of the Group with respect to the system as a whole, to update the map of operational risks and to support the estimates made during the Risk Self Assessment process.
Operational risk management includes the various steps involved in the process of Business Continuity Management. This process is designed to maintain an appropriate level of attention regarding operational continuity and to avoid the progressive obsolescence of organisational measures (rules, impact assessment, scenarios, emergency measures, operating plans etc.) taken to ensure the continuity of critical business processes.

Quantitative information

The following is the distribution of the number of events and operating losses recorded in 2024, divided into the following risk categories:

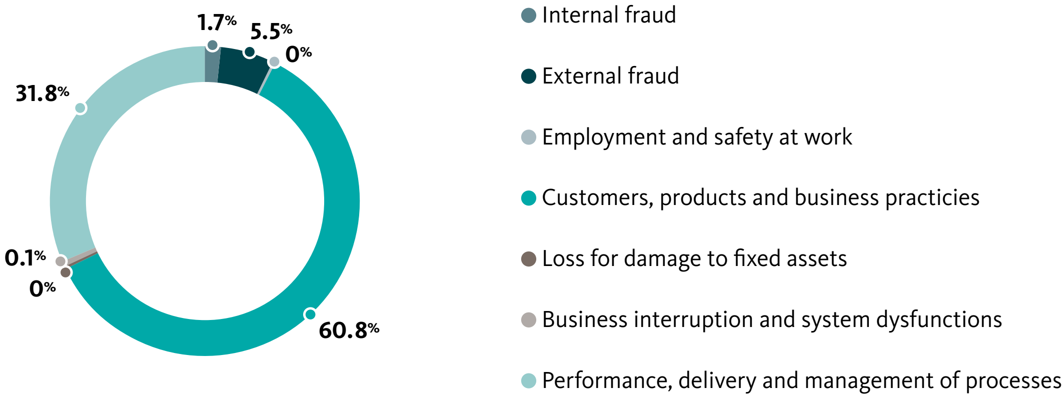
- internal fraud: losses due to fraud, embezzlement or circumvention of regulations, laws or company policies, excluding incidents of discrimination or failure to apply equal treatment, which involves at least one internal resource of the entity;
- external fraud: losses due to fraud, embezzlement or violation/circumvention of laws, by a third party;
- employment and safety at work: losses arising from acts not in compliance with laws or agreements in respect of employment, health and safety at work, from the payment of compensation for personal injuries or incidents of discrimination or failure to apply equal treatment;
- customers, products and business practices: losses arising from unintentional or negligent non-performance relating to professional obligations to specific clients (including fiduciary and suitability requirements), or from the nature or characteristics of the product;
- damage to fixed assets: losses resulting from loss or damage to assets from natural disasters or other events;
- business interruption and system failures: losses arising from business interruption or system failures;
- performance, delivery and management of processes: losses due to weaknesses in the handling of transactions or management of processes, as well as losses due to relations with business partners and suppliers.

FIGURE 1: BREAKDOWN BY FREQUENCY



55 Database Italiano Perdite Operative (Italian Database of Operational Losses) which the BPER Banca Group has participated in since 2003. The DIPO observatory is a service provided by the Italian Banking Association designed to support the development of Operational Risk Management and to create a methodology for gathering and exchanging information on operational losses suffered by members.

FIGURE 2: BREAKDOWN BY GROSS ACTUAL LOSS



An analysis of the graphs shows that the most relevant type of event in terms of frequency is:
- “External fraud” with 57.5% of the total frequency of new events in 2024;
- “Performance, delivery and management of processes”, with 27.8% of the total frequency of new events in 2024;
- “Customers, products and business practices”, with 13.1% of the total frequency of new events in 2024.

In terms of economic impact the most significant events related to:
- “Customers, products and business practices”, with 60.8% of the total gross loss recognised in 2024;
- “Performance, delivery and management of processes”, with 31.8% of the total gross loss recognised in 2024.

Section 6 – Reputational risk

Qualitative Information

A. General aspects, management and methods to measure reputational risk

Reputational risk is “the current or prospective risk of a decline in earnings or capital arising from an adverse perception of the Group by customers, employees, counterparties, shareholders, investors or Supervisory Authorities”.
The framework for the management of reputational risk is supervised by the Reputational & Other non Financial Risk office within the Risk Management Function, with support from the organisational units involved (Reputational Risk Owner) in managing risk and monitoring the corrective actions needed to mitigate any vulnerabilities identified.
The system of reputational risk management adopted by the BPER Group has the following components:

- identification and assessment of risk based on Reputational Data Collection and Reputational Self-Assessment;
- monitoring of the Group’s exposure to reputational risk using a series of specific Key Risk Indicators;
- management of critical reputational events (escalation): management of particularly critical reputational events, by means of a functional escalation process and the determination of short and long term responses and mitigation;
- reporting: preparation of suitable reports, based on the various processes/sub-processes comprising the framework, in order to present in summary form the outcome of the risk management activities to all bodies and functions concerned.

With reference to the reputational risk management process, the following results are reported (specifying that the analyses relating to the monitoring of Reputational Risk Indicators and the Reputational Risk Self-Assessments are to date carried out only at Group level):

- In 2024, 2 reputational events were recorded with high risk, 21 with medium risk and 158 with low risk on a rating scale with 3 levels (low, medium, high);
- no reputational critical issues identified in the monitoring of the Parent company’s KRIs;
- no reputational critical issues identified as part of the RSA campaign of the Parent company;
- presence of some previous events in 2024 (mainly ongoing criminal proceedings) potential future reputational impacts.

No internal capital is allocated to cover reputational risk (since it is included in other risk categories).

PART F

Information on Shareholders' Equity

Section 1 – Shareholders' equity

A. Qualitative Information

Shareholders' equity comprises share capital and all types of reserve, together with the profit for the year.

B. Quantitative Information

B.1 Shareholders' equity: breakdown

Description/Amounts	Amount 31.12.2024	Amount 31.12.2023
1. Share capital	2,121,637	2,104,316
2. Share premium reserve	1,244,576	1,236,525
3. Reserves	4,890,520	3,975,546
- from profits	4,395,618	3,480,644
a) legal	420,863	417,710
b) statutory	-	-
c) treasury shares	-	-
d) other	3,974,755	3,062,934
- other	494,902	494,902
4. Equity instruments	1,115,596	150,000
5. (Treasury shares)	(32,029)	(2,244)
6. Valuation reserves:	12,451	(49,355)
- Equity instruments measured at fair value through other comprehensive income	168,459	123,889
- Hedge of equity instruments designated at fair value through other comprehensive income	(8,875)	(3,756)
- Financial assets (no equity instruments) measured at fair value through other comprehensive income	(83,001)	(129,493)
- Property, plant and equipment	98,427	85,525
- Intangible assets	-	-
- Foreign investment hedges	-	-
- Cash flow hedges	13	(1,105)
- Hedging instruments (non-designated elements)	-	-
- Foreign exchange differences	-	-
- Non-current assets and disposal groups held for sale	-	-
- Financial liabilities designated at fair value through profit or loss (variation due to changes in creditworthiness)	(42,651)	(4,853)
- Actuarial gains (losses) on defined benefit plans	(119,975)	(119,616)
- Share of valuation reserves of equity investments valued at equity	-	-
- Special revaluation laws	54	54
7. Profit (loss) for the year	1,249,549	1,361,392
Total	**10,602,300**	**8,776,180**

B.2 Valuation reserves of financial assets measured at fair value through other comprehensive income: breakdown

Description/Amounts	Total 31.12.2024		Total 31.12.2023	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	4,400	87,401	6,536	136,029
2. Equity instruments	184,886	16,427	137,746	13,857
3. Loans	-	-	-	-
Total	**189,286**	**103,828**	**144,282**	**149,886**

B.3 Valuation reserves of financial assets measured at fair value through other comprehensive income: annual changes

	Debt securities	Equity instruments	Loans
1. Opening balance	**(129,493)**	**123,889**	**-**
2. Increases	**95,473**	**56,064**	**-**
2.1 Fair value increases	66,151	53,758	-
2.2 Impairment losses for credit risk	1,541	X	-
2.3 Reclassification to profit and loss of negative reserves following disposal	21,397	X	-
2.4 Transfer to other components of shareholders' equity (equity instruments)	-	647	-
2.5 Other decreases	6,384	1,659	-
3. Decreases	**48,981**	**11,494**	**-**
3.1 Fair value decreases	11,003	6,455	-
3.2 Write-backs for credit risk	1,332	-	-
3.3 Reclassification to profit or loss of positive reserves: -from disposal	7,291	X	-
3.4 Transfer to other components of shareholders' equity (equity instruments)	-	1,230	-
3.5 Other decreases	29,355	3,809	-
4. Closing balance	**(83,001)**	**168,459**	**-**

B.4 Valuation reserves about actuarial gains (losses) on defined benefit plans: annual changes

	31.12.2024	31.12.2023
1. Opening balance	**(119,616)**	**(108,647)**
2. Increases	**1,184**	**3,029**
2.1 Actuarial gains	942	387
2.2 Other decreases	242	2,642
3. Decreases	**1,543**	**13,998**
3.1 Actuarial losses	1,439	13,986
3.2 Other decreases	104	12
4. Closing balance	**(119,975)**	**(119,616)**

Section 2 – Own funds and capital adequacy ratios

Information about own funds and capital adequacy is provided in the document “Public Disclosure - Pillar 3” as at 31 December 2024, prepared pursuant to the requirements of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR) and subsequent updates and illustrates the key metrics used by the BPER Banca Group (own funds, capital requirements, financial leverage and liquidity coverage ratio) as required by art. 447 of Regulation (EU) 575/2013, as later amended.

The document contains consolidated information and is published on the same date as or as soon as possible after the Consolidated Financial Report on the website of the Parent Company https://group.bper.it.

PART G
Business combinations

Section 1 – Transactions carried out during the year

1.1. Business combinations

No business combinations pursuant to IFRS 3 were carried out during the period to 31 December 2024.

Section 2 – Transactions carried out after the end of the reporting period

2.1. Business combinations

No business combinations have been carried out subsequent to 31 December 2024 and up to the date of approval of this Separate Financial Report by the Parent Company's Board of Directors.

2.2 Transactions between entities under common control

On 16 January 2025, the demerger deed relating to the transfer of payment services from Bibanca s.p.a. to BPER Banca s.p.a. was executed, determining its accounting effectiveness. The project had been launched on 6 and 7 August 2024 by resolutions approving the transaction adopted by the Boards of Directors of BPER Banca and Bibanca; it was authorised by the European Supervisory Authority with a measure dated 30 October 2024. Subsequently, the transaction was approved by the extraordinary Shareholders' Meetings of BPER and Bibanca, both held on 19 December 2024. The transfer of activities to a single entity will enable the BPER Banca Group to align monitoring of the business and its pricing with market best practice, to optimise relations with payment circuits and simplify the internal governance model.

For more details on the strategic rationale behind the transaction, please refer to the Directors' Report on Group Operations.

Section 3 – Retrospective adjustments

No retrospective adjustments to business combinations performed in previous years were necessary.

PART H
Related-party transactions

1. Information on the remuneration of Managers with strategic responsibilities

	Board of Directors	Statutory Auditors	Other managers with strategic responsibilities
Short-term benefits (1)	4,376	328	8,774
Post-employment benefits (2)	-	-	542
Other long-term benefits (3)	874	-	1,552
Indemnities for termination of employment (4)	-	-	2,960
Share-based payments (5)	1,380	-	2,268
Total 31.12.2024	**6,630**	**328**	**16,096**
Short-term benefits (1)	3,430	350	6,456
Post-employment benefits (2)	-	-	480
Other long-term benefits (3)	618	-	1,592
Indemnities for termination of employment (4)	-	-	810
Share-based payments (5)	947	-	1,824
Total 31.12.2023	**4,995**	**350**	**11,162**

The information provided is consistent with that required by IAS 24.

The amounts shown for the Directors, including the emoluments of the Chief Executive Officer, the Statutory Auditors and other Managers with strategic responsibilities, represent their emoluments for the year, regardless of when they are paid.

(1) The item includes salaries, indemnities in lieu of untaken vacation, paid leave of absence and any fringe benefits, such as insurance, housing and car, in addition to social security contributions.
In particular it should be noted that with regard to the amounts relating to Directors (Euro 4,376 thousand), extensive detail has been given at the foot of the same table in the Explanatory Notes to the Consolidated Financial Report.
The amounts shown for other Key Management Personnel belong to the types of costs detailed above. They are disclosed in the Report on Remuneration (art. 123-ter of Legislative Decree no. 58/1998) in accordance with Consob's instructions.

(2) The item includes payments to the supplementary pension funds and provisions for termination indemnities.

(3) The item includes deferred variable remuneration relating to annual variable incentive plans, as specified in the Remuneration Report.

(4) The item includes termination indemnities.

(5) The item includes the costs accrued for the Long-Term Incentive Plan during the year.

2. Information on related-party transactions

The Bank has adopted a series of regulations that include the "Group policy governing non-compliance risk in relation to conflicts of interest with related parties and risk activities with associated persons". This regulatory framework complies with the Bank of Italy's requirements in terms of "Risk activities and conflict of interest with related parties and associated persons" as contained in Circular 285 dated 17 December 2013 and subsequent updates. The Policy describes the prudential limits placed on risk activities involving related parties and associated persons, the continuous monitoring of limits, the management of situations where the limits have been exceeded. An "internal threshold of attention" establishes an individual limit on the weighted consolidated exposure that is lower than the regulatory threshold. This threshold is set at such a level as to constitute an adequate precaution against accepting particularly significant exposures to related parties and persons associated with them.

The following shows the transactions with related parties, identified in application of IAS 24.

	Assets	Liabilities	Guarantees and commitments	Revenues	Costs
Subsidiaries	10,183,839	7,898,022	2,468,122	562,852	296,793
Associates	632,884	17,714	84,904	27,267	48,309
Directors, Statutory Auditors and Managers	937	2,017	256	45	17
Other related parties	589,034	1,866,466	139,169	221,388	107,122
Total 31.12.2024	**11,406,694**	**9,784,219**	**2,692,451**	**811,552**	**452,241**
Subsidiaries	9,939,924	6,004,518	4,427,770	535,518	258,669
Associates	672,632	56,565	203,153	26,591	1,048
Directors, Statutory Auditors and Managers	566	2,069	272	36	63
Other related parties	326,269	1,945,520	75,259	190,527	70,540
Total 31.12.2023	**10,939,391**	**8,008,672**	**4,706,454**	**752,672**	**330,320**

Balances and transactions with related parties all relate to routine banking and other services and arose normally during the year, as a consequence of needs and requirements in the common interests of the parties or, where applicable, of the Group. The conditions applied to the individual accounts are in line with those currently applied in the market.
"Executives" means Executives with strategic responsibilities, as defined for the purposes of the table "Information on the remuneration of Executives with strategic responsibilities", shown on the previous page.
"Other related parties" are situations other than those set out in the table, such as entities controlled by associated companies of BPER Banca, entities which have a significant influence on BPER Banca and entities subject to the control of Directors, Statutory Auditors or Managers, or by subjects that may have significant influence over them, as defined by IAS 24.

	Assets	Liabilities	Guarantees and commitments	Revenues	Costs
Total reference amounts - 2024	**131,684,086**	**121,081,786**	**41,750,878**	**6,530,596**	**4,489,679**
Total reference amounts - 2023	**133,246,497**	**124,470,317**	**41,462,144**	**6,409,807**	**4,596,386**

The total reference amounts for revenues include interest income, commission income and other operating income; costs include interest expense, commission expense, operating expenses and administrative expenses.

Related party transactions stated as a percentage of reference amounts (financial position and economic results)

	Assets	Liabilities	Guarantees and commitments	Revenues	Costs
Subsidiaries	7.73%	6.52%	5.91%	8.62%	6.61%
Associates	0.48%	0.01%	0.20%	0.42%	1.08%
Directors, Statutory Auditors and Managers	0.00%	0.00%	0.00%	0.00%	0.00%
Other related parties	0.45%	1.54%	0.33%	3.39%	2.39%
Total 31.12.2024	**8.66%**	**8.07%**	**6.44%**	**12.43%**	**10.08%**
Subsidiaries	7.46%	4.82%	10.68%	8.35%	5.63%
Associates	0.50%	0.05%	0.49%	0.41%	0.02%
Directors, Statutory Auditors and Managers	0.00%	0.00%	0.00%	0.00%	0.00%
Other related parties	0.24%	1.56%	0.18%	2.97%	1.53%
Total 31.12.2023	**8.20%**	**6.43%**	**11.35%**	**11.73%**	**7.18%**

3. Relations between the Parent Company and subsidiary and/or associated companies (CONSOB's recommendations of 20/2/1997 and of 27/2/1998)

There are intercompany balances and transactions with banks and other companies in which BPER has a direct or indirect interest and which form part of the Financial Report. Balances and transactions with these companies are as follows.

	Assets	Liabilities	Guarantees and commitments	Revenues	Costs
Banco di Sardegna	1,444,976	5,091,200	89,976	94,134	189,306
Bibanca	3,111,301	462,138	-	128,537	22,037
BPER (Europe) International Sa Lux	507,151	249,235	20,000	14,147	11,713
BPER Factor s.p.a.	2,030,443	12,262	400,471	59,793	9
Modena Terminal s.r.l.	104	1,538	4,031	134	4
BPER Real Estate s.p.a.	273,662	103,084	142,336	3,760	6,366
Estense Covered Bond s.r.l.	-	-	-	-	-
Sardaleasing s.p.a.	2,355,521	2,437	1,295,353	103,743	-
Bper Trust Company s.p.a.	123	65	-	3	302
Estense CPT	-	3	-	-	24
Adras s.p.a.	14,234	2,180	-	256	-
ARCA Fondi SGR s.p.a.	40,950	-	-	125,660	4
Finitalia s.p.a.	310,585	4,063	513,328	14,453	4,575
Banca Cesare Ponti s.p.a.	71,677	1,965,896	2,627	16,125	62,413
BPER Reoco s.p.a. (*)	-	-	-	1,868	40
Carige Covered Bond s.r.l.	-	73	-	-	-
Lanterna Finance s.r.l.	-	58	-	-	-
Lanterna Mortgage s.r.l.	-	8	-	-	-
Commerciale Piccapietra s.r.l.	56	1,676	-	1	-
St. Anna Golf s.r.l.	8,383	-	-	36	-
Annia s.r.l.	14,673	2,106	-	202	-
Total referring to subsidiaries	**10,183,839**	**7,898,022**	**2,468,122**	**562,852**	**296,793**

(*) the result for the period until 30 June 2024 was considered. On 1 July 2024 the company was merged by absorption into BPER Real Estate.

(cont.)

	Assets	Liabilities	Guarantees and commitments	Revenues	Costs
Unione Fiduciaria s.p.a.	-	43	10,000	21	78
Resiban s.p.a.	181	254	300	27	175
Cassa di Risparmio di Fossano s.p.a.	-	135	-	-	9
Cassa di Risparmio di Savigliano s.p.a.	-	-	-	171	-
Sarda Factoring s.p.a.	365	8	-	-	-
Alba Leasing s.p.a.	632,224	3,155	73,974	26,935	1
Lanciano Fiera - Polo Fieristico d'Abruzzo Consorzio	109	183	130	13	1
Gardant Bridge Servicing s.p.a.	-	12,336	500	92	48,010
Gility s.r.l. Benefit Corporation	5	1,596	-	8	35
Nuova Erzelli s.r.l.	-	4	-	-	-
Total referring to Associates	**632,884**	**17,714**	**84,904**	**27,267**	**48,309**
Total 31.12.2024	**10,816,723**	**7,915,736**	**2,553,026**	**590,119**	**345,102**
Total 31.12.2023	**10,612,556**	**6,061,083**	**4,630,923**	**562,109**	**259,717**

PART I

Equity-based payments

Qualitative Information

The Group's organisation provides for centralisation of the BPER Banca Group's remuneration policies at the Parent Company.

The qualitative information set out below may also reflect the individual position of BPER Banca.

1. Description of equity-based payments

On 19 April 2024, the Shareholders' Meeting, based on a prior resolution of the Board of Directors of 20 March 2024, approved the Remuneration policies of the BPER Banca Group for the year 2024 containing guidelines on the use of remuneration plans based on equity (financial) instruments.
By resolution of the Board of Directors dated 30 May 2024, as disclosed to the market on the same date, the Strategic Plan "BPER e-volution 2022-2025", approved by the Board of Directors of BPER Banca on 9 June 2022 and disclosed to the market on 10 June 2022, was closed ahead of schedule on 31 December 2024.
The Long-Term Incentive Plan, approved by the Shareholders' Meeting on 5 November 2022 and originally approved on a four-year basis, was thus modified by the Board of Directors' Meeting of 30 May 2024 with a reduced duration and renamed "2022-2024 LTI Plan".
It was therefore necessary to amend the 2024 remuneration policies of the BPER Banca Group in relation to the Remuneration Policy approved by the Shareholders' Meeting on 19 April 2024. The amendments contained in the Update are aimed at (i) taking account of the ahead-of-time closure of the Business Pian and (ii) defining a competitive and attractive variable Remuneration Policy for 2024, acting as a key lever in supporting the Group's growth path while accelerating its orientation towards the strategic development guidelines that will be fully defined under the New Business Plan, in order to also further meet investors' interests.
In order to pursue the objective of encouraging alignment of the interests of management with those of shareholders, the "Supervisory Provisions for banks" regarding "Remuneration and incentive policies and practices (Bank of Italy Circular no. 285 of 17 December 2013 and subsequent updates) establish that at least 50% of variable remuneration provided to "key employees" (or "Material Risk Takers" or "MRT") should be paid in the form of shares or associated financial instruments (pursuant to article 114-bis of Legislative Decree no. 58 of 24 February 1998 and paid through upfront payment systems or deferred for a period of no less than 4-5 years. "Variable remuneration" refers to both variable performance-linked components or other parameters, and to amounts paid as incentives for the early termination of the employment relationship or for the early exit from office recognised to recipients ("severance").

In compliance with the aforementioned regulatory provisions, the BPER Banca Group has therefore made provision for:
- A short-term incentive plan on an annual basis - MBO 2024: the plan identifies the following beneficiaries: in addition to the Chief Executive Officer, the executives with strategic responsibilities of the BPER Banca Group and selected persons from other categories of employees or associates of the BPER Banca Group classified as "Material Risk Takers" pursuant to the applicable legislation. As far as the structure is concerned, the Plan envisages paying part of the incentive through the assignment of BPER Banca shares, subject to the fulfilment of the conditions for its activation ("entry gates") and based on the bonus amount accrued by each MRT. The period for implementing the Plan runs between 2025 (the period in which the results for the financial year 2024 are recognised) and the actual availability of the last deferred portion in BPER shares (2031). If the annual variable remuneration is ≤ Euro 50 thousand and ≤ 1/3 of total annual remuneration, the bonus will be paid up-front and 100% in cash.
- 2022-2025 Long-Term Incentive (LTI) Plan: the plan identifies the following beneficiaries: in addition to the Chief Executive Officer, some executives with strategic responsibilities of the BPER Banca Group and certain selected persons from managers of the BPER Banca Group included in the perimeter of "Material Risk Takers". As regards the structure, the Plan makes provision, subject to the achievement of specific long-term company performance targets in line with the Strategic Plan in force, for the assignment to beneficiaries of an individual bonus, to be paid solely in ordinary BPER Banca shares at the end of the four-year vesting period (1 January 2022 - 31 December 2025). The period for implementing the 2022-2025 LTI Plan runs between the year of the shareholders' meeting approval (2022) and the actual availability of the last deferred portion in BPER shares (2032).

At its meeting on 30 May 2024, the Board of Directors of BPER Banca S.p.A resolved to approve the proposed changes to the 2022-2025 Long-term Incentive Plan.
The amendments are justified by the need to align this Incentive Plan with the amendments made to the 2022-2025 Business Plan and for which the Board of Directors, during the meeting of 30 May 2024, resolved upon the review of its duration, establishing its closure for 31 December 2024, bringing forward the verification of the achievement of the targets originally planned for 31 December 2025.

The amendments to the LTI Plan consist in:
- a reduction of the vesting period from four years (2022-2025) to three years (2022-2024), in line with the content of the aforementioned resolution of BPER Banca's Board of Directors of 30 May 2024 concerning the Business Plan;
- as a result of point a), verification of the achievement of the targets concerning the Gates and KPIs associated with the LTI Plan (remaining unchanged compared to those originally planned for 31 December 2025) brought forward to 31 December 2024;
- as a consequence of point a), pro-rated reduction of the number of shares to be granted to the Recipients.

The period for implementing the 2022-2024 LTI Plan therefore runs between the year of the first shareholders' meeting approval (2022) and the actual availability of the last deferred portion in shares (2031).
The amended Plan renamed "2022-2024 Long-Term Incentive Plan" will be submitted for approval to the ordinary Shareholders' Meeting to be held on 3 July 2024.

For detailed information, please refer to the document "2024 Report on remuneration policy and compensation paid", published on the Bank's website https://group.bper.it > Governance > Documents.

Methods of implementation of the short-term incentive plan on an annual basis -MBO 2024

The assignment of variable remuneration is provided on the condition that the BPER Group achieves the economic-financial targets established on an ex-ante basis ("entry gates") tied to the following parameters targeted at ensuring the maintenance of adequate income and capital standards:
- Consolidated Common Equity Tier 1 Ratio (CET1);
- Consolidated Return On Risk-Weighted Assets (RORWA);
- Consolidated Liquidity Coverage Ratio (LCR).

After checking that the entry gates have been exceeded, the bonus allocation and the deriving extent of the variable remuneration are defined by evaluating individual performances using a process that includes an analysis of various qualitative and quantitative indicators.

If the variable remuneration determined for each individual beneficiary is greater than Euro 50 thousand or 1/3 of the total annual remuneration, this Plan is activated, which envisages payment (also through quotas with deferred vesting) of a part of the bonus through the free-of-charge, personal assignment of a given number of BPER shares. With regard to the share bonus component deferred over time, the Plan envisages its allocation in equal portions to the years subsequent to that of the bonus assignment (subject to a retention period of 1 year starting from the maturity date of each deferred portion), after having exceeded the entry gates set for the year prior to the year of disbursement of each deferred quota.

The deferred instalments are subject to malus rules that can reduce the instalment to zero in the event of failure to achieve the entry gates for the financial year preceding the year of payment of each deferred instalment. The malus mechanism, which can block payment of the deferred portions of the Bonus, also acts on activation of the clawback clauses.

The total number of BPER Banca shares derives from the size of the bonus assigned and the average price of the share established in the period prior to the date of the Board of Directors' meeting which approves the Group's consolidated results.

The Bank asks Beneficiaries - through specific individual agreements - not to make use of personal hedging or insurance strategies, in compliance with the regulatory framework in force.

Note that there are Compensation Plans still outstanding for the years 2018, 2019, 2020 (in phantom stocks), 2021, 2022 and 2023 in shares.

For detailed information on the contents of the Plan, please refer to the "Information Document on the 2024 compensation plan based on financial instruments" prepared in accordance with article 114-bis of the TUF and article 84-bis of the Issuers' Regulation available to the public at the company's registered office, on the Bank's website www.bper.it – Homepage > Governance > Shareholders' Meeting.

Methods of implementation of the 2022-2024 Long-Term Incentive (LTI) Plan

In line with the market practices, the entry gates defined for the LTI Plan are in line with those defined for the MBO Plan (Consolidated Common Equity Tier 1 (CET1) ratio, consolidated Return On Risk-Weighted Assets (RORWA) and consolidated Liquidity Coverage Ratio (LCR)). In particular, the assignment of variable remuneration (exclusively in BPER Banca shares) in the 2022-2024 LTI Plan is linked to the achievement, in 2025 with reference to 2024, of the entry gate objectives as defined. Failure to achieve even only one of the entry gates means not paying any bonus under this long-term incentive scheme.

If the entry gates are exceeded, the company performance to which to link the total bonus amount to be determined (bonus pool) is based on the measurement of the following metrics (KPIs):
- Return On Tangible Equity or also “ROTE” at 2024 (earnings objective);
- Cost/Income ratio at 2024 (operating efficiency target);
- Gross NPE Ratio at 2024 (credit quality objective);
- ESG at 2024: mix of objectives structured into “sustainable finance”, “energy transition”, “diversity and inclusion” and Project «Futuro».

2022-2024 LTI scorecard

KPIs	Weight	Target
Rote at 31/12/2024	50%	10%
Cost/Income at 31/12/2024	20%	58%
Gross NPE Ratio at 31/12/2024	15%	3.6%
ESG[1] as at 31/12/2024	15%	100%

[1] Composed of 4 indicators of equal weight (25%): Sustainable Finance (Green loans), Energy Transition (Reduction of CO2 Emissions with respect to the 2030 Paris Objectives), Diversity and Inclusion (increase in the less represented gender among Managers and Executives), Project “Future”, (social impact assessment as at 31/12/2024 of specific projects for young people activated through the “Future” credit amount).

Attainment of the above-mentioned KPIs is verified in 2025 in relation to the last year of the vesting period (2024). However, continuous monitoring of the indicators is required under the Plan to verify compliance with the objectives of the Strategic Plan. The target values of the KPIs of the 2022-2024 LTI Plan are indicated in the Remuneration Report approved by the Shareholders’ Meeting on 3 July 2024.

The target amount of the individual bonus (on an annual and four-year basis) [56] is determined as a percentage of the individual gross annual remuneration: (i) 60% (180% on a three-year basis) for top management and C-Levels (including the Chief Executive Officer) and (ii) 40% (120% on a three-year basis) for senior management and (iii) 15% (45% on a three-year basis) for recipients identified from the selected key personnel for the pursuit of the strategic guidelines. Excluded from the Plan are the heads of the control and similar functions, whose variable remuneration is expected not to exceed 33% of their fixed remuneration, taking into account the specific regulatory restraints of the industry for usable indicators.

The manner in which bonuses are awarded is structured as an up-front portion, awarded at the end of the three-year vesting period, and as a portion deferred pro-rata in equal tranches, over a number of years (5 years). The payment structure for the shares provides for a retention period of one year for the up-front portion and for the deferred portions.

The exact identification of the number of ordinary BPER Banca shares to be assigned in each fiscal year of the Plan term is subject to the opening of gates, as well as the level of achievement of the specific performance indicators in the phase of payment of the Bonus at 2024.

The Bank cannot assign shares to beneficiaries, in whole or in part, and also reserves the right to ask the beneficiaries to return the shares, in whole or in part, if malus and claw-back clauses are triggered.

The Bank asks beneficiaries - through specific individual agreements - not to make use of personal hedging or insurance strategies which may alter or nullify the effects of the alignment with the risk inherent in the Plan, in compliance with the regulatory framework in force.

56 In respect of the variable:fixed ratio defined by the relevant remuneration policies at the moment of participation and in compliance with the regulations in force from time to time.

For detailed information on the contents of the Plan, please refer to the "Information Document relating to the long-term incentive plan "2022-2024 LTI plan" prepared in accordance with article 114-bis of the Consolidated Law on Finance and article 84-bis of the Issuers' Regulation available to the public at the company's registered office, on the Bank's website https://group.bper.it > Governance > Shareholders' Meeting.

Quantitative information

As regards the ILT Plan, the grant of shares without charge in execution of the Plan will take place using treasury shares that derive from purchases authorised at the Shareholders' Meeting, pursuant to arts. 2357 and 2357-*ter* of the Italian Civil Code.

Please refer to the Directors' Report on Group Operations, chapter 4. "*Other information*", paragraph 4.5 "*Treasury shares held in the portfolio*" for a description of the authorisation obtained from the ECB.

The determination of the variable remuneration for 2024 is being finalised at the date of approval of this Separate Financial Report.

2. Other information

Determination of the fair value and accounting treatment

Short-term variable component

The determination of the variable remuneration for 2024 is being finalised at the date of approval of this Separate Financial Report.

In relation to 2023, the short-term variable remuneration involved the assignment of 865,861 BPER Banca s.p.a. shares.

Long-term variable component - Long-Term Incentive (2019-2021 LTI Plan)

The achievement of the entry gates and performance levels obtained entailed the assignment of 1,396,987 BPER Banca shares, as of June 2022, according to the procedures set out in the Plan.

Long-term variable component - Long-Term Incentive (2022-2024 LTI Plan)

Currently being prepared.

PART L
Segment reporting

Segment reporting, as required by IFRS 8, is presented only in the consolidated financial statements. Please refer to the Consolidated Explanatory Notes, Part L, for details on the business segments.

PART M
Information on leases

Section 1 – Lessee

Qualitative Information

With regard to the contracts entered into as lessee, BPER Banca recognises both the leased right-of-use asset and the liability for the future lease instalments envisaged in the contract.

In the context of the elections allowed by IFRS 16, BPER Banca decided not to recognise right-of-use assets or lease payables in relation to the following lease contracts:
- lease of intangible assets;
- short-term leases with less than 12 months remaining;
- lease of assets with a low unit value (as described further in the Explanatory notes – Part A – Accounting policies, an asset is deemed to have a low unit value if its fair value when new was not more than Euro 5 thousand).

Consequently, the lease payments for these assets are charged to item "160. Administrative expenses" on an accruals basis; for further information about this, see the Explanatory Notes - Part C - Income statement, Table 10.5 "Other administrative expenses: breakdown".

Quantitative information

Rights of use acquired through leases: see the Explanatory Notes - Part B - Assets, table 8.1 "Property, plant and equipment used in operations: breakdown of assets measured at cost".

Lease liabilities: see the Explanatory Notes - Part B - Liabilities, table 1.1 "Financial liabilities measured at amortised cost: breakdown by product of due to banks", table 1.2 "Financial liabilities measured at amortised cost: breakdown by product of due to customers", and table 1.6 "Lease liabilities".

Interest expense on lease liabilities: see the Explanatory Notes - Part C – Income statement, table 1.3 "Interest and similar expense: breakdown".

Other expenses associated with right-of-use assets acquired under leases: see the Explanatory Notes - Part C – Income statement, table 12.1 "Net adjustments to property, plants and equipment: breakdown".

Income from sub-lease transactions: see the Explanatory Notes - Part C – Income statement, table 1.1 "Interest and similar income: breakdown".

1.1 Right-of-use assets acquired under leases: changes in right-of-use assets relating to property, plant and equipment used in operations

Property, plant and equipment used in operations	Right-of-use assets acquired under leases 31.12.2023	Depreciation of the year	Other changes of the year	Impairment losses of the year	Book value 31.12.2024
a) land	-	-	-	-	-
b) buildings	331,072	(56,317)	43,573	(1,530)	316,798
c) furniture	-	-	-	-	-
d) electronic systems	5,970	(18,947)	68,591	-	55,614
e) other	4,678	(2,538)	3,368	-	5,508
Total	**341,720**	**(77,802)**	**115,532**	**(1,530)**	**377,920**

As regards "Other changes during the year", the impact is mainly linked to the new contracts acquired (approximately Euro 90 million) and to the remeasurement of the rights of use mainly due to ISTAT adjustments, changes in the lease term on the opening and closing of contracts.

1.2 Expense and Income relating to leases other than right of use

	Total 31.12.2024	Total 31.12.2023
Costs relating to short-term leases	2,511	1,852
Expense relating to leases of low-value assets (*)	2,894	4,156
Income from finance subleases	1	1

(*) Including VAT

1.3 Lease liabilities: changes

	Lease liabilities 31.12.2023	Interest expense	Lease payments made	Other	Book value 31.12.2024
Total lease liabilities	355,689	14,925	(92,239)	115,286	393,661

Section 2 – Lessor

Qualitative Information

The lease contracts in which BPER Banca is the lessor are classified as either finance leases or operating leases.

Finance leases transfer to the lessee substantially all the risks and rewards of ownership.

In substance, under finance leases, the lessee obtains the economic benefits deriving from use of the leased asset over most of its economic life, in exchange for a commitment to pay the lessor a consideration that is substantially the same as the fair value of the asset and the related financial charges. The lease contract is therefore recognised by the lessor in the following manner:
- the value of the credit granted is recognised as an asset, net of the principal portion of the lease payments due and paid by the lessee;
- interest income is credited to the income statement.

Operating leases do not transfer to the lessee substantially all the risks and rewards incidental to ownership, which remain with the lessor.

Under operating leases, the lessor shall recognise the lease payments in profit or loss on an accruals basis.

See the Explanatory notes – Part A – Accounting policies for additional information.

Given the legal structure of finance leases, the credit risk faced by the Bank is limited by retaining ownership of the asset until the end-of-lease payment is made by the lessee. This factor is particularly important in relation to property leases and those in which the asset concerned is highly fungible. In particular, in order to limit more effectively the risk of losses and whenever indicated in the lease origination report, BPER Banca may request the customer to provide additional secured guarantees (typically pledged securities) and/or unsecured guarantees (personal or bank sureties). In addition, finance leases may also be secured by commitments to take over the lease or repurchase the asset (sometimes obtained from the supplier of the asset concerned).

Quantitative information

1. Balance Sheet and Income Statement information

Finance leases: see the Explanatory Notes - Part B - Assets, table 4.2 “Financial assets measured at amortised cost: breakdown of loans to customers”.

Interest income on finance leases: see the Explanatory Notes - Part C – Income statement, table 1.1 “Interest and similar income: breakdown”.

Other income from operating leases: see the Explanatory Notes - Part C - Income statement, table 14.2 “Other operating income: breakdown”.

2. Finance leases

2.1 Breakdown by time bands of lease payments receivable and reconciliation with finance leases recognised as assets

Time bands	31.12.2024 Lease payments receivable	31.12.2023 Lease payments receivable
Up to 1 year	244	398
Over 1 years up to 2 years	4,003	398
Over 2 years up to 3 years	-	398
Over 3 years up to 4 years	-	399
Over 4 years up to 5 years	-	399
Over 5 years	-	776
Total lease payments receivable	**4,247**	**2,768**
RECONCILIATION WITH FINANCE LEASES		
Unearned finance income (+)	(101)	(2,303)
Unguaranteed residual value (-)	-	-
Finance leases	**4,348**	**5,071**

"Not accrued gains" derive from unearned interest embedded in lease payments receivable.

2.2 Other information

2.2.1 Other information about finance leases: type and credit quality

	31.12.2024		31.12.2023	
	Performing	Non-performing	Performing	Non-performing
A - Real estate assets	**4,346**	**2**	**4,798**	**247**
Land	-	-	-	-
Buildings	4,346	2	4,798	247
B - Operating assets	**-**	**-**	**-**	**16**
C - Movable assets	**-**	**-**	**-**	**9**
Motor vehicles	-	-	-	6
Aircraft and rolling stock	-	-	-	-
Other	-	-	-	3
D - Intangible assets	**-**	**-**	**-**	**-**
Trademarks	-	-	-	-
Software	-	-	-	-
Other	-	-	-	
Total	**4,346**	**2**	**4,798**	**272**

2.2.2 Other information about finance leases: unopted assets, assets returned after termination, other assets

	31.12.2024			31.12.2023		
	Unopted assets	Assets returned after termination	Other assets	Unopted assets	Assets returned after termination	Other assets
A - Real estate assets	**-**	**142**	**-**	**-**	**198**	**-**
Land	-	-	-	-	-	-
Buildings	-	142	-	-	198	-
B - Operating assets	**-**	**-**	**-**	**-**	**-**	**-**
C - Movable assets	**-**	**-**	**-**	**-**	**-**	**-**
Motor vehicles	-	-	-	-	-	-
Aircraft and rolling stock	-	-	-	-	-	-
Other	-	-	-	-	-	-
D - Intangible assets	**-**	**-**	**-**	**-**	**-**	**-**
Trademarks	-	-	-	-	-	-
Software	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**-**	**142**	**-**	**-**	**198**	**-**

3. Operating leases

3.1 Breakdown of lease payments receivable by time bands

Time bands	31.12.2024 Lease payments receivable	31.12.2023 Lease payments receivable
Up to 1 year	6,371	5,838
Over 1 years up to 2 years	5,726	5,553
Over 2 years up to 3 years	5,173	4,922
Over 3 years up to 4 years	5,051	4,364
Over 4 years up to 5 years	4,481	4,231
Over 5 years	17,277	15,126
Total	**44,079**	**40,034**

3.2 Other information

No additional information is deemed necessary to meet the disclosure objective specified in paragraph 92 of IFRS 16.

ATTACHMENTS

CONTENTS

Statement of cash flow of the staff pension fund

BPER pension fund

	(in thousands)
Results as at 31 December 2023	**104,761**
Changes due to the time value of money and discount rate adjustments	3,095
Actuarial gains (losses)	839
Pension supplements paid to retired personnel	(7,048)
Results as at 31 December 2024	**101,647**

CARIGE pension fund

	(in thousands)
Results as at 31 December 2023	**11,950**
Changes due to the time value of money and discount rate adjustments	340
Actuarial gains (losses)	564
Pension supplements paid to retired personnel	(1,504)
Results as at 31 December 2024	**11,350**

Pension fund of former Cassa di Risparmio di Savona

	(in thousands)
Results as at 31 December 2023	**222**
Changes due to the time value of money and discount rate adjustments	6
Actuarial gains (losses)	33
Pension supplements paid to retired personnel	(32)
Results as at 31 December 2024	**229**

Pension fund of former Cassa di Risparmio di Carrara

	(in thousands)
Results as at 31 December 2023	**2,849**
Changes due to the time value of money and discount rate adjustments	82
Actuarial gains (losses)	(557)
Pension supplements paid to retired personnel	(302)
Results as at 31 December 2024	**2,072**

Statement of property revaluations (art. 10 Law 72 of 19/03/1983)

(in Euro)

Assets	Law n. 74 of 11.02.1952	Law n. 823 of 29.12.1973	Law n. 576 of 1.12.1975	Law n. 72 of 19.03.1983	Law n.218 of 30.07.1990	Law n.408 of 29.12.1990	Law n. 413 of 30.12.1991	Law n.342 of 21.11.2000	Law n.266 of 23.12.2005 - TAX VALUES	OTHER REVALUATIONS
ALASSIO - CORSO DANTE ALIGHIERI N. 227	-	-	-	-	167,006.79	-	-	-	-	0.00
ALASSIO - VIA GIUSEPPE MAZZINI N. 2	-	-	-	-	1,285,922.28	-	-	-	-	0.00
ALBISOLA SUPERIORE - CORSO GIUSEPPE MAZZINI	-	-	-	81,082.80	36,716.11	-	63,331.53	-	-	0.00
ALBISSOLA MARINA - CORSO BIGLIATI B N. 14 - R	-	-	27,878.10	96,061.38	86,268.52	-	155,872.06	-	-	0.00
ALTARE - VIA ROMA N. 2	-	-	-	-	8,916.43	-	76,550.93	-	-	0.00
ANDORA - VIA A. DORIA N. 36	-	-	-	-	6,347.58	-	202,082.98	-	-	0.00
ANZOLA DELL'EMILIA - VIA F.LLI CERVI 33.VIA MICELLI 4	-	-	-	-	-	-	31,510.76	-	365,341.98	0.00
APRILIA - PIAZZA ROMA ANG VIA DEI LAURI SN	-	-	-	-	-	-	-	201,425.99	529,065.67	0.00
APRILIA - PIAZZA ROMA ANG VIA DELLE MARGHERITE SNC	-	-	28,405.00	671,393.97	-	1,136,205.18	-	1,847,820.84	1,465,036.60	0.00
APRILIA - VIA CICERONE SNC	-	-	-	-	-	134,278.79	-	272,295.18	99,175.85	0.00
APRILIA - VIA GRECIA 2	-	-	-	-	-	-	-	39,427.82	112,082.96	0.00
APRILIA - VIA ROSSETTI SNC	-	-	-	-	-	46,481.12	-	-	153,105.28	0.00
ARENZANO - PIAZZA CAMILLO GOLGI N. 19D - 19E	-	-	-	-	53,027.21	-	-	-	-	0.00
ARENZANO - VIA SAULI PALLAVICINO N. 25	-	-	-	-	669,623.23	-	-	-	-	0.00
ARIANO IRPINO - XXV APRILE SNC	-	-	-	-	-	-	357,490.41	310,564.68	94,570.73	0.00
ATRIPALDA - VIA MELFI ANGOLO PIAZZA UMBERTO I° SNC	-	-	-	-	-	-	381,479.81	408,200.89	187,260.00	0.00
AVELLINO - DUE PRINCIPATI 132	-	-	-	-	-	-	14,479.93	69,047.61	2,893.50	0.00
AVELLINO - ROMA ANGOLO VIA MACCHIA SN	-	-	-	-	-	-	87,199.00	258,354.00	101,476.00	0.00
AVELLINO - VIALE ITALIA SNC	-	-	-	-	-	-	27,386.00	125,107.00	-	0.00
AVELLINO - VIA COLLINA LIGUORINI SNC	-	-	-	-	-	-	435,140.00	6,685,816.00	431,741.00	0.00
AVELLINO - COLLINA LIGUORINI SNC	-	-	-	-	-	-	-	4,728,714.00	1,262,820.00	0.00
AVELLINO - COLLINA LIGUORINI SNC	-	-	-	-	-	-	199,769.00	1,646,701.00	1,025,596.00	0.00
AVERSA - SAN FRANCESCO DA PAOLA 3	-	-	-	-	-	-	184,510.00	358,998.00	29,264.00	0.00
AVEZZANO - VIA TRIESTE 16	-	-	-	691,654.85	-	-	902,358.11	-	1,872,297.93	0.00
BAGNOLO IN PIANO - V.ROMA 1/A	-	-	-	-	-	-	-	-	47,134.24	0.00
BALDISSERO D'ALBA - PIAZZA MARTIRI. 5	-	-	-	-	-	-	-	-	74,838.19	0.00
BARDI - VIA PIETRO DELLA CELLA 8 - 10	-	-	4,648.12	4,036.62	-	-	4,819.10	-	220,383.22	0.00
BARDINETO - PIAZZA MAMELI N. 10A	-	-	-	4,131.84	8,359.47	-	6,386.29	-	-	0.00
BASTIGLIA - VIA CANALETTO 19 - 21	-	-	-	165,333.02	-	-	94,062.20	-	502,272.97	0.00
BATTIPAGLIA - VIA ROMA 108 / 112	-	-	-	-	-	-	-	15,363.00	26,708.00	0.00
BEDONIA - PIAZZA SENATORE MICHELI 3 - 4	-	-	-	129,766.79	-	-	83,107.04	-	331,815.63	0.00
BELLIZZI - ROMA 168/172	-	-	-	85.00	-	-	23.00	-	4,847.00	0.00
BERTINORO - V. ROMA 10	-	-	-	81,244.87	-	-	29,184.48	-	97,338.17	25,822.84
BERTINORO - V. ANITA GARIBALDI 31 - 33	-	-	-	-	-	-	204,477.96	-	401,764.69	103,291.38
BERTINORO - V. LORETA 215	-	-	-	-	-	-	-	-	196,881.63	0.00
BOLOGNA - VIA VENEZIAN 5/A	-	-	272,741.68	2,361,757.40	-	-	1,147,735.74	-	10,788,455.50	3,164.43
BOLOGNA - VIA EMILIA LEVANTE 81	-	-	15,493.71	438,988.36	-	-	266,857.70	-	1,451,145.36	0.00
BOLOGNA - VIA CAIROLI 11/H.VIA BOLDRINI 24/H	-	-	-	232,405.60	-	-	126,153.95	-	1,245,702.82	0.00
BOLOGNA - VIA LAME 46	-	-	-	-	-	-	36,178.66	-	273,158.27	0.00
BOLOGNA - VIA CORTICELLA 218/H	-	-	-	-	-	-	6,088.59	-	492,041.92	0.00
BOLOGNA - VIA FIORAVANTI 28/A	-	-	-	-	-	-	-	-	665,030.39	0.00
BOMPORTO - VIA PER MODENA 9 - 11	-	-	11,730.57	73,631.34	-	-	37,744.82	-	301,484.20	0.00
BORDIGHERA - VIA VITTORIO EMANUELE	-	-	-	-	173,928.43	-	-	-	-	0.00
BORDIGHERA - VIA VITTORIO EMANUELE	-	-	-	-	902,925.21	-	-	-	-	0.00
BORGIA - VIA GARIBALDI 27	-	-	-	94,000.00	-	-	20,000.00	-	87,896.00	0.00
BORGIO VEREZZI - VIALE C. COLOMBO	-	-	-	119,818.52	123,557.44	-	102,547.51	-	-	0.00
BORGO VAL DI TARO - VIA NAZIONALE 88 - 90	-	-	-	192,667.36	-	-	76,148.73	-	-	0.00
BRA - VIA PIUMATI 64	-	-	-	-	-	-	-	-	134,817.13	0.00
BRA - VIA A. DE GASPERI 2	-	-	-	-	-	-	-	-	201,858.91	0.00
BRA - VIA ADOLFO SARTI 6	-	-	9,762.07	62,614.49	-	-	-	-	1,072,604.57	0.00
BRA - PIAZZA CARLO ALBERTO 1	-	-	-	-	-	-	-	-	289,696.07	0.00
BRA - VIA PRINCIPI DI PIEMONTE N° 12 BRA (CN)	-	-	118,407.04	759,469.86	-	-	-	-	2,137,037.41	0.00
BRA - VIA SARTI -VIA CAVOUR	-	-	6,109.69	39,187.89	-	-	-	-	160,788.08	0.00
BRA - CORSO MONVISO	-	-	-	-	-	-	-	-	6,244.03	0.00
BUDRIO - VIA BISSOLATI 2	-	-	-	-	-	-	74,640.21	-	236,475.02	0.00
BUSALLA - VIA ROMA N. 12R	-	-	-	-	121,173.42	-	-	-	-	0.00
CAIRO MONTENOTTE - VIA COLLA N. 2	-	-	17,935.26	100,707.80	95,067.37	-	204,329.76	-	-	0.00

(in Euro)

Assets	Law n. 74 of 11.02.1952	Law n. 823 of 29.12.1973	Law n. 576 of 1.12.1975	Law n. 72 of 19.03.1983	Law n.218 of 30.07.1990	Law n.408 of 29.12.1990	Law n. 413 of 30.12.1991	Law n.342 of 21.11.2000	Law n.266 of 23.12.2005 - TAX VALUES	OTHER REVALUATIONS
CAIRO MONTENOTTE - VIA ROMANA N. 2 INTERNO 9	-	-	-	-	1,010.90	-	-	-	-	0.00
CAIRO MONTENOTTE - VIA FRATELLI FRANCIA, 3	-	-	-	-	54,741.83	-	-	-	-	0.00
CALIZZANO - VIA IV NOVEMBRE N. 12	-	-	-	43,897.22	27,834.26	-	25,284.01	-	-	0.00
CAMOGLI - PIAZZA ABATE GIOVANNI SCHIAFFINO N. 9	-	-	-	-	453,986.70	-	-	-	-	0.00
CAMPO DI GIOVE - VIA MARCONI 5	-	-	-	-	-	-	16,642.00	-	62,485.00	0.00
CAMPO LIGURE - VIA TRENTO N. 2	-	-	-	-	259,569.28	-	-	-	-	0.00
CAMPOMORONE - VIA ALCIDE DE GASPERI N. 60 - 62 - 64	-	-	-	-	388,415.94	-	-	-	-	0.00
CAPANNORI - VIA DELLA MADONNINA N. 2	-	-	-	-	-	673,246.21	-	-	-	0.00
CAPANNORI - VIA DELL'ISOLA	-	-	-	-	-	-	50,245.21	-	-	0.00
CAPANNORI - VIA DELLA MADONNINA N. 2	-	-	-	-	-	44,723.68	-	-	-	0.00
CAPANNORI - VIA DELL'ISOLA	-	-	-	-	-	18,287.69	115,035.63	-	-	0.00
CAPESTRANO - PIAZZA CAPPONI 2	-	-	-	-	-	-	68,925.79	-	144,702.80	0.00
CARPI - PIAZZA MARTIRI 35 - 37	-	-	77,468.53	1,508,054.14	-	-	633,731.31	-	3,019,733.89	0.00
CARPI - VIA NUOVA PONENTE 8	-	-	-	-	-	-	666,744.15	-	731,490.97	0.00
CARRARA - VIA LORIS GIORGI N. 1D	-	-	-	-	-	-	531,359.41	-	-	0.00
CARRARA - VIA ROMA N. 2	-	-	129,114.22	1,368,610.78	-	1,233,927.27	1,593,222.05	-	-	0.00
CARRARA - VIALE VENTI SETTEMBRE N 144	-	-	-	-	-	273,769.13	60,894.94	-	-	0.00
CARRARA - VIA GIOVAN PIETRO N. 1	-	-	-	-	-	501,732.77	96,977.42	-	-	0.00
CARRARA - VIA NAZARIO SAURO N. 75	-	-	-	-	-	-	262,915.28	-	-	0.00
CASAL DI PRINCIPE - RAFFAELLO 9	-	-	-	-	-	-	-	-	20,141.00	0.00
CASALECCHIO DI RENO - VIA BAZZANESE 11/4	-	-	-	-	-	-	74,200.29	-	649,547.80	0.00
CASALGRANDE - VIA RADICI 19/A	-	-	-	196,253.62	-	-	126,059.62	-	-	0.00
CASARZA LIGURE - VIA IV NOVEMBRE N. 28B	-	-	-	-	270,069.62	-	-	-	-	0.00
CASELLA - VIA UMBERTO MANDELLI N. 29D INTERNO E/F	-	-	-	-	234,771.90	-	-	-	-	0.00
CASOLA IN LUNIGIANA - PIAZZA DELLA TORRE, 96	-	-	-	-	-	-	34,306.27	-	-	0.00
CASTEL DI SANGRO - VIA XX SETTEMBRE SNC	-	-	-	-	-	-	167,834.84	-	400,808.54	0.00
CASTELFRANCO EMILIA - CORSO MARTIRI 287/V.SAIETTI 9	-	-	67,139.40	903,799.57	-	-	353,272.12	-	1,593,546.93	0.00
CASTELNOVO DI SOTTO - VIA ROMA/VIA GRAMSCI 2	-	-	-	-	-	-	-	-	368,302.01	0.00
CASTELVECCHIO SUBEQUO - PIAZZA I° MAGGIO 39	-	-	-	-	-	-	-	-	180,529.00	0.00
CASTELVETRO DI MODENA - S.S. N.569. 46/C. VIA VOLTA 4	-	-	-	149,772.49	-	-	102,769.75	-	497,463.71	0.00
CASTELVETRO DI MODENA - VIA STATALE 115	-	-	-	-	217,252.98	-	-	-	806,550.51	0.00
CAVA DE' TIRRENI - C.SO UMBERTO/V. SORRENTINO 349	-	-	-	-	-	-	-	-	1,821,181.54	0.00
CAVEZZO - VIA GRAMSCI 2. P.ZZA 3 MARTIRI 1	-	-	60,829.96	473,208.59	-	-	277,613.85	-	972,290.38	0.00
CAVRIAGO - VIA RIVASI BASSA 24/B	-	-	-	-	-	-	-	-	180,046.82	0.00
CELANO - PIAZZA IV NOVEMBRE 29	-	-	-	161,302.92	-	-	184,321.64	-	268,743.05	0.00
CELLE LIGURE - VIA FRATELLI FIGUCCIO N. 1	-	-	13,823.74	80,562.20	17,394.22	-	82,155.96	-	-	0.00
CENGIO - VIA PADRE GARELLO	-	-	-	38,732.94	1,114.26	-	18,165.24	-	-	0.00
CENTOLA - INDIPENDENZA 10	-	-	-	-	-	-	-	-	83,621.00	0.00
CERESOLE ALBA - VIA REGINA MARGHERITA. 6	-	-	5,164.57	61,623.64	-	-	-	-	36,990.36	0.00
CERIALE - VIA ROMA	-	-	9,619.78	115,682.99	53,140.72	-	96,772.34	-	-	0.00
CERVIA - VIA SALARA VECCHIA 2	-	15,494.00	15,494.00	32,020.00	-	21,477.00	195,611.00	-	279,745.00	0.00
CERVIA - PIAZZA GARIBALDI 16/19	-	-	-	43,320.00	-	112,220.00	1,385,635.00	-	2,273,017.00	0.00
CERVIA - VIALE MATTEOTTI 3/5/37/39	-	-	-	140,035.00	-	475,496.00	359,120.00	-	1,117,400.00	0.00
CERVIA - PIAZZA REPUBBLICA 5/6/7/11	-	-	-	-	-	-	-	-	61,766.00	0.00
CESENA - V. ALBENGA 40.V. SAN REMO 60	-	-	-	91,379.30	-	-	82,574.89	-	430,672.26	232,405.60
CESENA - C.SO SOZZI 15	-	-	253,063.89	1,834,694.04	-	-	1,220,248.11	-	13,877,768.52	3,273,468.80
CESENA - V. SETTECROCIARI 6486	-	-	-	46,297.26	-	-	47,686.59	-	167,802.08	103,291.38
CESENA - V. COMUNALE MONTIANO 2390	-	-	-	97,026.76	-	-	36,513.52	-	131,776.90	103,291.38
CESENA - V.LE MARCONI 183	-	-	-	-	-	-	-	-	250,091.51	0.00
CESENA - V. VALSUGANA 41	-	-	-	-	-	-	-	-	176,956.31	0.00
CESENATICO - V. BUONARROTI 17	-	-	-	113,613.29	-	-	43,077.32	-	232,048.09	103,291.38
CHIAROMONTE - CONTRADA SANTA MARIA SNC	-	-	-	-	-	-	-	-	22,254.00	0.00
CHIAVARI - CORSO DANTE N. 24. PIAZZA ROMA N. 6	-	-	-	-	1,898,750.48	-	-	-	-	0.00
CISTERNA DI LATINA - CORSO DELLA REPUBBLICA 141/143	-	-	-	-	-	284,051.29	-	510,139.82	46,390.13	0.00
CIVITELLA ROVETO - VIA ROMA 12	-	-	-	-	-	-	59,758.88	-	154,865.01	0.00
COGOLETO - PIAZZA ANTONIO GIUSTI N. 1	-	-	-	-	487,470.75	-	-	-	-	0.00
COLLECCHIO - VIA LA SPEZIA 1 - VIA LORIA	-	-	-	-	-	-	20,899.05	-	472,020.27	0.00
COMANO - VIA ROMA N. 69	-	-	-	-	-	-	29,700.65	-	-	0.00
CONCORDIA SULLA SECCHIA - VIA DELLA PACE 12. 14 16	1,123.59	-	23,706.87	146,161.65	-	-	71,455.95	-	436,479.62	0.00
CORIGLIANO - ROSSANO - VIALE R. MARGHERITA/VIA BUSENTO SNC	-	-	-	214,139.00	-	-	-	-	341,970.00	0.00
CORREGGIO - VIA MAZZINI 50.LARGO CARDUCCI	-	-	-	-	-	-	572,351.90	-	1,224,652.59	0.00

(in Euro)

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CREVALCORE - VIA MATTEOTTI 254, VIA PERTI	-	-	-	-	-	-	43,168.25	-	250,831.18	792.61
CROTONE - VIA V.VENETO 24	-	-	218,939.00	1,000,456.00	-	-	344,857.00	-	4,040,661.00	0.00
DIANO MARINA - PIAZZA MAGLIONE GIUSEPPE N. 5	-	-	-	-	294,457.90	-	-	-	-	0.00
FABBRICO - VIA POZZI 1/5,VIA XXV APRILE 84	-	-	-	438,988.35	-	-	268,540.70	-	946,656.37	0.00
FARA SAN MARTINO - VIA PARADISO SNC	-	-	-	-	-	-	-	-	232,594.00	0.00
FERRANDINA - VIA CAVOUR 1 - 3 - 5	-	-	-	30,634.00	-	-	48,856.00	-	-	0.00
FERRARA - V.LE CAVOUR 140/2	-	-	-	-	-	-	43,445.72	-	171,619.46	0.00
FINALE EMILIA - VIA MAZZINI 1/D. VIA MATTEOTTI 1	2,979.27	-	-	-	-	-	531,170.58	-	1,325,317.99	0.00
FINALE LIGURE - PIAZZA DEL SOLE N. 6	-	-	-	36,668.35	44,188.88	-	35,014.57	-	-	0.00
FINALE LIGURE - VIA GIUSEPPE GARIBALDI N. 3	-	-	-	-	579,388.46	-	-	-	-	0.00
FOGGIA - CASTELLUCCIO DEI SAURI KM 1,30	-	-	-	-	-	-	-	-	87,360.00	0.00
FOGGIA - C.SO GARIBALDI 72	-	-	-	-	2,074,220.00	-	-	-	383,124.00	0.00
FOGGIA - V.LE G. DI VITTORIO 66 - 78	-	-	-	-	76,823.00	-	48,401.00	-	695,557.00	0.00
FOGGIA - C.SO GIUSEPPE GARIBALDI 78	-	-	-	-	-	-	-	-	182,888.00	0.00
FOGGIA - CORSO GIUSEPPE GARIBALDI, 80	-	-	-	-	-	-	-	-	5,109.00	0.00
FORLÌ - C.SO DELLA REPUBBLICA 41	-	-	-	-	-	-	703,010.98	-	2,935,868.03	1,194,932.60
FORLIMPOPOLI - P.ZZA GARIBALDI 22	-	-	-	-	-	-	-	-	101,367.87	0.00
FORMIGINE - VIA BILLO2/V: BRAMANTE 1	-	-	-	-	-	-	134,586.01	-	536,472.47	0.00
FRANCAVILLA AL MARE - VIA PRIMO VERE 98	-	-	-	126,647.00	-	-	13,599.00	-	564,403.00	0.00
GATTATICO - PIAZZA ALCIDE CERVI 28	-	-	-	-	-	-	90,450.30	-	173,929.57	0.00
GENOVA - VIA DI QUINTO N. 38 - 38A	-	-	-	-	270,823.54	-	-	-	-	0.00
GENOVA - VIA FELICE DEL CANTO N. 4A	-	-	-	-	408,245.81	-	-	-	-	0.00
GENOVA - VIA NAPOLI N. 40A/R	-	-	-	-	236,488.17	-	-	-	-	0.00
GENOVA - VIALE AMM. GIORGIO DES GENEYS N. 41R	-	-	-	-	707,000.32	-	-	-	-	0.00
GENOVA - VIA GUGLIELMO OBERDAN N. 120A	-	-	-	-	544,921.42	-	-	-	-	0.00
GENOVA - PIAZZA MANIN N. 12BR	-	-	-	-	474,712.84	-	-	-	-	0.00
GENOVA - VIA GIOVANNI BATTISTA CUSTO N. 11R	-	-	-	-	205,217.61	-	-	-	-	0.00
GENOVA - VIA PASQUALE PASTORINO N. 26R	-	-	-	-	129,278.65	-	-	-	-	0.00
GENOVA - VIA EMILIA N. 48CR - 48DR - 48ER	-	-	-	-	1,404,049.14	-	-	-	-	0.00
GENOVA - VIA PIACENZA N. 179DR - 179ER - 94C - GR	-	-	-	-	475,204.22	-	-	-	-	0.00
GENOVA - PIAZZA SEBASTIANO GAGGERO N. 9R - VIA VERITÀ 28	-	-	-	-	930,737.50	-	-	-	-	0.00
GENOVA - VIA GERMANO JORI N. 22A	-	-	-	-	454,443.37	-	-	-	-	0.00
GENOVA - VIA MONTICELLI N. 68R	-	-	-	-	1,112,618.79	-	-	-	-	0.00
GENOVA - VIA MONTICELLI N. 13 INTERNO 1	-	-	-	-	202,371.57	-	-	-	-	0.00
GENOVA - VIA DANTE GAETANO STORACE N. 41R	-	-	-	-	387,297.54	-	-	-	-	0.00
GENOVA - VIA FEDERICO AVIO N. 2R. VIA TERENZIO MAMIANI N. 17R	-	-	-	-	1,462,460.07	-	-	-	-	0.00
GENOVA - VIA DE NICOLAY N. 44R - 46R	-	-	-	-	206,540.45	-	-	-	-	0.00
GENOVA - VIA AURELIANO GALEAZZO N. 4 - 6	-	-	-	6,556.00	-	-	-	-	-	0.00
GENOVA - VIA FABIO GARELLI N. 17R/43	-	-	-	-	327,392.14	-	-	-	-	0.00
GENOVA - CORSO SARDEGNA N. 90 - R	-	-	-	-	810,100.19	-	-	-	-	0.00
GENOVA - VIA GIOVANNI TORTI N. 80R	-	-	-	-	958,037.61	-	-	-	-	0.00
GENOVA - VIA SILVIO LAGUSTENA	-	-	-	-	572,725.47	-	-	-	-	0.00
GENOVA - VIA SAN MARTINO N. 58 - 60 - 62	-	-	-	-	256,188.44	-	-	-	-	0.00
GENOVA - VIA SAN MARTINO N. 67 - H	-	-	-	-	705,357.83	-	-	-	-	0.00
GENOVA - VIA GIOVANNI ARRIVABENE N. 39RT	-	-	-	-	811,203.63	-	-	-	-	0.00
GENOVA - VIA TIMAVO N. 92R	-	-	-	-	732,740.69	-	-	-	-	0.00
GENOVA - VIA SESTRI N. 128R - 130R - 132R - ANG. ROSOLINO PILO	-	-	-	-	291,843.34	-	-	-	-	0.00
GENOVA - PIAZZA DELLE AMERICHE N. 1	-	-	-	-	1,728,123.68	-	-	-	-	0.00
GENOVA - VIA SESTRI N. 114 - R	-	-	-	-	2,076,593.00	-	-	-	-	0.00
GENOVA - VIA PISA N. 58	-	-	-	-	1,575,193.54	-	-	-	-	0.00
GENOVA - VIA DELLA LIBERTÀ N. 76AR	-	-	-	-	174,800.79	-	-	-	-	0.00
GENOVA - VICO CHIUSO LORENZO PARETO INTERNO 4	-	-	-	-	321,560.64	-	-	-	-	0.00
GENOVA - VIA PELIO N. 6	-	-	-	926,361.09	1,891,460.65	-	-	-	-	0.00
GENOVA - VIA BRUNO BUOZZI N. 57R - 58R	-	-	-	-	329,130.23	-	-	-	-	0.00
GENOVA - PIAZZA DI SANTA SABINA N. 6	-	-	-	-	1,234,495.96	-	-	-	-	0.00
GENOVA - VIA ANTONIO GRAMSCI N. 135R - 137R - 139R	-	-	-	-	256,317.66	-	-	-	-	0.00
GENOVA - VIA FILIPPO TURATI N. 2R - 4R - 6R	-	-	-	-	217,668.16	-	-	-	-	0.00
GENOVA - PIAZZA BANCHI N. 2R	-	-	-	-	245,361.26	-	-	-	-	0.00
GENOVA - VIA LUCCOLI N. 19R - 21R	-	-	-	-	295,948.41	-	-	-	-	0.00
GENOVA - PIAZZA DEI GARIBALDI N. 29R	-	-	-	-	713,591.79	-	-	-	-	0.00
GENOVA - VIA DAVID CHIOSSONE N. 26R	-	-	579,948.00	1,506,607.00	1,741,647.05	-	943,860.00	-	-	0.00

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GENOVA - VICO AL MONTE DI PIETÀ N. 4	-	-	-	-	2,991,641.15	-	-	-	-	0.00
GENOVA - VIA DAVID CHIOSSONE N. 12	-	-	-	-	4,444,695.86	-	-	-	-	0.00
GENOVA - PIAZZA SAN MATTEO N. 6AR - 6BR	-	-	-	-	703,634.92	-	-	-	-	0.00
GENOVA - VIA VENTICINQUE APRILE N. 14R - 16R	-	-	-	-	1,140,993.15	-	-	-	-	0.00
GENOVA - VIA VENTICINQUE APRILE N. 6	-	-	-	-	25,566.69	-	-	-	-	0.00
GENOVA - VIA VENTI SETTEMBRE N. 41	-	-	-	-	2,817,541.59	-	-	-	-	0.00
GENOVA - VIA CASSA DI RISPARMIO N. 4/1	-	-	-	6,807.01	250,501.18	-	-	-	-	0.00
GENOVA - VIA CASSA DI RISPARMIO N. 15	-	-	1,871,809.13	12,911,422.48	30,227,917.46	-	-	-	-	0.00
GENOVA - VIA CECCARDO ROCCATAGLIATA CECCARDI N. 4 INTERNO 16	-	-	-	-	1,543,054.16	-	-	-	-	0.00
GENOVA - VIA GABRIELE D'ANNUNZIO N. 79	-	-	-	7,043,116.50	33,787,823.35	-	6,316,887.07	-	-	0.00
GENOVA - VIA CORSICA N. 15R	-	-	-	-	669,801.54	-	-	-	-	0.00
GENOVA - VIA SAN VINCENZO N. 26-VIA GALATA N. 51/A	-	-	-	-	128,127.22	-	-	-	-	0.00
GENOVA - VIA VENTI SETTEMBRE N. 20	-	-	-	-	157,725.95	-	-	-	-	0.00
GENOVA - VIA DOMENICO FIASELLA N. 36R - 38R - 40R	-	-	-	-	402,418.70	-	-	-	-	0.00
GENOVA - VIA CESAREA N. 64R - 66R - 68R	-	-	-	-	442,913.00	-	-	-	-	0.00
GENOVA - VIA GRANELLO N. 69R-VIA CESAREA 60R- 62R -66R	-	-	-	-	1,347,820.30	-	-	-	-	0.00
GENOVA - VICO DI CAMPISANO. 8 -SALITA MONTAGNOLA DELLA MARINA, 3	-	-	-	-	199,868.11	-	-	-	-	0.00
GESUALDO - CORSO ITALIA SNC	-	-	-	-	-	-	86,189.00	64,727.00	4,282.00	0.00
GORGOGLIONE - VIA ROMA SNC	-	-	-	-	-	-	-	-	1,292.00	0.00
GRANAROLO DELL'EMILIA - VIA S. DONATO 50	-	-	-	-	-	-	285,577.20	-	902,073.24	0.00
GROTTAMINARDA - GIARDINO SNC	-	-	-	-	-	-	679.25	269,982.35	139,920.86	0.00
GUIGLIA - VIA M. D AZEGLIO 644	-	-	-	26,121.01	35,819.07	-	-	-	58,169.47	0.00
IMPERIA - VIA GIUSEPPE BERIO N. 10	-	-	-	-	2,311,190.45	-	-	-	-	0.00
IMPERIA - PIAZZA UNITÀ NAZIONALE N. 19 INTERNO 9	-	-	-	-	103,291.38	-	-	-	-	0.00
IMPERIA - VIA SAN MAURIZIO N. 27 INTERNO B	-	-	-	-	56,201.57	-	-	-	-	0.00
INTRODACQUA - VIA GARIBALDI 1	-	-	-	-	-	-	-	-	129,938.00	0.00
ISOLA DEL CANTONE - VIA ROMA N. 180	-	-	-	-	200,357.38	-	-	-	-	0.00
L'AQUILA - PIAZZA S. SILVESTRO 1	-	-	-	-	-	-	391,981.83	-	4,792,710.07	0.00
L'AQUILA - VIA ALCIDE DE GASPERI 4 - 12 - 14	-	-	-	-	-	-	378,488.24	-	853,853.97	0.00
L'AQUILA - VIA S. AGOSTINO 22	-	-	-	67,139.40	-	-	157,939.30	-	193,947.23	0.00
L'AQUILA - STRADA STATALE 17 BIS SNC	-	-	-	-	-	-	78,312.58	-	185,146.12	0.00
LA SPEZIA - VIALE ITALIA-VIA NAZIONALE 252	-	-	-	-	2,190,810.17	-	-	-	-	0.00
LANCIANO - LUIGI DE CRECCHIO 36	-	-	53,705.00	553,138.00	-	-	410,986.00	-	617,477.00	0.00
LANCIANO - VIALE CAPPUCCINI 76	-	-	-	-	-	-	228,083.00	-	5,815,496.00	0.00
LANCIANO - CONTRADA GAETA 1	-	-	-	-	-	-	52,465.00	-	544,985.00	0.00
LAVAGNA - PIAZZA LA SCAFA N. 9 - 5/6 - 7/8	-	-	-	-	171,399.13	-	-	-	-	0.00
LAVAGNA - PIAZZA DELLA LIBERTÀ N. 37 - 38 - 39	-	-	-	14,295.00	76,833.29	-	-	-	-	0.00
LIONI - VIA RONCA 2	-	-	-	-	-	-	-	26,924.00	7,503.00	0.00
LOANO - VIA STELLA SIMONE N. 17	-	-	-	-	536,026.84	-	-	-	-	0.00
LUCCA - VIALE GIACOMO PUCCINI N. 1174	-	-	-	-	-	260,414.52	243,569.68	-	-	0.00
LUCCA - PIAZZA SAN MARTINO N. 4 - 5 - 6	-	-	42,076.54	289,062.88	-	6,103,670.09	487,044.02	-	-	0.00
LUCCA - PIAZZA CESARE BATTISTI 26	-	-	-	-	-	68,310.83	-	-	-	0.00
LUZZARA - VIA FILIPPINI 10	-	-	-	-	-	-	-	-	168,484.48	0.00
MAGLIANO DE' MARSI - VIA AVEZZANO 2	-	-	-	-	-	-	21,876.77	-	293,740.76	0.00
MANTOVA - V. GRAZIOLI 30/A	-	-	-	-	-	-	-	-	728,736.15	0.00
MANTOVA - V.LE SABOTINO 1/A	-	-	-	-	-	-	-	-	74,432.55	0.00
MARANELLO - VIA P. GIARDINI 74	-	-	-	-	-	-	94,500.22	-	880,658.62	0.00
MARANO SUL PANARO - VIA VIGNOLESE 92	-	-	7,746.85	72,933.10	291,141.74	-	-	-	207,874.75	0.00
MASONE - VIALE VITTORIO VENETO N. 6	-	-	-	-	231,731.05	-	-	-	-	0.00
MASSA - VIA FLAVIO TORELLO BARACCHINI	-	-	-	-	-	2,372.38	54,936.70	-	-	0.00
MASSA - VIA ADELINA ZINI N. 6	-	-	-	-	-	298,401.82	68,816.12	-	-	0.00
MASSA - VIA AGOSTINO GHIRLANDA N.2	-	-	16,210.69	-	-	428,195.44	95,338.74	-	-	0.00
MATERA - VIA NAZIONALE 1	-	-	-	-	-	-	158,872.00	-	600,422.00	0.00
MATERA - PIAZZA SAN FRANCESCO D ASSISI 12	-	-	258,715.00	2,192,886.00	-	-	882,874.00	-	2,730,977.00	0.00
MATERA - PIAZZA VITTORIO EMANUELE III 5 - 6	-	-	-	-	-	-	5,369.00	-	138,230.00	0.00
MERCOGLIANO - VIALE S. MODESTINO 33	-	-	-	-	-	-	-	-	9,124.00	0.00
MIGLIONICO - PIAZZA MERCATO 15	-	-	-	-	-	-	1,397.00	-	-	0.00
MILANO - VIA CERESIO N. 3	-	-	-	-	68,359.77	-	-	-	-	0.00
MILLESIMO - PIAZZA DELLA LIBERTÀ N. 1 - 10	-	-	-	61,946.69	32,927.38	-	86,126.64	-	-	0.00
MIRANDOLA - V. CAVALLOTTI 6. VIA SMERIERI 3	-	-	-	475,617.98	-	-	608,469.68	-	1,383,123.60	0.00

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MIRANDOLA - VIA TORINO 5	-	-	-	-	-	-	28,299.29	-	396,676.18	0.00
MOCONESI - VIALE ALCIDE DE GASPERI N. 19	-	-	-	-	197,129.77	-	-	-	-	0.00
MODENA - VIA EMILIA EST 893	-	-	-	500,963.19	-	-	404,444.20	-	1,940,233.96	0.00
MODENA - VIALE AMENDOLA 474	-	-	-	-	-	-	150,895.63	-	1,255,070.80	0.00
MODENA - VIA S.CARLO 8/28. VIA SCUDARI 3 - 7 - 9	-	-	387,342.67	5,376,316.32	-	-	2,627,563.98	-	17,913,522.19	0.00
MODENA - VIA CANALETTO 94	-	-	-	748,862.51	-	-	417,475.21	-	879,067.45	0.00
MODENA - VIA STAFFETTE PARTIGIANE 25	-	-	-	278,886.73	-	-	163,664.34	-	1,377,462.64	0.00
MODENA - VIA DANIMARCA 6	-	-	-	-	-	-	508,490.97	-	3,642,018.55	0.00
MODENA - V. IACOPO DA PORTO 545	-	-	-	-	-	-	-	-	60,429.60	0.00
MONTALBANO JONICO - VIA CESARE BATTISTI 9	-	-	-	-	-	-	-	-	11,168.00	0.00
MONTECCHIO EMILIA - VIA PRAMPOLINI 2/A	-	-	-	-	-	-	-	-	201,767.06	0.00
MONTEREALE - VIA NAZIONALE 44	-	-	-	-	-	-	127,976.89	-	98,435.46	0.00
MONTOGGIO - VIA ROMA N. 89	-	-	-	-	170,126.07	-	-	-	-	0.00
MUGNANO DEL CARDINALE - ROMA SNC	-	-	-	-	-	-	155,828.00	261,636.00	27,829.00	0.00
MULAZZO - STRADA ARPIOLA - CASSANA	-	-	-	-	-	44,077.04	16,332.76	-	-	0.00
NAPOLI - PONTE DI TAPPIA 88	-	-	-	-	-	-	-	-	168,726.00	0.00
NAPOLI - FRANCESCO SOLIMENA 30 - 34	-	-	-	-	-	-	-	106,330.06	94,676.67	0.00
NOCERA INFERIORE - P.ZZA AMENDOLA SNC	-	-	-	-	-	-	-	644,860.00	49,858.00	0.00
NOCERA SUPERIORE - VIA ROMA .	-	-	-	-	-	-	-	-	29,426.97	0.00
NOCETO - V.MATTEOTTI 34. P. RISORGIMENTO 3	-	-	-	-	-	-	449,148.94	-	933,276.45	0.00
NOLI - VIA VIGNOLO N. 6	-	-	9,762.63	103,808.87	46,534.49	-	51,829.58	-	-	0.00
NONANTOLA - P.ZZA IV NOVEMBRE.6 V. ROMA 41/43	-	-	-	459,646.64	-	-	213,227.53	-	1,205,511.42	0.00
NOVA SIRI - VIA GRAMSCI SNC	-	-	-	-	-	-	93,569.00	-	78,834.00	0.00
ORTONA - PIAZZA DELLA CHIESA SNC	-	-	-	-	-	-	-	-	24,117.00	0.00
ORTONA - VIA DELLA LIBERTA 27/31	-	-	-	-	-	-	89,431.00	-	514,313.00	0.00
PAGLIETA - CORSO VITTORIO EMANUELE 44/46	-	-	-	-	-	-	83,844.00	-	138,580.00	0.00
PALENA - VIA ROMA 31	-	-	-	-	-	-	-	-	96,436.00	0.00
PAVULLO NEL FRIGNANO - V. GIARDINI 11. P.S. BARTOLOMEO 11	-	-	25,474.34	146,402.16	-	-	72,475.41	-	206,874.05	0.00
PESCARA - VIA CONTE DI RUVO 55/61	-	-	-	-	-	-	-	-	1,580,817.00	0.00
PESCINA - VIA DELLA STAZIONE SNC	-	-	-	-	-	-	-	-	179,014.35	0.00
PIACENZA - VIA FAUSTINO PERLETTI N. 9	-	-	-	-	18,850.68	-	-	-	-	0.00
PIANORO - VIA NAZIONALE 108	-	-	-	-	-	-	238,100.48	-	897,810.41	0.00
PIETRA LIGURE - CORSO ITALIA N. 23	-	-	-	-	167,755.38	-	-	-	-	0.00
PIETRA LIGURE - PIAZZA MARTIRI DELLA LIBERTÀ N. 1 - 10	-	-	-	-	1,021,648.04	-	-	-	-	0.00
PIEVE DI TECO - VIA LUIGI EULA	-	-	-	-	266,290.83	-	-	-	-	0.00
PIEVEPELAGO - VIA ROMA 85, 89	-	-	-	150,901.84	-	-	77,320.17	-	238,627.21	0.00
PONTREMOLI - PIAZZA DELLA REPUBBLICA	-	-	-	-	-	-	21,072.03	-	-	0.00
POTENZA - VIA DI GIURA SNC	-	-	-	-	-	-	25,402.00	-	118,673.00	0.00
RAIANO - CORSO ITALIA 52	-	-	-	-	-	-	-	-	27,901.96	0.00
RAPALLO - VICO DEL POZZO N. 24	-	-	-	-	240,619.85	-	-	-	-	0.00
RAPALLO - VIA MONSIGNOR AGOSTINO GIUSTINIANI N. 11	-	-	-	-	1,348,087.63	-	-	-	-	0.00
RAVENNA - VIA SUZZI 2	-	-	-	-	-	559,121.00	854,129.65	-	766,471.93	0.00
RAVENNA - VIA GUERRINI 14	-	129,114.00	46,238.00	249,867.00	-	856,309.00	2,398,135.00	-	4,386,494.00	0.00
RAVENNA - VIA DIAZ 35	-	-	29,018.38	565,142.34	-	-	2,356,217.77	-	3,768,778.31	0.00
RAVENNA - VIA REALE 193/193A	-	25,823.00	18,076.00	43,899.00	-	75,010.00	228,382.00	-	239,478.00	0.00
RAVENNA - PIAZZA MAZZINI 2	-	-	-	-	-	-	-	-	94,682.00	0.00
RAVENNA - VIALE FARINI 66	-	-	-	-	-	-	-	-	-	8,504.00
RAVENNA - VIA ROMEA VECCHIA 23/25	-	15,494.00	10,329.00	24,733.00	-	3,628.00	174,057.00	-	158,300.00	0.00
RAVENNA - SS ADRIATICA 419	-	-	-	-	-	13,728.00	34,810.00	-	113,456.00	0.00
RAVENNA - VIALE DEI NAVIGATORI 76	-	-	-	20,670.00	-	19,843.00	213,440.00	-	382,220.00	0.00
RAVENNA - VIA G. DI VITTORIO 16	-	-	-	-	-	-	276,521.00	-	358,911.00	0.00
RAVENNA - VIA DELLA LIRICA 19	-	-	-	-	-	-	-	-	196,094.00	0.00
RECCO - VIA ROMA N. 11	-	-	-	-	881,829.49	-	-	-	-	0.00
REGGIO EMILIA - VIALE MATTEOTTI 1, V. DEI MILLE 2/A	-	-	-	-	-	-	1,005,845.26	-	2,556,451.40	0.00
REZZOAGLIO - LOCALITÀ CAPOLUOGO N. 12A INTERNO 2	-	-	-	-	426,338.48	-	-	-	-	0.00
RICCIONE - V.LE DANTE 80	-	-	-	-	-	-	314,425.85	-	2,983,893.95	619,748.28
RIMINI - V. CORIANO 58	-	-	-	-	-	-	76,946.47	-	445,798.07	143,270.31
RIMINI - V. CADUTI DI MARZABOTTO 47	-	-	-	-	-	-	40,776.69	-	1,212,710.91	154,937.07
ROCCA DI MEZZO - VIA XXIV MAGGIO SNC	-	-	-	-	-	-	176,100.68	-	460,376.35	0.00
ROMA - VIA DEGLI ASTRI 97/103	-	-	-	-	-	-	-	-	400,733.24	0.00
ROMA - CORSO VITTORIO EMANUELE II 299	-	-	-	-	-	-	344,735.12	-	1,124,471.95	0.00

(in Euro)

Assets	Law n. 74 of 11.02.1952	Law n. 823 of 29.12.1973	Law n. 576 of 1.12.1975	Law n. 72 of 19.03.1983	Law n.218 of 30.07.1990	Law n.408 of 29.12.1990	Law n. 413 of 30.12.1991	Law n.342 of 21.11.2000	Law n.266 of 23.12.2005 - TAX VALUES	OTHER REVALUATIONS
RONCO SCRIVIA - CORSO ITALIA N. 55B - 55C - 55D	-	-	-	-	168,918.50	-	-	-	-	0.00
RONCO SCRIVIA - CORSO ITALIA, 100	-	-	-	-	308,208.57	-	-	-	-	0.00
ROSSIGLIONE - VIA ROMA N. 32	-	-	-	-	170,316.51	-	-	-	-	0.00
ROTONDELLA - PIAZZA ALBISSINI SNC	-	-	-	-	-	-	11,597.00	-	64,514.00	0.00
ROTONDI - PIAZZA V. EMANUELE SNC	-	-	-	214,139.00	-	-	110,516.00	96,777.00	10,129.00	0.00
RUBIERA - P.ZZA GRAMSCI 1	-	-	-	-	-	-	-	-	522,779.89	0.00
S. MAURO PASCOLI - V.LE PINETA 18	-	-	-	69,291.55	-	-	42,629.24	-	248,331.48	99,595.46
S. MAURO PASCOLI - PZA MAZZINI 1	-	-	-	236,666.38	-	-	221,722.40	-	836,622.32	449,317.51
SALA CONSILINA - LOC. TRINITAVIA NAZIONALE 234	-	-	-	-	-	-	17.00	-	240,486.00	0.00
SALERNO - LUNGOMARE TRIESTRE 32	-	-	-	-	-	-	185,064.00	784,156.00	1,641,185.00	0.00
SALUZZO - CORSO ITALIA, 86	-	-	140,342.20	926,332.65	-	-	-	-	-	0.00
SAN BARTOLOMEO AL MARE - PIAZZA MAGNOLIE N. 32	-	-	-	-	259,482.39	-	-	-	-	0.00
SAN COLOMBANO CERTENOLI - VIA CUNEO DOMENICO N. 81CDE	-	-	-	-	197,179.49	-	-	-	-	0.00
SAN DEMETRIO NE' VESTINI - PIAZZA ANGELO PELLEGRINI 1	-	-	-	-	-	-	64,322.23	-	234,727.15	0.00
SAN GIOVANNI IN FIORE - VIA MACHIAVELLI/VIA CELLINI SNC	-	-	-	-	-	-	-	-	132,407.00	0.00
SAN MARTINO IN RIO - VIA ROMA 43	-	-	-	-	-	-	-	-	44,970.44	0.00
SANFRÉ - PIAZZA UMBERTO I, 1	-	-	-	43,579.67	-	-	-	-	127,402.59	0.00
SANREMO - CORSO AUGUSTO MOMBELLO N. 29	-	-	-	-	2,542,823.89	-	-	-	-	0.00
SANTA MARGHERITA LIGURE - VIA XXV APRILE N. 2A INTERNO 1	-	-	-	-	303,789.64	-	-	-	-	0.00
SANTA MARGHERITA LIGURE - VIA XXV APRILE N. 2B	-	-	-	-	231,453.00	-	-	-	-	0.00
SANTA MARGHERITA LIGURE - LARGO ANTONIO GIUSTI N. 17	-	-	-	-	792,710.67	-	-	-	-	0.00
SANTA VITTORIA D'ALBA - STRADA STATALE 231	-	-	-	78,249.14	-	-	-	-	121,803.64	0.00
SANTARCANGELO DI ROMAGNA - V. DON MINZONI 22	-	-	-	118,302.20	-	-	57,367.23	-	1,053,004.33	387,342.67
SANTO STEFANO AL MARE - PIAZZA A. SAFFI, 4 - 5 - 6	-	-	-	-	375,188.30	-	-	-	-	0.00
SAPRI - VILLA COMUNALE SNC	-	-	-	-	-	-	-	-	2,851.00	0.00
SARSINA - V. KENNEDY 26	-	-	-	-	-	-	67,973.41	-	228,345.90	51,645.69
SASSELLO - VIA ROMA N. 4	-	-	2,984.42	39,767.71	26,262.13	-	42,128.25	-	-	0.00
SASSO MARCONI - VIA PORRETTANA 23	-	-	-	-	-	-	125,277.83	-	488,784.38	0.00
SASSUOLO - P.MARTIRI 79.VIA S.GIORGIO 2	4,978.87	-	77,468.53	769,520.78	-	-	348,691.89	-	1,551,780.27	0.00
SASSUOLO - VIA MONTE SANTO 2	-	-	-	-	-	-	266,806.58	-	1,005,339.82	0.00
SASSUOLO - V. MAZZINI 327	-	-	-	-	-	-	-	-	322,957.50	0.00
SAVIGNANO SUL PANARO - VIA CLAUDIA 2019, 2043	-	-	-	174,880.76	-	-	70,632.81	-	391,492.07	0.00
SAVIGNANO SUL PANARO - VIA CLAUDIA 3621	-	-	4,747.04	79,675.68	351,075.54	-	-	-	494,439.73	0.00
SAVIGNONE - VIA GIOVANNI XXIII N. 1	-	-	-	-	60,262.77	-	-	-	-	0.00
SAVONA - VIA FILIPPO CORRIDONI N. 1R	-	-	-	64,039.46	44,504.41	-	63,685.06	-	-	0.00
SAVONA - VIA DON GIOVANNI MINZONI N. 49	-	-	-	-	143,252.95	-	27,409.67	-	-	0.00
SAVONA - VIA LIBERO BRIGANTI N. 33R INTERNO 1	-	-	-	78,500.60	91,813.97	-	294,441.83	-	-	0.00
SAVONA - PIAZZA ARMANDO DIAZ N. 36 - R	-	-	-	74,370.38	173,701.66	-	11,435.82	-	-	0.00
SAVONA - CORSO ITALIA N. 10	-	-	240,298.85	1,639,632.48	2,214,441.90	-	1,128,824.71	-	-	0.00
SAVONA - PIAZZA MAESTRI DELL'ARTIGIANATO N. 4 SCALA B INTERNO 1	-	-	-	409,030.67	850,066.65	-	232,625.76	-	-	0.00
SAVONA - VIA ANTONIO BRILLA N. 18R	-	-	-	85,216.31	239,848.75	-	58,250.12	-	-	0.00
SCANNO - VIA NAPOLI 5	-	-	-	-	-	-	79,018.54	-	54,649.10	0.00
SELLIA MARINA - VIA ACQUE DELLE MANDRIE SNC	-	-	-	-	-	-	18,142.00	-	56,356.90	0.00
SERRA RICCO' - VIA ANTONIO MEDICINA N. 104	-	-	-	-	367,420.64	-	-	-	-	0.00
SESTRI LEVANTE - CORSO COLOMBO N. 35R	-	-	-	-	671,323.26	-	-	-	-	0.00
SICIGNANO DEGLI ALBURNI - VIA PAGANO 66	-	-	-	-	-	-	-	-	84,886.77	0.00
SOLIERA - VIA CARPI - RAVARINO 386. 390	-	-	-	247,899.32	-	-	180,702.97	-	596,754.92	0.00
SOLOFRA - DE STEFANO 78/86	-	-	-	-	-	-	-	75,707.31	19,210.11	0.00
SORI - VIA GIUSEPPE GARIBALDI N. 6C	-	-	-	-	266,797.48	-	-	-	-	0.00
SPILAMBERTO - VIALE MARCONI 2	-	-	-	-	-	-	-	-	1,017,265.87	0.00
SPOTORNO - VIA CAVOUR N. 43 INTERNO 1 - VIA AURELIA. 43	-	-	-	196,252.76	478,511.08	-	260,651.91	-	-	0.00
STIGLIANO - VIA PRINCIPE DI NAPOLI SNC	-	-	-	-	-	-	7,881.00	-	-	0.00
SULMONA - PIAZZA DEL CARMINE 2	-	-	97,020.00	306,337.00	-	-	433,106.00	-	1,360,460.00	0.00
SULMONA - CIRCONVALLAZIONE OCCIDENTALE SNC	-	-	-	-	-	-	18,269.83	-	29,153.18	0.00
TAGGIA - VIA BLENGINO N. 12	-	-	-	-	642,827.61	-	-	-	-	0.00
TAGGIA - VIA PAOLO BOSELLI N. 21	-	-	-	-	154,322.49	-	-	-	-	0.00
TAGLIACOZZO - PIAZZA DUCA DEGLI ABRUZZI 12	-	-	-	-	-	-	155,509.33	-	198,824.79	0.00
TOIRANO - VIA BRAIDA N. 21 - 23 - 27	-	-	-	-	129,722.88	-	-	-	-	0.00
TORINO - CORSO GIACOMO MATTEOTTI 13	-	-	-	-	159,742.80	-	-	-	-	0.00
TORRIGLIA - VIA GIACOMO MATTEOTTI N. 48	-	-	-	-	18,261.95	-	-	-	-	0.00

(in Euro)

Assets	Law n. 74 of 11.02.1952	Law n. 823 of 29.12.1973	Law n. 576 of 1.12.1975	Law n. 72 of 19.03.1983	Law n.218 of 30.07.1990	Law n.408 of 29.12.1990	Law n. 413 of 30.12.1991	Law n.342 of 21.11.2000	Law n.266 of 23.12.2005 - TAX VALUES	OTHER REVALUATIONS
TORRIGLIA - VIA MOLINETTI N. 7BC	-	-	-	-	132,350.38	-	-	-	-	0.00
TRASACCO - PIAZZA UMBERTO I 3	-	-	-	-	-	-	48,868.23	-	150,719.93	0.00
VADO LIGURE - VIA AURELIA N. 154	-	-	-	-	236,704.80	-	233,184.51	-	-	0.00
VALLATA - VIA KENNEDY 30/A	-	-	-	-	-	-	253,822.00	230,192.00	18,892.00	0.00
VARAZZE - PIAZZA D. ALIGHIERI N. 1	-	-	-	-	476,749.11	-	-	-	-	0.00
VASTO - SAN MICHELE 4	-	-	-	572,767.00	-	-	191,468.00	-	899,999.00	0.00
VASTO - VIA BACHELET 4	-	-	-	-	-	-	-	-	10,549.00	0.00
VIAREGGIO - VIA FELICE CAVALLOTTI N. 37- GARIBALDI	-	-	-	103,291.38	-	840,383.20	374,839.89	-	-	0.00
VIAREGGIO - VIA PRATO N. 12	-	-	-	-	-	146,142.94	69,705.43	-	-	0.00
VIGNOLA - VIALE MAZZINI 1	-	-	87,797.67	1,149,285.76	2,616,916.91	-	-	-	3,662,250.29	0.00
VIGNOLA - C. BATTISTI 2	-	-	-	326,742.35	423,364.46	-	-	-	552,946.33	0.00
ZOLA PREDOSA - VIA RISORGIMENTO 153	-	-	-	-	-	-	-	-	1,039,786.83	0.00
	9,082	**185,925**	**5,394,586**	**58,721,502**	**147,746,997**	**14,675,503**	**50,116,970**	**20,039,268**	**170,365,888**	**7,058,113**

Fees for audit and non-audit services

Information pursuant to art. 149-*duodecies* of Consob Issuers' Regulation

This schedule, prepared pursuant to art. 149-*duodecies* of CONSOB Issuers' Regulation (Resolution 11971 of 14 May 1999 and subsequent amendments), reports the 2024 fees for audit and non-audit services provided by the Independent Auditors and member firms of its network. These fees represent the costs incurred and recorded in the Separate Financial Report, net of expenses, unrecoverable VAT and the CONSOB contribution.

(in thousands)

Type of service	Party providing the service	Recipient	Fees
Audit services	Deloitte & Touche s.p.a.	BPER Banca s.p.a.	1,455
Certification services (*)	Deloitte & Touche s.p.a.	BPER Banca s.p.a.	939
Other services (**)	Deloitte & Touche s.p.a.	BPER Banca s.p.a.	47
	Deloitte Consulting s.r.l.	BPER Banca s.p.a.	80
Total			**2,521**

It should be noted that Statutory Auditing also includes the Review of the Consolidated Financial Statements as at 31 March and 30 September prepared to determine the net result for the period to be included in the Common Equity Tier 1 capital as required by Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms.

(*) Certification services mainly refer to services rendered concerning:
- activities carried out in relation to the translation into English of the independent auditors' reports on the Separate Financial Report at 31 December 2024;
- activities carried out in relation to programmes for the issuance of bonds;
- activities to check the GHG Statement that will be attached to the CDP Questionnaire – Reporting on Climate Change;
- verification activities in relation to sustainability reporting;
- activities carried out for the purpose of issuing the Report pursuant to art. 23 paragraph 7 Bank of Italy Regulation 5 December 2019 - Mifid II;
- activities carried out for the statutory audit of 2020-2021-2022 expenses for 4.0 innovation and innovation activities.

(**) Other Services mainly refer to services rendered in connection with audits for the affixing of the compliance certificate for tax declarations and the Gap Analysis activities of the reporting scope and value chain (CSRD).

Reconciliation between the Financial Statements and the Reclassified Financial Statements

Reclassified balance sheet - Assets

(in thousands)

	Circular no. 262/2005 8° update - Assets	31.12.2024	Cash and cash equivalents	Financial assets						Loans			Hedging derivatives	Equity investments	Property, plant and equipment	Intangible assets	Other assets
				a) Financial assets held for trading	b) Financial assets designated at fair value	c) Other financial assets mandatorily measured at fair value	d) Financial assets measured at fair value through other comprehensive income	e) Debt securities measured at amortised cost - banks	e) Debt securities measured at amortised cost - customers	a) Loans to banks	b) Loans to customers	c) Loans mandatorily measured at fair value					
10.	Cash and cash equivalents	7,904,464	7,904,464														
20.	Financial assets measured at fair value through profit or loss	1,255,116															
	a) financial assets held for trading	692,600		692,600													
	c) other financial assets mandatorily measured at fair value	562,516				436,725						125,791					
30.	Financial assets measured at fair value through other comprehensive income	5,482,634					5,482,634										
40.	Financial assets measured at amortised cost	104,690,421															
	a) loans to banks	12,361,412						6,126,184		6,235,228							
	b) loans to customers	92,329,009							13,994,764		78,334,245						
50.	Hedging derivatives	649,351											649,351				
70.	Equity investments	2,321,574												2,321,574			
80.	Property, plant and equipment	1,837,383													1,837,383		
90.	Intangible assets	528,594														528,594	
100.	Tax assets	1,570,508															
	a) current	379,120															379,120
	b) deferred	1,191,388															1,191,388
110.	Non current assets and disposal groups classified as held for sale	26,104															26,104
120.	Other assets	5,417,937															5,417,937
	Total assets	**131,684,086**	**7,904,464**	**692,600**	**-**	**436,725**	**5,482,634**	**6,126,184**	**13,994,764**	**6,235,228**	**78,334,245**	**125,791**	**649,351**	**2,321,574**	**1,837,383**	**528,594**	**7,014,549**

Reclassified balance sheet - Liabilities and shareholders' equity

(in thousands)

Circular no. 262/2005 8° update - Liabilities and shareholders' equity		31.12.2024	Due to banks	Direct deposits			Financial liabilities held for trading	Macro-hedge accounting		Other liabilities	Shareholders' equity						
				a) Due to customers	b) Debt securities issued	c) Financial liabilities designated at fair value		a) Hedging derivatives	b) Change in value of macro-hedged financial liabilities (+/-)		a) Valuation reserves	b) Reserves	c) Equity instruments	d) Share premium reserve	e) Share capital	f) Treasury shares	g) Profit (Loss) for the year
10.	Financial liabilities measured at amortised cost	113,628,470															
	a) due to banks	12,536,802	12,536,802														
	b) due to customers	89,948,469		89,948,469													
	c) debt securities issued	11,143,199			11,143,199												
20.	Financial liabilities held for trading	252,346					252,346										
30.	Financial liabilities designated at fair value	2,615,611				2,615,611											
40.	Hedging derivatives	210,347						210,347									
50.	Change in value of macro-hedged financial liabilities (+/-)	(81,843)							(81,843)								
60.	Tax liabilities	37,223															
	a) current	37,223								37,223							
	b) deferred																
70.	Liabilities associated with assets classified as held for sale																
80.	Other liabilities	3,060,058								3,060,058							
90.	Employee termination indemnities	108,627								108,627							
100.	Provisions for risks and charges	1,250,947															
	a) commitments and guarantees granted	92,268								92,268							
	b) pension and similar obligations	115,297								115,297							
	c) other provisions for risks and charges	1,043,382								1,043,382							
110.	Valuation reserves	12,451									12,451						
130.	Equity instruments	1,115,596											1,115,596				
140.	Reserves	4,890,520										4,890,520					
150.	Share premium reserve	1,244,576												1,244,576			
160.	Share capital	2,121,637													2,121,637		
170.	Treasury shares (-)	(32,029)														(32,029)	
180.	Profit (Loss) for the year (+/-)	1,249,549															1,249,549
	Total liabilities and shareholders' equity	**131,684,086**	**12,536,802**	**89,948,469**	**11,143,199**	**2,615,611**	**252,346**	**210,347**	**(81,843)**	**4,456,855**	**12,451**	**4,890,520**	**1,115,596**	**1,244,576**	**2,121,637**	**(32,029)**	**1,249,549**

Reclassified Income statement

(in thousands)

	Circular no. 262/2005 8° update - Income statement	31.12.2024	Net interest income	Net commission income	Dividends	Net income from financial activities	Other operating expense/ income	Staff costs	Other administrative expenses	Net adjustments to property, plant and equipment and intangible assets	Net impairment losses to financial assets at amortised cost - loans	Net impairment losses to financial assets at amortised cost - other financial assets	Net impairment losses to financial assets at fair value	Gains (Losses) from contractual modifications without derecognition	Net provisions for risks and charges	Contributions to SRF, DGS, IDPF - VS	Gains (Losses) on investments	Income taxes on current operations for the year	Profit (Loss) for the year
10.	Interest and similar income	4,468,506	4,468,506																
20.	Interest and similar expense	(1,710,129)	(1,710,129)																
30.	**Net interest income**	**2,758,377**																	
40.	Commission income	1,646,309		1,646,309															
50.	Commission expense	(162,818)		(162,818)															
60.	**Net commission income**	**1,483,491**																	
70.	Dividends and similar income	208,778			208,778														
80.	Net income from trading activities	91,290				91,290													
90.	Net income from hedging activities	1,857				1,857													
100.	Gains (Losses) on disposal or repurchase of:	67,976																	
	a) financial assets measured at amortised cost	62,528				62,528													
	b) financial assets measured at fair value through other comprehensive income	5,431				5,431													
	c) financial liabilities	17				17													
110.	Net income on other financial assets and liabilities measured at fair value through profit or loss	(131,215)																	
	a) financial assets and liabilities designated at fair value	(129,760)		18,264		(148,024)													
	b) other financial assets mandatorily measured at fair value	(1,455)				(1,455)													
120.	**Net interest and other banking income**	**4,480,554**																	
130.	Net impairment losses for credit risk relating to:	(247,756)																	
	a) financial assets measured at amortised cost	(247,547)									(238,159)	(9,388)							
	b) financial assets measured at fair value through other comprehensive income	(209)											(209)						
140.	Gains (Losses) from contractual modifications without derecognition	(1,287)												(1,287)					
150.	**Net income from financial activities**	**4,231,511**																	
160.	Administrative expenses:	(2,568,429)																	
	a) staff costs	(1,586,053)						(1,586,053)											
	b) other administrative expenses	(982,376)						(13,505)	(870,641)								(98,230)		
170.	Net provisions for risks and charges	(48,723)																	
	a) commitments and guarantees granted	19,496													19,496				
	b) other net provisions	(68,219)													(68,219)				
180.	Net adjustments to property, plant and equipment	(148,786)								(148,786)									
190.	Net adjustments to intangible assets	(155,892)								(155,892)									
200.	Other operating expense/income	367,478					152,285		232,193						(17,000)				
210.	**Operating costs**	**(2,554,352)**																	
220.	Gains (Losses) of equity investments	31,453														31,453			
230.	Valuation differences on property, plant and equipment and intangible assets measured at fair value	(22,227)														(22,227)			
250.	Gains (Losses) on disposal of investments	912														912			
260.	**Profit (Loss) from current operations before tax**	**1,687,297**																	
270.	Income taxes on current operations for the year	(437,748)																(437,748)	
280.	**Profit (Loss) from current operations after tax**	**1,249,549**																	
300.	**Profit (Loss) for the year**	**1,249,549**	**2,758,377**	**1,501,755**	**208,778**	**11,644**	**152,285**	**(1,599,558)**	**(638,448)**	**(304,678)**	**(238,159)**	**(9,388)**	**(209)**	**(1,287)**	**(65,723)**	**10,138**	**(98,230)**	**(437,748)**	**1,249,549**

CERTIFICATIONS AND OTHER REPORTS

CONTENTS

Certification of the individual financial statements for 2024 pursuant to art. 81-ter of Consob Regulation no. 11971 dated 14 May 1999 and subsequent additions and amendments

➢ The undersigned
  - Gianni Franco Papa, as Chief Executive Officer,
  - Marco Bonfatti, as the Manager responsible for preparing the Company's financial report,

  of BPER Banca S.p.A., having considered the requirements of paras. 3 and 4 of art. 154-bis of Decree no. 58 dated 24 February 1998, confirm:

  - the adequacy in relation to the characteristics of the Bank and
  - the proper application,

  during 2024, of the administrative and accounting procedures adopted for the preparation of the financial statements.

➢ This assessment of the adequacy of the administrative and accounting procedures adopted for the preparation of the financial statements at 31 December 2024 is based on a model developed by BPER Banca S.p.A., consistent with the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This framework represents reference standards for systems of internal control that are generally accepted at an international level.

➢ It is also certified that:
  - the financial statements at 31 December 2024:
    a) have been prepared in accordance with the applicable international accounting standards recognised within the European Union pursuant to European Parliament and Council Regulation (EC) no. 1606/2002 dated 19 July 2002, Decree 38/2005 and the enabling regulations for art. 9 of this Decree;
    b) agree with the underlying accounting records and entries;
    c) present a true and fair view of the financial position and results of operations of the Bank;
  - the report on operations includes a reliable analysis of performance and the results of operations, as well as of the position of the Bank, together with a description of the principal risks and uncertainties to which it is exposed.

Modena, 12 March 2025

Signed by
Gianni Franco Papa

Chief Executive Officer

Signed by
Marco Bonfatti

Manager responsible for preparing the Company's financial report

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**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Shareholders of
BPER Banca S.p.A.**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of BPER Banca S.p.A. (the "Bank"), which comprise the balance sheet as at December 31, 2024, the income statement, the statement of other comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows for the year then ended and the explanatory notes including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Classification and valuation of performing loans to customers measured at amortised cost	
Description of the key audit matter	As reported in paragraph *2.3 Balance sheet aggregates* of the Directors' Report on Operations and in the *quantitative information relating to credit quality disclosed in Part E – Information on risks and related hedging policies* in the Explanatory notes, performing loans to customers, only with reference to loans portfolio, measured at amortised cost of BPER Banca S.p.A. as at December 31, 2024 amount to a gross exposure of Euro 77,993 million, where impairment losses are associated for Euro 496 million, and consequently to a net exposure of Euro 77,497 million, highlighting a coverage ratio equal to 0.64%. In the Explanatory notes *Part A.1 – General Information, Section 4 – Other Aspects- Risks and uncertainties inherent in the current macroeconomic environment - Management Overlays applied in the assessment of credit risk; Part A.2 - Main items in the financial statements Paragraph 3 - Financial assets measured at amortised cost and Paragraph 23. Method for determining the extent of impairment*, are described with reference to performing loans to customers: • Bank's rules for classifying loans to customers measured at amortised cost in compliance with the current instructions of the Supervisory Authorities and the applicable accounting standards; • the methods for determining their recoverable amounts which are based on the estimate of the present value of expected cash flows deriving from a lump sum valuation; • the methods with which managerial corrective measures (so-called management overlays) have been applied in the assessment of credit risk and consequently in determining the expected credit losses also to take into account the persistent uncertainty in the general and sectoral macroeconomic scenario, mainly due to the geopolitical tensions caused before by the armed conflicts in Russia-Ukraine and later by the Middle East, accompanied by measures to combat climate risk with unpredictable effects on the economic and production system. Furthermore, as reported in the qualitative information relating to credit risk disclosed in *Part E – Information on risks and related hedging policies, Section 1 – Credit Risk, Chapter 2. Credit risk management policies, Paragraph 2.2. Systems for managing, measuring and monitoring* in the Explanatory notes as at December 31, 2024, the Bank, as part of its policies for managing loans to customers, adopted rules and procedures for monitoring credit exposures, which have entailed, among other things, a structured action of classification into homogeneous risk categories.

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In particular, on the basis of “rating” and “Early Warning” systems, the Bank identified among performing loans to customers measured at amortised cost those most at risk.

Considering the significance of the amount of the performing loans to customers recorded in the financial statements and the complexity of the classification and estimation processes adopted by the Bank, we have identified the classification of performing loans to customers with particular reference to exposures with a higher level of management risk (“high risk” exposures) as well as the related process for determining the loan loss provisions, as a key audit matter of the financial statements of the Bank as at December 31, 2024.

Audit procedures performed	The audit procedures performed included, among others, the following: • analysis and understanding of the Bank's internal control system as well as the related internal regulations concerning the credit process which included, in particular, the identification of the organizational and procedural safeguards implemented by the Bank for monitoring credit quality, for the adequacy of the classification according to the provisions of the sector regulations and for the credit valuation in compliance with the applicable accounting standards; • analysis and understanding of the IT systems and applications used and the test of the operating effectiveness of the relevant controls, also with the support of our IT experts; • check of the implementation of the procedures and of the relevant controls, as well as test their operating effectiveness for the purposes of the classification and valuation process; • analysis and understanding of the criteria used by the Bank for the classification in the different categories envisaged by IFRS9 (so-called “staging”) as well as for the assessment of the riskiness of the counterparties; • analysis and understanding of the main valuation models adopted by the Bank and the related updates, as well as a check on a sample basis of the reasonableness of the parameters subject to estimation, also with the support of our IT experts and credit model experts belonging to the Deloitte network; • checks on a sample basis of the classification of “high risk” loans according to the provisions of the sector and internal regulations, as well as of the related valuation in compliance with the applicable accounting standards;

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- analysis and check of the methods of determination and related quantification of the management overlays adopted by the Bank in determining collective impairment losses;

- analysis and check of performing loans collective impairment losses also through the development of independent estimates;

- comparative and trend analyses on the volumes of loans to customers and on related coverage ratios, through comparison with the data of the previous year and with sector data;

- analysis of subsequent events occurring after the reference date of the financial statements;

- check of the completeness and compliance of the disclosures provided in the financial statements in accordance with the regulatory framework and applicable accounting standards.

Classification and valuation of non-performing loans to customers measured at amortised cost classified as bad loans and unlikely to pay loans	
Description of the key audit matter	As reported in paragraph *2.3 Balance sheet aggregates of the Directors' Report on Operations and in the quantitative information relating to credit quality disclosed in Part E – Information on risks and related hedging policies* of the Explanatory notes, non-performing loans to customers, only with reference to loans portfolio, measured at amortised cost of BPER Banca S.p.A. as at December 31, 2024 amount to a gross exposure of Euro 1,803 million, where impairment losses are associated for Euro 966 million and consequently to a net exposure of Euro 837 million, highlighting a coverage ratio equal to 53.55%. The Directors' Report on Operations also shows that the above-mentioned loans to customers, classified in accordance with IFRS 9 "Financial Instruments" as "Third Stage", include bad loans for a net value of Euro 99 million with a coverage ratio equal to 73.93% and unlikely to pay loans for a net value of Euro 706 million with a coverage ratio equal to 48.59%. In the Explanatory notes *Part A.2 - Main items in the financial statements Paragraph 3 - Financial assets measured at amortised cost and Paragraph 23. Method for determining the extent of impairment*, are described with reference to non-performing loans to customers: • Bank's rules for classifying non-performing loans to customers measured at amortised cost in compliance with the current instructions of the Supervisory Authorities and the applicable accounting standards;

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- the methods for determining their recoverable amounts which are based on the estimate of the present value of expected cash flows deriving from an analytical valuation of bad loans and unlikely to pay loans whose exposure is higher than the thresholds established by internal regulations, and from a lump sum valuation of the remaining non-performing loans to customers measured at amortised cost. Furthermore, the quantification of the recoverable amount of non-performing loans which are included in the Bank's strategy, that envisages the recovery of those loans through disposals, reflects also the estimate of their disposal value, duly weighted on the basis of the probability of occurrence of the possible "workout" and "disposal" scenarios.

Considering the complexity of the estimation processes adopted by the Bank, which implied a structured action of classification of non-performing loans to customers measured at amortised cost into homogeneous risk categories, as well as the relevance of the discretionary components linked to the estimate of the related recoverable amount (such as the estimate of expected cash flows, the time of recovery, the value of the collateral, if any, and the possible recovery strategies), we have identified the classification of non-performing loans to customers measured at amortised cost classified as bad loans and unlikely to pay loans and their valuation as a key audit matter of the financial statements of the Bank as at December 31, 2024.

Audit procedures performed

The audit procedures performed included, among others, the following:

- analysis and understanding of the Bank's internal control system as well as the related internal regulations concerning the credit process which included, in particular, the identification of the organizational and procedural safeguards implemented by the Bank for the monitoring of credit quality and management of non-performing loans, for the adequacy of the classification according to the provisions of the sector regulations and for the related valuation in compliance with the applicable accounting standards;

- analysis and understanding of the IT systems and applications used and the test of the operating effectiveness of the relevant controls, also with the support of our IT experts;

- check the implementation of the procedures and relevant controls, as well as their operating effectiveness for the purposes of the classification and valuation process;

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- analysis and understanding of the main valuation models adopted by the Bank and the related updates, as well as a check on a sample basis of the reasonableness of the parameters subject to estimation, also with the support of our IT experts and credit model experts belonging to the Deloitte network;
- analysis and understanding of the process of identification and determination of the strategy to reduce credit exposures included in the "disposal" perimeter;
- analysis and understanding of the valuation model adopted for the determination of additional impairment losses relating to non-performing loans belonging to the "disposal" perimeter valued on the basis of recovery expectations through sale and verification of the reasonableness of the expected market prices;
- checks on a sample basis for each category of non-performing loans of the classification and of the related valuation in compliance with the Bank's internal regulations;
- comparative and trend analyses, for each category of non-performing loans, on the volumes and on related coverage ratios, through comparison with the data of the previous year and with sector data;
- analysis of subsequent events occurring after the reference date of the financial statements;
- check of the completeness and compliance of the disclosures provided in the financial statements in accordance with the regulatory framework and applicable accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/15 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Bank or for the termination of the operations or have no realistic alternative to such choices.

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The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of BPER Banca S.p.A. has appointed us on November 26, 2016 as auditors of the Bank for the years from December 31, 2017 to December 31, 2025.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Bank in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of BPER Banca S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the financial statements as at December 31, 2024, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2024 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of BPER Banca S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of BPER Banca S.p.A. as at December 31, 2024, including their consistency with the related financial statements and their compliance with the law.

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We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the financial statements;

- express an opinion on the compliance with the law of the report on operations and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;

- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure are consistent with the financial statements of BPER Banca S.p.A. as at December 31, 2024.

In addition, in our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Stefano Merlo
Partner

Bologna, Italy
March 26, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING PURSUANT TO ART. 153 OF LEGISLATIVE DECREE NO. 58/1998

Shareholders,

This Report, prepared pursuant to art. 153 of Legislative Decree no. 58/1998 (the “Consolidated Law on Finance”), outlines the activities carried out by the Board of Statutory Auditors (the “BoSA” or the “Control Body”) of BPER Banca s.p.a. (“BPER” or “the Bank” or “the Company”) during the year 2024 and on any omissions or reprehensible facts possibly identified. As part of this Report, any observations and proposals of the Board of Statutory Auditors regarding the Financial Reports, its approval and matters within its remit are also included.

During the 2024 financial year, the Board of Statutory Auditors carried out its duties in compliance with the applicable regulations, and in particular pursuant to the Italian Civil Code, the Consolidated Law on Finance, Legislative Decree no. 385/1993 (“Consolidated Law on Banking”) and Legislative Decree no. 39/2010, as subsequently amended and supplemented, the BPER Articles of Association (“Articles of Association”), the regulations issued by the supervisory and control authorities, and the guidance contained in the “Rules of conduct of the Board of Statutory Auditors of Listed companies” issued by the Italian National Council of Chartered Accountants and Accounting Experts (“*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili* - CNDCEC”). The Board of Statutory Auditors also monitored the functionality of the internal control system, in accordance with the provisions of Bank of Italy Circular no. 285/2013 and the effective implementation of the corporate governance rules set out in the Corporate Governance Code, with which the Company complies. This Report also contains the information required by CONSOB Communication no. DEM/1025564 of 6 April 2001.

1. COMPOSITION OF THE BODY, MEETINGS, INFORMATION FLOWS AND TRAINING ACTIVITIES

<u>Composition</u>

The 2024 financial year was marked by the turnover of the Board of Statutory Auditors due to the expiry of the three-year term. In particular:

- up to the Shareholders' Meeting of 19 April 2024, the Board of Statutory Auditors was composed of Daniela Travella (Chair) and Patrizia Tettamanzi (Standing Auditor). In addition to the aforementioned, Carlo Appetiti was a standing member of the Board of Statutory Auditors until 31 January 2024. He tendered his resignation on 18 January 2024, with effect from 1 February 2024. Following the aforementioned resignation, BPER did not proceed with adding to the body, since the replacement by the Alternate Auditor Sonia Peron would not have ensured compliance with current legislation and the Articles of Association regarding gender balance. In the light of the above and given the short period of time between the effective date of the resignation of the Statutory Auditor Carlo Appetiti and the scheduled date of the Ordinary Shareholders' Meeting, which is convened, *inter alia*, to appoint the new Board of Statutory Auditors, the Company has decided to postpone the integration of the Board of Statutory Auditors until the Ordinary Shareholders' Meeting.

- the Shareholders' Meeting of 19 April 2024 therefore elected, for the three-year period 2024-2026, the new Board of Statutory Auditors, composed of: Angelo Mario Giudici (Chair), Michele Rutigliano and Patrizia Tettamanzi (Standing Auditors); the same Shareholders' Meeting also elected Sonia Peron and Andrea Scianca as Alternate Auditors;
- on 25 October 2024, the Chair Angelo Mario Giudici resigned from his position for strictly personal reasons, with effect from the appointment of his replacement by the Shareholders' Meeting and in any case, at the latest, from 1 January 2025;
- the Shareholders' Meeting of 19 December 2024, pursuant to art. 2401 of the Italian Civil Code and art. 33.5 of the Articles of Association, appointed Silvia Bocci as the new Chair of the Board of Statutory Auditors, replacing Angelo Mario Giudici, who left office on the same date.

In light of the above, as at the closing date of the 2024 financial year and the date of this Report, the Board of Statutory Auditors is composed of: Silvia Bocci (Chair), Michele Rutigliano and Patrizia Tettamanzi (Standing Auditors).

<u>Meetings held</u>

The following meetings of the corporate bodies were held in 2024 and the early months of 2025 until the date of approval of this Report:

Corporate Body	# meetings in 2024	average duration in 2024	# meetings in 2025	average duration in 2025
Board of Statutory Auditors	**30**	**04:28**	**7**	**05:22**
Board of Directors	19	02:51	5	04:24
Nomination and Corporate Governance Committee	15	00:47	3	00:52
Remuneration Committee	14	01:07	5	01:08
Control and Risks Committee	17*	04:07	6**	03:50
Related Parties Committee	16	00:56	4	00:38
Sustainability Committee	10	00:57	3	00:31

* Of which 16 meetings were held in part jointly with the Board of Statutory Auditors

* Of which 5 meetings were held in part jointly with the Board of Statutory Auditors

The activities of the Board of Statutory Auditors are governed by the relevant rules of operation, whose most recent update has been in force since 3 July 2023.

All members of the Board of Statutory Auditors always participated in its work (with one justified exception).

The Board of Statutory Auditors also attended all meetings of the Board of Directors. Furthermore, the Board of Statutory Auditors attended in full all meetings of the Control and Risk Committee, and – through the Chair and/or another Auditor appointed by the Chair – the meetings of other Board committees.

In addition, the members of the Board of Statutory Auditors whose term expired upon approval of the Financial Report as at 31 December 2023 attended the ordinary and extraordinary Shareholders' Meeting of 19 April 2024, during which the Financial Report for the 2023 financial year was approved. The members appointed at that Meeting participated in the ordinary Shareholders' Meeting of 3 July 2024 and – with one justified exception – in the ordinary and extraordinary Shareholders' Meeting of 19 December 2024.

<u>Information flows</u>

During the 2024 financial year, the Board of Statutory Auditors, in its various compositions, obtained the information necessary to carry out its supervisory duties via the overall information flow system adopted by the BPER Group. This system, in line with the Group Policy – Internal Control System, defines the structure and methodology of information flows as a tool for collaboration and coordination between the Control Functions and between these and the Corporate Bodies, both of the Parent Company and the Group Companies. The BoSA also obtained the necessary information to perform its duties through the participation of the Auditors in the aforementioned meetings of the Board of Directors and internal Board committees.

The members of the BoSA whose mandate expired upon approval of the Financial Report as at 31 December 2023 met on one occasion with the Supervisory Body pursuant to Legislative Decree no. 231/01. The BoSA appointed during the Shareholders' Meeting of April 2024 met with the Supervisory Body pursuant to Legislative Decree no. 231/01 on two occasions to facilitate mutual exchange of information. The BoSA ensured an adequate flow of information with the Control Bodies of BPER's main subsidiaries, both banking and non-banking, preparing and sending them specific questionnaires for the reporting of significant elements and/or facts. Based on these, it held individual meetings during the sessions of 3 and 18 February 2025.

In 2024, the BoSA also held frequent meetings with the Manager responsible for preparing the Company's Financial Reports and the Independent Auditors.

With a view to coordination with the Company Control Functions, the Board of Statutory Auditors also engaged in periodic dialogue with the Chief Audit Officer (CAO), the Chief Risk Officer (CRO), the Chief Compliance Officer (CCO), and the Chief Anti Money Laundering Officer (CAMLO), and/or with their respective structures, and held regular meetings with the Chief Executive Officer and the main corporate functions of the Bank, in particular: the Chief General Counsel (CGC), the Chief Financial Officer (CFO), the Chief Operating Officer (COO) and the Deputy General Manager, the Chief Human Resource Officer (CHRO) (now the Chief People Officer), the Chief Lending Officer (CLO), the Chief Private & Wealth Management Officer (CPWMO), the Chief Retail & Commercial Banking Officer (CRCBO), the Head of the Finance Department, the Head of the Real Estate Department, the Head of the Organisation Department, the Head of the Loan Policies and Support Department, the Head of the Credit Management & Workout Department, the Head of the Planning and Control Department, the Head of the Investment Strategy Department, the Head of the Digital Business Department, as well as other Executives reporting to the aforementioned structures.

The opinions, recommendations and suggestions formulated by the BoSA were reported directly to the Bank's Corporate Bodies and communicated to the recipient functions during the meetings held with said parties (also through the Bank's structure that supports the BoSA in its activities). The BoSA also monitored their progress over time, without identifying any specific critical issues to date.

<u>Training activity</u>

A comprehensive and rigorous training plan, aimed at continuously deepening and consolidating their expertise, was made available to the members of the Board of Statutory Auditors, who made use of it on a voluntary basis. Specifically, the training focused on:

- 5 induction sessions for the benefit of the new Corporate Bodies of BPER, appointed by the Shareholders' Meeting of 19 April 2024, during which the organisational and business model of the BPER Banca Group and the internal control and risk management system were presented through meetings with the Business Functions, Staff Functions, and Control Functions;
- 3 preparatory induction sessions on the new BPER Banca Business Plan "B:Dynamic | Full Value 2027";
- 10 deep-dives into various topics (including the Recovery Plan, usury, covered bonds, Bank ratings, ILAAP, ICAAP, and liquidity risk management), some of which were held during meetings of the Board of Statutory Auditors;
- 10 sessions from the 2024-2025 training plan managed by EY s.p.a., covering the following topics: "Supervisory expectations", "Risk definition and mapping, methodologies and regulatory framework", "Governance & Fit & Proper", "Credit risk", "Internal control system: an integrated vision of safeguards", "Market risk", "Liquidity risk", "Interest rate risk", "New trends in control functions and digital transformation", "Operational and IT risk", and "Data governance".

2. SUPERVISION OF THE OBSERVANCE OF THE LAW AND OF THE ARTICLES OF ASSOCIATION AND RESPECT FOR THE PRINCIPLES OF PROPER ADMINISTRATION

The Board of Statutory Auditors monitored the observance of the law, the Articles of Association and the provisions issued by the Supervisory and Control Authorities.

The management of the Bank complies with the law and the Articles of Association. This is due to an appropriate structure of powers and responsibilities, which is regularly updated (last updated on 18 October 2024) in line with the Bank's dimensional, organisational and governance structure.

The Board of Statutory Auditors monitored compliance with the principles of proper administration and protection of the Bank's assets through its participation in the meetings of the Board of Directors and Board Committees, as well as on the basis of information received from the Control Functions and the Independent Auditors.

During the meetings attended and in light of the checks carried out, the Board of Statutory Auditors did not become aware of any transactions which were manifestly imprudent, risky or in potential conflict of interest, nor of actions contrary to the decisions of the Shareholders' Meeting or that might compromise the integrity of the Company's assets.

As regards the decision-making processes of the Board of Directors, the Board of Statutory Auditors, through direct participation in the BoD’s meetings, monitored their compliance with the law and the Articles of Association.

The Board of Statutory Auditors also acknowledged the statements made by the Directors in accordance with art. 2391 of the Italian Civil Code and art. 53 of the Consolidated Law on Banking, in compliance with the applicable legislation and the “Group Regulation of the process for managing Significant Interests of Corporate Officers”.

Most significant economic, financial and equity transactions of the bank

The Board of Statutory Auditors, also through its participation in the meetings of the Board of Directors and the Board Committees, received, in compliance with the frequency required by law, the appropriate information on the activities carried out and on the most significant economic, financial and equity transactions carried out by the Company and its subsidiaries.

Please refer to the Directors' Report on the 2024 Financial Report, which contains a detailed account of the significant events and main strategic transactions that characterised the financial year.

That being said, the Board of Statutory Auditors points out the following:

Significant events and strategic transactions

2024-2026 NPE Business Plan

On 28 March 2024, the 2024-2026 NPE Business Plan and the related operational plan were presented and approved, including targets for non-performing exposures. In the new 2024-2026 NPE Business Plan, the entry into force of the servicing agreement with Gardant Bridge Servicing s.p.a. (finalised on 15 January 2024) for the management of NPE portfolios was taken into account through the creation of a platform 70% owned by Gardant Bridge Servicing s.p.a., a company currently part of the Do Value Group (formerly the Gardant Group), and 30% by BPER Banca (the “Bridge Project”), which, together with the sale of additional portfolios of non-performing exposures and the improvement of internal servicing and workout activity, helped confirm an NPE ratio at contained levels consistent with the targets of the previous Business Plan.

The Board of Statutory Auditors continuously monitored the transaction through in-depth reviews of non-performing loans management via the aferomentioned servicing platform.

Placement of financial instruments

On 15 May 2024, BPER Banca successfully placed its second Senior Preferred Bond issuance qualifying as green in accordance with the Group's Green, Social and Sustainability (GSS) Bond Framework, targeting institutional investors. The issuance, with 7-year maturity and a call after year 6, was allocated for an amount of Euro 500 million.

On 27 August 2024, BPER Banca successfully placed a 5-year maturity (Premium) European Covered Bond issuance for an amount of Euro 500 million, targeting institutional investors. Orders in excess of Euro 1.9 billion were raised for the issuance from 68 investors.

This issuance was subject to specific in-depth reviews by the Board of Statutory Auditors, to the extent of its remit, as well as through examination of the periodic reporting information.

Extension of the workforce manoeuvre

On 13 July 2024, the Parent Company BPER Banca and the trade unions reached an agreement on the extension of the manoeuvre launched in 2023 for the generational and professional turnover of the staff employed by the Bank. This extension allowed for the acceptance of a further 615 early retirement applications, in addition to the previous early retirement incentive plan dated 23 December 2023.

These voluntary exits will be matched by a recruitment of a total of 460 permanent hires to be made by 30 June 2026.

The Board of Statutory Auditors, also through participation in meetings of the Board of Directors and internal Board Committees, received detailed information on the features of the manoeuvre and its related impacts, without identifying any critical issues.

Transfer of the e-money business from Bibanca to BPER Banca

The project, driven by the pursuit of operational efficiency within the Group, was launched on 6 and 7 August 2024 through resolutions by the Boards of Directors of BPER Banca and Bibanca s.p.a. ("Bibanca"), which approved the partial non-proportional demerger of the e-money business from Bibanca to BPER. The transaction was later authorised by the European Supervisory Authority by measure dated 30 October 2024. Subsequently, the transaction was approved by the extraordinary Shareholders' Meetings of BPER and Bibanca, both held on 19 December 2024. The demerger deed was signed on 16 January 2025 and became effective from 27 January 2025. The transfer of the e-money business to a single entity will enable the BPER Banca Group to align monitoring of the e-money business and its pricing with market best practice, to optimise relations with the networks dedicated to such payment instruments, and simplify the internal governance model. The Board of Statutory Auditors continuously monitored the operation through dedicated reviews, including with the subsidiary Bibanca, and by participating in the meetings of the Board of Directors and the Control and Risks Committee of BPER Banca involved in the decision-making process.

Early closure of the 2022-2025 “BPER e-volution” Business Plan at the end of 2024 and approval of the new “B:Dynamic | Full Value 2027” Business Plan

On 30 May 2024, the Board of Directors of BPER Banca resolved to bring forward the end of the 2022-2025 “BPER e-volution” Business Plan, as at 31 December 2024, due to the early achievement of its main economic and financial targets. At the same time, it gave the Chief Executive Officer a mandate to prepare a new 2024-2027 business plan for approval by the Board and presentation to the market in October 2024, taking into account the changed macroeconomic scenario.

In line with the above, on 9 October 2024 the Board of Directors of BPER Banca approved the new Business Plan of the BPER Banca Group, “*B:Dynamic* | *Full Value 2027*” (the “New Plan” or the “New Business Plan”), which was subsequently presented to the market on 10 October 2024.

In this context, the Control Body continuously monitored the implementation of the previous “BPER e-volution” Business Plan, reviewing the progress status of the main projects envisaged therein.

The Control Body also monitored the process of drafting the New Business Plan through participation in three dedicated sessions focusing on its content, as well as meetings of the Control and Risks Committee and the Board of Directors for its approval. In 2025, the Board of Statutory Auditors will monitor the implementation of the New Business Plan, with particular attention to the evolution of macroeconomic scenarios and risk profiles, also taking into account the impact of the public exchange offer for the ordinary shares of Banca Popolare di Sondrio s.p.a., as described in the following paragraph.

Public voluntary exchange offer on all the ordinary shares of Banca Popolare di Sondrio

On 6 February 2025, the Board of Directors of BPER Banca approved and communicated to the market the launch of a voluntary public exchange offer for all ordinary shares of Banca Popolare di Sondrio s.p.a. (the “Offer” and “Banca Popolare di Sondrio”, respectively).

The completion of the Offer – which is described in detail in the documentation published by the Bank pursuant to applicable regulations – is expected to allow BPER to strengthen its competitive position in the Italian banking sector and to accelerate and further reinforce its path of sustainable growth and value creation on a standalone basis, as outlined in the New Business Plan, thereby maximising value creation for all stakeholders.

The Board of Statutory Auditors attended the meetings of the corporate bodies that approved the launch of the Offer and will continue to monitor its progress, which will involve several development phases and possible scenarios.

Atypical and/or unusual transactions, including intercompany transactions and transactions with related parties

The information received from the Board of Statutory Auditors during the course of the meetings of the Board of Directors and that provided by the Chief Executive Officer, by the various corporate functions, by the Internal Audit and other Control Functions, by the Boards of Statutory Auditors of the subsidiaries and the Independent auditing firm did not highlight the existence of atypical and/or unusual transactions completed with third parties, with Banks and Companies of the Banking Group or with related parties and/or associated persons[1].

Intra-group transactions and transactions with related parties and/or associated persons are regulated within the BPER Group by the “Policy for the governance of the risk of non-compliance concerning conflicts of interest with Relevant Persons and risk activities with Associated Persons", adopted by the Bank pursuant to CONSOB Regulation no. 17221/2010 and Bank of Italy Circular no. 285/2013.

During the year, this Policy was updated and approved by the Board of Directors on 18 December 2024, following the unanimous favourable opinion of the Related Parties Committee. The update aimed to further strengthen safeguards against potential conflicts of interest in relations between the BPER Group and related parties and/or associated persons, and to improve the efficiency of the related management processes, within a framework of continuous improvement. The Board of Statutory Auditors previously reviewed the update to the Policy and unanimously expressed a favourable opinion in this regard.

As part of its supervisory activities, the Board of Statutory Auditors monitored continuously the entire process related to the application of the aforementioned Policy. This was done both through the Board's participation in all meetings of the Related Parties Committee and through the receipt of regular information flows addressed directly to the Board of Statutory Auditors. In particular, it continuously monitored the entire process relating to transactions completed with Related Parties and Associated Persons, including those involving the Bank’s main shareholders.

Based on the overall control activities carried out by the Board of Statutory Auditors, there were no violations or irregularities in relation to the application of the above Policy. Furthermore, the supervisory limits and the maximum amounts established for risk activities with related parties and associated persons were complied with.

The Financial Report to which reference is made, reports the information on intercompany and related-party transaction[2], as prescribed by art. 2497 *bis* of the Italian Civil Code and by Consob Communication DEM 6064293 of 28 July 2006. From the information gathered by the Board of Statutory Auditors, these transactions were concluded in the interests of the Bank and no critical aspects were identified in respect of their appropriateness.

In this respect, it should be noted that, as previously mentioned, on 6 February 2025, after the close of the 2024 financial year, the Board of Directors approved the transaction concerning the launch of a voluntary public exchange offer, pursuant to articles 102 and 106, paragraph 4, of the Consolidated Law on Finance, relating to the entirety of the shares of Banca Popolare di Sondrio. The transaction has been classified by BPER, on a voluntary and precautionary basis, as a most significant related party

[1] Directors’ Report of BPER Banca s.p.a., para. 4.2, and Directors’ Report of the BPER Banca Group, para. 7.10

[2] Directors’ Report of BPER Banca s.p.a., para. 4.2, and Directors’ Report of the Banca BPER Group, para. 7.10; Part H of the Explanatory Notes to the Separate and Consolidated Financial Reports of BPER Banca.

transaction, due to the investment held by Unipol Assicurazioni s.p.a., a related party of BPER Banca, in the share capital of both BPER and Banca Popolare di Sondrio, amounting to 19.774% and 19.724%, respectively. In light of the above, the transaction was submitted to the Related Parties Committee, which, on the same date of 6 February 2025, unanimously issued a favourable opinion on the matter.

In connection with the foregoing, the Board of Statutory Auditors oversaw the process of analysis and evaluation of the transaction by the Related Parties Committee and verified the publication of the information document prepared pursuant to art. 5 of Consob Regulation no. 17221. Said information document has been made available to the public at the registered office of BPER Banca in Modena (Via San Carlo 8/20), on the authorised storage system (www.emarketstorage.it), and on BPER Banca s.p.a.'s website. (https://group.bper.it/).

Finally, the Board of Statutory Auditors hereby certifies that the transactions pursuant to art. 136 of the Consolidated Law on Banking were unanimously approved by the Board of Directors and with the favourable opinion of all members of the Board of Statutory Auditors.

3. SUPERVISION OF THE ADEQUACY OF THE ORGANISATIONAL STRUCTURE

During 2024, the Board of Statutory Auditors regularly monitored, without identifying any issues, the adequacy of the organisational structure of BPER and the Group, whose growth in size - facilitated also by a number of extraordinary transactions in the past few years - together with its increased organisational complexity, was accompanied by a consistent strengthening of the governance and control structure.

With regard to the organisational structure of BPER, the Board of Statutory Auditors monitored the organisational reviews made to the Parent Company's structure through detailed discussions at meetings with the Chief Operating Officer and the Head of the Organisation Department. In this context, periodic updates were also requested regarding BPER's current "as is" organisational chart, including authorised headcount and a "to be" structure.

As part of these in-depth analyses, the Board of Statutory Auditors identified how business evolution, digitalisation and the use of artificial intelligence will have a significant impact on banking operations and, consequently, on the activities of the business functions. This will require further assessment of the workforce, including in Control Functions, the size of which is constantly monitored by the Board of Statutory Auditors, to assess whether there are appropriate skills and processes in place to ensure the effective and responsible use of new technologies.

Still with regard to the adequacy of the organisational structure, the Control Body also paid attention to the revisions implemented within Top Management structures (in particular for the identification of candidates to fill the position of Chief Compliance Officer as well as to take over, during 2025, the role of Manager responsible for preparing the Company's financial reports, for whom the supervisory body has issued the opinions required by the relevant legislation).

Concerning the organisational changes at BPER approved from 1 April 2024 to date, aimed at a series of evolutionary initiatives that partially anticipated the forecasts of the New Business Plan, the Board of

Statutory Auditors specifically examined the organisational changes in BPER that came into effect in January 2025, particularly in relation to the demerger of the e-money division from Bibanca to BPER Banca, a transaction that resulted in the transfer of 48 employees to the Parent Company, without impacting its organisational structure.

The Board of Statutory Auditors also fulfilled its supervisory duty with regard to information systems and business continuity through the regular analysis of IT risk and IT security incident reports, together with the half-yearly reporting on BCBS-239 and the in-depth analysis implemented as a result of regulatory requirements in the IT field. As a result of several discussions with the competent Functions, particular attention was paid to the costs related to the digital transformation and the impact resulting from the 40th update of Circular 285/2013 and the Digital Operational Resilience Act (DORA), which led to a revision of certain processes and internal regulations.

Within the scope of the Group's extraordinary corporate reorganisation transactions, the Board of Statutory Auditors also monitored the merger by absorption of BPER Reoco s.p.a. into BPER Real Estate s.p.a., approved in order to rationalise and simplify the oversight of the real estate sector within the BPER Banca Group. The transaction, approved by the respective Extraordinary Shareholders' Meetings on 22 March 2024 and effective from a legal, accounting and tax perspective as of 1 July 2024, aimed to rationalise and simplify oversight of the Group's real estate sector. As a result of the merger, the shareholding directly held by BPER Banca in the share capital of BPER Real Estate stands at 78.99% (the remaining share is held indirectly through Banco di Sardegna s.p.a.).

Moreover, with the aim of rationalising the scope of the Banking Group, focusing solely on strategic equity investments and reducing and improving the efficiency of operating costs associated with non-strategic shareholdings, the Bank's Board of Directors, on 19 September 2024, resolved to approve the sale of the equity investment in Modena Terminal s.r.l. ("MT"), representing 100% of the share capital, in light of non-binding offers received in July 2024. The signing of the sale contract and completion of the sale of the 100% equity investment in the MT company should be completed by the first half of 2025.

The Board of Statutory Auditors reserves the right to monitor the progress of the transaction and its impacts on the BPER Group.

Finally, the Management and Coordination activities of the Banks and Subsidiaries are mainly carried out through the appointment of the respective Corporate officers and the implementation of the mechanisms established to implement the internal Directives of the Parent company. In accordance with statutory provisions, laws as well as external and internal regulations, the Corporate Bodies of the Parent Company, the Banks and the Subsidiaries receive regular and structured information flows relating, inter alia, to risks and controls. The Board of Statutory Auditors oversaw the management and coordination activities of the Parent Company, through continuous verification of the implementation of Group Directives and via periodic meetings with the Control Bodies of subsidiaries, preceded in 2024 by the dissemination of questionnaires regarding the outcomes of control and supervisory activities carried out by the Boards of Statutory Auditors of the individual legal entities.

4. SUPERVISION OF THE ADEQUACY OF THE INTERNAL CONTROL SYSTEM

The BPER Group Internal Control System

One of the responsibilities of the Board of Statutory Auditors is to ensure that the Internal Control and Risk Management System is adequate and effective.

In line with applicable regulations, BPER adopted a Policy defining the principles relating to the design, implementation and evaluation of the Group's Internal Control System, the roles of the Corporate Bodies and Control Functions involved, the methods of coordination and collaboration and the information flows regularly exchanged among the Control Functions and between the latter and the Corporate Bodies, both of the Parent Company and the Group Companies. Within the scope of the Policy entitled “Group Policy on the Internal Control System” and the document governing the information flows between the Control Functions and Corporate Bodies, the roles, responsibilities and areas of intervention of the Control Functions Coordination Committee have been defined.

More specifically, the BPER Group’s Internal Control System is a set of rules, functions, structures, resources, procedures and processes aimed at ensuring that the activities carried out by the company are compliant with internal standards and practices. At Group level, this system is structured in order to allow the Parent Company to carry out the following, also as part of its management and coordination activities vis-à-vis the Group Companies:

- strategic control of both the trend in the activities carried out by the Group companies and the acquisition and disposal policies implemented by the latter;
- management control aimed at ensuring the maintenance of conditions of economic, financial, capital balance for both the individual group companies, and the Group as a whole;
- technical-operational control targeted at evaluating the risk profiles caused to the Group by the individual subsidiaries and the general risks of the Group.

This System is designed to take into account the peculiarities of the business of each Group company in compliance with the principles of: i) proportionality in the application of regulations according to size and operational characteristics; ii) stepwise transition to gradually more advanced methodologies and processes for measuring risks and the capital that is available as a result; iii) unity in the definition of the approaches used by the various functions; iv) effectiveness and efficiency of risk control.

In application of the principles described and as a general rule, the Internal Control System of the Group envisages outsourcing to the Parent Company of the second and third-level Company Control Functions of the of the Group Companies under Italian law; however, as required by legislation, the latter still remain responsible for their performance.

Each Legal Entity also ensures the correct performance of typical operations through line controls, inherent in its own processes.

As currently provided by the Internal Control System, considering the different regulatory context, the centralised model has been partially derogated for the only foreign-based Group Company, BPER Bank Luxembourg s.a.

This derogation – even temporary (e.g. following extraordinary transactions) – may be granted by the Parent Company in the case of Group companies under Italian law, where justified by efficiency and cost-effectiveness considerations in risk management and control, and must be approved by the Board of Directors of the Parent Company, following a favourable opinion from the Control and Risk Committee and the Board of Statutory Auditors.

The Board of Statutory Auditors conducted continuous and timely monitoring of BPER's internal control system. This was achieved through regular meetings with the Control Functions, periodic information flows to the Board of Statutory Auditors, and specific in-depth analyses requested on major issues.

In particular, considering the significant evolution of the Group in terms of size and business, the significant organisational changes that have affected the Bank's structures, with the consequent updating of internal regulations, and taking into account the impact of digitalisation and the use of artificial intelligence, the Board of Statutory Auditors - with its members nearing completion of their term of office upon approval of the Financial Report as at 31 December 2023 - proposed to the Audit Department that the information flows from the Control Functions to the Corporate Bodies should be an area worthy of attention. The Internal Audit Function promptly acknowledged this request and included it in the 2024-2026 Group Audit Plan, which was presented on 20 February 2024. In particular, Internal Audit, in collaboration with the other Control Functions, has launched a specific project, to be implemented during the current and following financial years, aimed at assessing the effectiveness of reporting produced by the Control Functions for the Corporate Bodies in order to identify possible areas for improvement. This ongoing audit and improvement of the communication of the Control Functions reflects BPER's commitment to maintaining high standards of governance and risk management.

Governance and risk management

The BPER Group identifies the Risk Appetite Framework (RAF) as a tool for overseeing the risk profile that the Group intends to take in the implementation of its business strategies, considering it as an essential element to ensure that the risk governance policy and process by which risks are managed comply with the principles of sound and prudent management.

The RAF takes on the importance of a management tool that not only permits concrete application of the regulations, but also makes it possible to activate synergistic governance of the planning, control and risk management activities. It is also a key element to: i) strengthen the ability to govern corporate risks; ii) ensure the alignment between strategic guidelines and risk levels that may be assumed; iii) develop a quick and effective system of monitoring and reporting the risk profile taken on.

The RAF represents a coordinated set of methodologies, processes, policies, controls and systems used by the Group to establish, communicate and monitor the risk targets (risk appetite), risk thresholds (risk tolerance) and related operational limits, under both ordinary and stressed conditions, that the Group intends to respect in pursuing its strategic guidelines, having defined the respective levels in a manner consistent with its maximum acceptable risk (risk capacity). In order to ensure effective and pervasive transmission of the risk objectives, the Group sets its overall risk appetite, establishing risk limits that govern the operations of the organisational structures to which they are assigned (so-called "risk takers"), in a structured framework consistent with the policies of governance and control of individual risks.

With specific regard to governance and risk management, the Internal Control System is designed, implemented and evaluated with the “Group Risks Map” as a reference, which - in alignment with the regulatory framework - identifies the potential risks to which the Group is or could be exposed. The risk identification process determines the updating of the Risk Map, which normally happens at least annually, except where significant changes in the context occur, which require them to be revised more frequently.

More specifically, the Board of Statutory Auditors continuously examines all the aforementioned aspects; in the course of 2024, in particular, it reviewed the content of the “Group Risk Map” at the meetings on 20 February 2024 (for the financial year 2024) and 16 December 2024 (for the financial year 2025). The assessments and in-depth analyses on this issue and on risk governance and management are usually carried out in joint meetings with the Control and Risk Committee.

Again as part of risk management, the Board of Statutory Auditors receives regular reporting, both through in-depth analyses during the approval of the Policies on the governance of individual risks, and through quarterly monitoring of individual risk verticals such as credit, financial (liquidity, interest rate, market and counterparty), operational, reputational and third-party risk with evidence, where present, of the monitoring of RAF indicators and exposure limits provided for by the individual Risk Governance Policies in line with the outcomes of the escalation processes activated. This reporting also regularly includes updates on second-level Credit Control activities on single files and collateral, and on the outcomes of the Validation Function activities regarding risk measurement models used for regulatory (e.g. AIRB), accounting (IFRS9) and/or internal capital calculation and management purposes.

Specific attention was dedicated to the assessment of capital adequacy and the current and prospective liquidity position (ICAAP and ILAAP), the analysis of the RAF documentation (with the relevant recalibrations), the analysis and assessment of issues related to the evolution of the internal rating system (validation, revision, extension), the updates regularly received on the Resolution Plan and Recovery Plan, and the updates of the Risk Forecasting Programme and stress testing. In particular, in the context of the presentation of the capital adequacy position for 2024, the Board of Statutory Auditors noted that the capital position of the BPER Group remained adequate throughout 2024. From an economic point of view, capital adequacy levels also ensure that the risks to which the Group is exposed are covered. In this regard, the Board of Statutory Auditors noted that utmost attention must be paid in the event of adverse scenarios that (from a regulatory perspective) have a significant impact on the capital adequacy ratio and that, compared to the baseline scenario, translate into a reduction of the CET 1 ratio. Having said that, the BoSA pointed out that, despite the severity of the adverse scenarios considered, the CET1 ratio, Tier1 ratio and Total Capital ratio remain above the risk tolerance threshold of the RAF (which includes regulatory minimums and additional prudential buffers, including P2G) throughout the projection horizon. On the other hand, with regard to the Group's liquidity and funding profile, the Board of Statutory Auditors noted that the liquidity and funding position remained adequate throughout 2024, without ever exceeding the relevant internal thresholds (risk appetite, risk tolerance and, where applicable, risk capacity) assigned for 2024 and without ever showing anomalous trends that would require remedial actions. The forward-looking analyses, both under the baseline scenario (consistent with the 2024-2026 funding plan) and under the ILAAP stress scenario, show values in line with the internal relevant thresholds defined for 2024. Finally, the Net Liquidity Position (NPL) was found to be adequate by the BoSA in both the baseline and ILAAP stress scenarios.

Control Functions: organisational structure and size

Furthermore, in 2024, the Board of Statutory Auditors continued to monitor the adequacy of the qualitative and quantitative dimensions of the control functions and the organisational and procedural developments involving them, both through direct contact with the Control Functions themselves and with the Human Resources function (responsible for recruiting resources and the related professional updating) and the Organisation function (responsible for the target rightsizing of the structures).

In the various discussions that have taken place, the Board of Statutory Auditors has consistently emphasised the importance of reducing the gap between the number of actual resources and the target resources, in line with the expectations of the Supervisory Authority, while maintaining a focus on the qualitative level of these resources. It has therefore constantly monitored the performance of its activities, both externally, through research and hires from the market, and internally, through the development, use and enhancement of resources acquired from the M&As carried out. It also monitored the outcomes of the assessment performed as part of this process.

In this context, the Board of Statutory Auditors found that the Audit Function strengthened its organisational structure, moving closer to its target headcount, while also promoting a digital approach – essential for promptly identifying points requiring further investigation – thereby freeing up resources for higher-value activities. The “OMNIA” (Digital Oriented Target Operating Model – New Internal Audit) Project, part of the BPER 2022-2025 Business Plan initiatives, concluded in 2024, having successfully completed all 28 initiatives scheduled for that year.

In line with the results already achieved, for the 2025-2027 Business Plan as well, Internal Audit will continue to promote an approach based on the development and use of technology and constantly oriented towards innovation, including for the purpose of fulfilling the role of trusted advisor for the corporate bodies and management.

In addition to supervising the staffing size, the Board of Statutory Auditors carried out its role of monitoring any changes made to the organisational structure of the functions of Compliance, Internal Audit, Risk Management - including strengthening of the Validation Function - and Anti-Money Laundering.

Within this context, the Compliance Function has received the utmost attention, both in terms of headcount (which was significantly increased) and in relation to IT, business continuity, and data security, with a specific project completed in July 2024, resulting in the implementation of encryption across relevant databases.

With the support of the Compliance Function, other Control Functions and the Chief Financial Officer's structure, any risk profiles related to covered bond transactions were also further examined. The meeting provided an opportunity to reiterate the importance of always ensuring proper coordination and collaboration between all the Bank's Functions, as well as adequate information flows between the Control Function and business functions.

Activities related to the 285-DORA project, launched in May 2023, were also monitored. These aim to identify and implement the necessary measures to comply with the requirements of the 40th update of Bank of Italy Circular 285/2013 and the Digital Operational Resilience Act ("DORA") Regulation, as well as projects aimed at gradually meeting the regulatory requirements regarding sustainability in the provision of investment services.

Furthermore, in accordance with applicable regulations, the Board of Statutory Auditors was called upon to issue an opinion during the process of identifying the candidate to succeed as Chief Compliance Officer.

The strengthening of the Anti-Money Laundering Function was also of interest, both in terms of the review of the organisational structure and the increase in the target workforce in 2024.

Furthermore, as part of the inspection activities carried out on an ongoing basis by the Anti-Money Laundering Function at the Group's network of banks in accordance with the provisions of the Anti-Money Laundering Policy and in agreement with the Internal Audit Function, particular attention was paid to the checks carried out by the Anti-Money Laundering Function and these concluded with a final assessment of residual risk as 'High' or 'Medium-High', with a particular focus on remedial actions required and measures adopted. In this regard, the importance of planning and delivering anti-money laundering training programmes was highlighted. With the support of the Function, this training was delivered to the Group's staff to enhance awareness of the topic and the compliance obligations placed on credit institutions in their dealings with customers.

Coordination of Control Functions

During the year, the Board of Statutory Auditors supervised the planning and results of the activities of the control functions, with particular focus on the adequate coordination between them. In this regard, the Board of Statutory Auditors is informed of the meetings of the Coordination Committee of the Control Functions on a regular basis, where common issues are discussed in detail, the planning of annual activities is coordinated and governance issue for controls of common interest are examined in depth.

The synoptic planning framework forms part of the initiatives to promote a constructive dialogue and overall coordination of the respective activities of the Functions that are defined in the individual Plans and, in addition to facilitating an integrated and harmonised control unit of the BPER Group's Internal Control System, it provides a consistent classification of the overall coverage of each SREP Area.

As part of the Integrated Tableau de Bord of the Control Functions, the robustness of the control units and the appropriate actions for their strengthening are reported on a quarterly basis with a review of key issues (with their outlook), and the monitoring of findings and related remedial actions subject to the Process To Remedy Findings (PRF).

With regard to Key Issues, the Board of Statutory Auditors found that as at 31 December 2024, there were no Key Issues with a negative outlook. Regarding the findings raised by the Control Functions, a substantial increase in number was observed, due to the strengthening of the Control Functions' approach in line with the Group's increasing complexity. On the other hand, the downward trend in average closing days and the vintage of the existing findings is also confirmed for 2024.

The monitoring and remediation of the aforementioned findings were the subject of in-depth focus by the Board of Statutory Auditors. In this regard, the Board of Statutory Auditors verified that the overall project for the promotion of the Culture of Risks and Controls was completed on schedule. Furthermore, the Board noted positively that the activities carried out to raise the awareness of the Group's personnel with regard to the issues of risk and control awareness represent a valuable aspect to be promoted and implemented on an ongoing basis, by ensuring that, for 2024 and 2025, a series of actions have been identified and planned to strengthen a widespread culture of risk and the methods for controlling it.

Finally, the Board of Statutory Auditors periodically receives a copy of the minutes of the meetings of the Committee for the Coordination of the Control Functions, with evidence of the activities carried out and the aspects of greater focus. The examination of said documents allows the BoSA to periodically reconsider the balancing of its activities.

Monitoring supervisory activities

The Board of Statutory Auditors has continuously monitored the activities and requests of, and the exchange of information with, the Supervisory Authorities.

In this context, the Board of Statutory Auditors was kept informed of the opening and closing letters of inspection, their results and remediation actions taken in response to the critical issues identified, as well as the relevant completion timing.

In particular, as part of its regular monitoring of action plans, the Board of Statutory Auditors monitored compliance with deadlines and any rescheduling, requests for investigations and in-depth analyses.

This activity was carried out for all the Authorities (ECB, Bank of Italy, Consob, to name but a few), both for the Parent company and for the individual Legal Entities.

The Board of Statutory Auditors maintained its commitment to oversee the overall review of the monitoring and processing of the requests made by the Supervisory Authority as part of the SREP Decision. In this regard, it should be noted that, as part of the ordinary SREP process, the Board of Statutory Auditors met with the ECB on two occasions, once during the previous mandate of the Control Body and once during its current mandate.

Control of risks deriving from scenario changes

The Board of Statutory Auditors monitored on an ongoing basis and discussed in depth with the relevant business functions, the impacts and credit risks arising from the continuing general and sectoral macroeconomic framework, which is still affected by significant uncertainty brought about by: i) the development of the ongoing conflicts in Ukraine and the Middle East; ii) the international awareness of climate risk and the measures being taken to address it; iii) an increase in cyber attacks and, consequently, the need to strengthen processes aimed at identifying, assessing and prioritising potential threats and vulnerabilities to the Bank's IT systems, in order to mitigate cyber risks and improve security measures.

Given the above, the Board of Statutory Auditors has constantly monitored and investigated:

- military conflict developments, with particular reference to the initiatives that the Bank has undertaken to deal with potential credit risk situations.
- the activities and control units put in place by the Bank following the floods that hit several Italian districts, both with reference to issues relating to business continuity and operational risk, and with reference to the activities implemented in the credit area.
- the impacts suffered by BPER, the corrective actions undertaken, as well as the restoration timelines and communications to the competent Authorities regarding IT incidents.

In consideration of the changed size and management characteristics of the Bank and the Group, the events evaluated during the supervisory activity and the information received from the Company's organisational units, the Board of Statutory Auditors believes the internal control and risk management system are generally adequate as no particularly critical aspects were identified.

The Board of Statutory Auditors observed that the Bank's internal control system is evolving in line with the development of the business and the increasing complexity of the Group, thanks to the ongoing review of methods and processes by the Control Functions. In this context, the Board of Statutory Auditors emphasises the importance of persevering on this trajectory.

5. SUPERVISION OF THE AUDITING PROCESS

Pursuant to the combined provisions of Legislative Decree 39 dated 27 January 2010 and EU Regulation 537/2014 , the engagement to perform the independent audit of the accounts and audit the Separate and Consolidated Financial Report for the nine-year period 2017-2025 was assigned at the Shareholders' Meeting held on 26 November 2016 to the Auditing firm Deloitte & Touche s.p.a. ("Deloitte" or "Independent Auditors"), together with the issue of opinions on consistency and conformity with the law pursuant to art. 123-*bis*, para. 4, of the Consolidated Law on Finance.

In accordance with the provisions of art. 19 of Legislative Decree n. 39 of 2010, the Board of Statutory Auditors, identified as the "Internal Control and Audit Committee", performed the required supervisory activity also on the operations of the Independent Auditors in 2024 and until the date of this Report.

In this context, the Board of Statutory Auditors met the Independent Auditors to examine the Audit Plan for 2024. The following issues were subject to special attention:

- the annual report in ESEF format;
- the determination of materiality;
- risk assessment procedures;
- considerations on fraud risk;
- significant risks and other areas of interest;
- assessment of the internal control system;
- preliminary guidelines on key audit aspects;
- independence and timing of activities.

The Board of Statutory Auditors acquired the necessary information with constant interaction with the Independent Auditors regarding the audit approach used for the different areas of the Financial Report, receiving updates on the progress of their audit activities and the main points of attention for the Independent Auditors.

In particular, during the meetings held with the Independent Auditors, the following, *inter alia*, were examined:

- assessment of loans to customers;
- any forcing of controls;
- de-risking operations and the disposals of non-performing loans;
- the calculation of Expected Credit Losses (ECL) with specific reference to the management overlays adopted by the Bank and the updating of the macroeconomic scenarios used to determine the impairment provisions;
- impairment test of goodwill and equity investments;
- measurement of the portfolio owned by the Bank;
- purchase of tax credits originated from benefits set out in the "Cura Italia" and "Rilancio" Decree Laws;
- the measurement and presentation of DTAs in the Financial Report;
- updates concerning the Bridge Project;
- provisions related to the workforce “manoeuvre”.

In consideration of the role of Sole Auditor for the Group given to the Auditing firm Deloitte & Touche s.p.a., the Board of Statutory Auditors met with representatives of the Auditing Firm appointed by the Parent Company and the audit teams of the main subsidiaries, which resulted in a mutually beneficial exchange of information, as required by art. 150 of the Consolidated Law on Finance, on the key findings of their respective auditing activities.

During the periodic meetings with the Independent Auditors, the main issues and changes in processes and organisation with an impact on the accounting systems and on financial reporting were also discussed, in addition to the key aspects which may also be part of the "Management Letter".

The Board of Statutory Auditors also informed the Independent Auditors about its activities and reported any relevant and significant facts about the Bank known to it.

Overall, based on the relations of this Board with the auditing firm, no anomalies, issues or omissions have arisen that should be reported. Without prejudice to the foregoing, on 26 March 2025, the Independent Auditors issued their report on the Separate Financial Report for the year ended 31 December 2024, pursuant to art. 14 of Legislative Decree 39/2010 and art. 10 of Regulation (EU) 537/2014.

In that report, the Independent Auditors:

- issued an opinion confirming that the Separate Financial Report present a true and fair view of the financial and equity position of the Bank as of 31 December 2024, and of its income statement and cash flow statement for the year ended on that date, in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and endorsed by the European Union and with the measures issued in implementation of art. 9 of Legislative Decree 38/05 and art. 43 of Legislative Decree 136/15;
- confirmed that the Report on Operations accompanying the Separate Financial Report and certain specific information contained in the Report on Corporate Governance and the ownership structure specified in art. 123-*bis*, para. 4, of the Consolidated Law on Finance are consistent with the draft Financial Report at 31 December 2024 and were prepared in accordance with the law;
- declared that it had no observations to make based on its knowledge and understanding of the business and related context, obtained during the performance of its audit activities, with reference to possible significant errors in the Report on Operations (pursuant to art. 14, para. 2, letter e-ter) of Legislative Decree 39/10;
- released an opinion confirming that the Separate Financial Report was prepared in the XHTML format in compliance with the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a European Single Electronic reporting Format (ESEF).

In accordance with regulations applicable, the Independent Auditors' Report on the auditing of the Separate Financial Report sets out the auditing standards adopted and indicates the following "key aspects" that emerged during the course of the audit:

- classification and measurement of performing loans to customers measured at amortised cost;
- classification and evaluation of non-performing loans to customers measured at amortised cost classified as bad loans and UTPs.

On 26 March 2025, the Independent Auditing Firm also issued the Audit Report relating to the Consolidated Financial Report, which contains similar certifications and statements to those reported above:

- an opinion confirming that the Consolidated Financial Report presents a true and fair view of the financial and equity position of the Group as at 31 December 2024, and of its income statement and cash flow statement for the year ended on that date, in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and endorsed by the European Union and with the measures issued in implementation of art. 9 of Legislative Decree 38/05 and art. 43 of Legislative Decree 136/15;
- an opinion confirming that the Report on Operations accompanying the Consolidated Financial Report and certain specific information contained in the Report on Corporate Governance and the ownership structure specified in art. 123-*bis*, para. 4, of the Consolidated Law on Finance are consistent with the Consolidated Financial Report at 31 December 2024 and were prepared in accordance with the law (excluding the section relating to the Consolidated Sustainability Statement);
- a declaration that it had no observations to make based on its knowledge and understanding of the business and related context, obtained during the performance of its audit activities, with reference to possible significant errors in the Report on Operations (pursuant to art. 14, para. 2, letter e-ter) of Legislative Decree 39/10;
- an opinion confirming that the Consolidated Financial Report has been prepared in XHTML format and has been marked, in all significant aspects, in compliance with the provisions of Delegated Regulation (EU) 2019/815 of the European Commission with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF – *European Single Electronic Format*), specifying, however, that certain information contained in the Explanatory Notes to the Consolidated Financial Report, when extracted in XHTML format in an XBRL instance, may not be reproduced identically to the corresponding information viewable in the Consolidated Financial Report in XHTML format, due to certain technical limits.

The “key aspects” of the audit activities tend to replicate those of the Separate Financial Report:

- classification and measurement of performing loans to customers measured at amortised cost;
- classification and evaluation of non-performing loans to customers measured at amortised cost classified as bad loans and UTPs.

The Independent Auditors also state in their audit report on the Consolidated Financial Report that their opinion on compliance with the law does not extend to the section of the Report on Operations relating to the Consolidated Sustainability Statement. Conclusions regarding compliance of that section with the rules governing its preparation and the disclosure obligations laid down by art. 8 of Regulation (EU) 2020/852 are provided in the certification report issued by the Independent Auditors pursuant to art. 14-*bis* of Legislative Decree no. 39/10, as will be discussed later.

On 26 March 2025, the Independent Auditors presented the additional report to the Board of Statutory Auditors required by art. 11 of Regulation (EU) no. 537/2014 which showed that no shortcomings were identified in the internal control system in relation to the financial disclosure process which, in the opinion of the Auditor, are such as to be brought to the attention of the Board of Statutory Auditors.

The Independent Auditors also presented the letter of suggestions from the audit of the Bank's Separate Financial Report and Consolidated Financial Report as at 31 December 2024, which includes an update of the suggestions from the audit of previous years. The Independent Auditors do not consider these suggestions to be deficiencies in the internal control system over the financial reporting process that need to be brought to the attention of the Board of Statutory Auditors.

The Independent Auditing Firm finally submitted to the Board of Statutory Auditors the statement required by art. 6 of Regulation (EU) no. 537/2014 and by para. 17, letter a) of international auditing standard (ISA Italy) 260, acknowledging that no situations have emerged which may compromise their independence.

Additionally, the Board of Statutory Auditors took note of the Transparency Report prepared by the Independent Auditing Firm and published on its website pursuant to art. 18 of Legislative Decree no. 39/2010.

The Independent Auditing Firm, also in compliance with the provisions of art. 150, para. 4 of the Consolidated Law on Finance, for the purpose of the reciprocal exchange of information, did not highlight to the Board of Statutory Auditors any reprehensible actions or facts, that needed to be reported specifically in accordance with art. 155, paragraph 2 of the Consolidated Law on Finance.

The Independent Auditors have also verified, pursuant to art. 123-*ter*, paragraph 8-*bis*, of the Consolidated Law on Finance, that the Directors have prepared the second section of the 2024 Report on remuneration policy and compensation paid.

6. MONITORING OF THE INDEPENDENCE OF THE INDEPENDENT AUDITING FIRM

In 2024, the Board of Statutory Auditors verified and monitored, pursuant to art. 19 of Legislative Decree 39/2010, the independence of the Independent Auditing Firm Deloitte Touche s.p.a., pursuant to articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of the aforementioned decree and art. 6 of Regulation (EU) 537/2014 (hereinafter also “Regulation”), in particular regarding the adequacy of the provision of non-audit services (NAS). Furthermore, as already mentioned in section 5 above, the Board of Statutory Auditors has received a statement from Deloitte confirming its independence.

In this regard, it should be noted that, in order to correctly apply the Regulation, BPER has adopted the “Group Regulation of the process of conferral of engagements to the independent auditing firm and its associated network”, most recently updated on 4 June 2024. This document regulates, in accordance with the applicable external legislation, the model adopted by the Group for the appointment by the Group itself of the Independent Auditors – whether the main auditor or other appointed auditors – and parties related to them, establishing a dedicated internal supervision process aimed at monitoring such engagements and safeguarding the independence requirement of the external auditor when entrusted with the auditing of the accounts.

That said, based on the final data for 2024, the value of non-audit services provided to BPER Group companies by the Group's independent Auditing Firm and by the companies in its network amounted to roughly Euro 1.3 million, of which Euro 1.2 million relating to audit/certification services and Euro 0.1 million relating to other non-audit services.

With reference to information concerning solely the Parent Company, provided in the table "Fees for independent audit and non-audit services" - information pursuant to art. 149-*duodecies* of Consob Issuers' Regulation - the Board notes that the costs of non-audit services assigned to the Independent Auditing Firm amount to approximately Euro 1.1 million (Euro 1.0 million for certification services and Euro 0.1 million for other services). In 2024, the ratio between the cost of *non-audit* services provided by the independent auditors of the Parent Company, Deloitte & Touche s.p.a., and the average of *audit* services in the prior three-year period (2021-2022-2023) stood at 29%, below the 70% limit established by the applicable internal and external regulations ("fee cap").

It should also be noted that the Parent Company, in light of the imminent expiry of the mandate granted to Deloitte & Touche s.p.a. for the nine-year period 2017-2025, the size and complexity of the BPER Group, and the specific regulations introduced by Regulation (EU) 537/2014 regarding the renewal of the statutory audit mandate, independence, and in particular the introduction of the cooling-in period rule (i.e. the prohibition on providing, during the 12 months prior to the first financial year to be audited, the services referred to in art. 5.1, letter e, of Regulation 537/2014), deemed it appropriate to start the selection procedure for the new independent auditors for the financial years 2026-2034 two years in advance, so as to decide on the new engagement during the Shareholders' Meeting called to approve the Financial Report as at 31 December 2023. With reference to this process, it should be noted that the Shareholders' Meeting of BPER Banca s.p.a. held on 19 April 2024 engaged KPMG s.p.a. as the independent auditor of the accounts and consolidated accounts for the period 2026-2034. In order to comply with the provisions regarding the cooling-in period, "non-audit" service assignments to KPMG s.p.a. and its network were monitored and, with a view to full compliance with these provisions, the Board of Statutory Auditors recommended that no assignments be awarded to the company in 2025.

7. SUPERVISION OF THE ADEQUACY OF THE ADMINISTRATIVE-ACCOUNTING SYSTEM AND THE FINANCIAL REPORTING PROCESS

The Board of Statutory Auditors has monitored the adequacy of the administrative and accounting system and the financial reporting process, by obtaining information from the heads of the relevant Corporate Functions and from the Manager responsible for preparing the company's financial reports, examining the most significant corporate documents, and analysing the work performed by the Independent Auditors Deloitte & Touche s.p.a.

The administrative and accounting procedures for the preparation of the Separate and Consolidated Financial Report were prepared under the responsibility of the Manager responsible for preparing the company's financial reports who, together with the Chief Executive Officer, has confirmed their adequacy and effective application.

Furthermore, following the new regulations of the Corporate Sustainability Reporting Directive - CSRD, the range of certification tasks of the delegated administrative bodies and the Manager responsible for preparing the Company's Financial Reports has been significantly expanded, since the text of Legislative Decree no. 125 of 6 September 2024, which implemented Directive (EU) 2022/2464 CSRD in Italy, has amended the provisions of paragraph 5 of art. 154-*bis* of the Consolidated Law on Finance, extending the certification requirement the Sustainability Statement.

In this regard, it should be noted that, in order to regulate the activities that characterise the components indicated above with reference to the risks associated with financial and sustainability reporting present in the administrative and accounting processes in the BPER Group, the Parent Company has defined a “Financial and Sustainability Reporting Control Model” (“Control Model”), which is based on the adoption of the main reference frameworks recognised at national and international level in terms of the development of adequate Financial Reporting Internal Control Systems.

Within the Internal Control System, with regard to Financial and Sustainability Reporting, the main role is played by the Manager responsible for preparing the Company's Financial Reports, who has the task of managing and supervising the "Control Model", understood as the set of requirements to be met for the proper management and control of the risk of unintentional errors and fraud in financial reporting in the BPER Group, and of risk factors associated with the preparation of the Sustainability Statement.

The BPER Group has also deemed it appropriate to assign to the Manager responsible for preparing the Company's Financial Reports the task of issuing the certification of the Consolidated Sustainability Statement, in line with the highest standards of transparency and compliance in accordance with the ESRS (European Sustainability Reporting Standards).

The Manager responsible for preparing the Company's Financial Reports makes use of a specific operating structure, directly reporting to him, called Financial & Sustainability Reporting Supervision Unit ("FSRS Unit"), which is in charge of planning, implementing and maintaining the "Control Model" to be applied to the Parent Company and, with reference to the procedures for preparing the Consolidated Financial Report, to the subsidiary banks and companies, regardless of whether they are registered or not with the banking Group.

The Board of Statutory Auditors was kept fully informed throughout the year about the regulatory and project activities of the Unit supporting the Manager responsible for preparing the Company's Financial Reports, the FSRS Unit, which has gradually expanded the scope of its audit activities over time to ensure the reliability and accuracy not only of financial reporting but also of other information disclosed to the market (ESG Disclosures, Supervisory Reporting, etc.).

Regarding ESG matters, the new regulations have extended the responsibilities of the FSRS Unit, and its oversight also includes the assessment and effective implementation of the process for preparing the

Consolidated Sustainability Statement, as well as the execution of specific quality assurance controls on the data and information contained therein, with specific reference to connectivity in consideration of the high degree of interconnection between other reporting frameworks (*i.e.* Separate and Consolidated Financial Reports, public disclosure document - Pillar 3, remuneration policies).

In this regard and in consideration of the gradual and increasing integration between sustainability reporting and financial reporting, which is essential for an accurate and complete assessment of the company's performance, the Board of Statutory Auditors has closely monitored and supervised the processes underlying integrated financial reporting.

The Board of Statutory Auditors was also updated on the progress of the “Reshaping of the IT Architecture” project, launched at the end of 2022 and completed in October 2024, which enabled the evolution of current IT systems towards a single integrated Financial Reporting platform for end-to-end management of the operational processes of the FSRS Unit (from planning to execution and reporting), and fed by data flows produced by the various Bank systems. The development of the new application had as its main objective the establishment of a unique and innovative IT system capable of ensuring greater effectiveness in the integrated management of all processes and activities overseen by the FSRS Unit.

The Board of Statutory Auditors was brought periodically up to date by the FSRS Unit about the assessments and audits carried out to express an opinion on the adequacy of administrative and accounting procedures and their effective application. The Board of Statutory Auditors was also updated on the findings and related monitoring activities regarding administrative and accounting procedures, as well as on the progress of the related remedial actions.

Acting in its capacity as the Internal Control and Audit Committee pursuant to art. 19, para. 2 c) of Legislative Decree 39/2010, the Board of Statutory Auditors maintained close coordination with the Manager responsible for preparing the company's Financial Reports who did not identify any shortcomings in the operating and control processes, which could invalidate the judgement of overall adequacy and effective application of the administrative-accounting procedures set up to monitor the accuracy of the economic, capital and financial representation of the operating events in compliance with the international accounting standards.

The Board of Statutory Auditors requested periodic updates on remedial actions following the recommendations made in the Management Letter to BPER's Separate Financial Report and Consolidated Financial Report as at 31 December 2023.

The Board of Statutory Auditors reviewed the planning of activities for 2025, drawn up by the FSRS Unit in line with the overall synoptic framework for the verification activities of the BPER Banca Control Functions. In light of important new regulations and the high degree of interconnection between the various frameworks centrally overseen by the Financial & Sustainability Reporting Supervision Unit, it is expected that, in 2025, the overall – organisational and operational – controls under its responsibility will be strengthened. Furthermore, considering the maturity achieved by the Control Model for financial and sustainability reporting, the ongoing regulatory evolution, the increasing demands from the

Supervisory Authority, and changes in the organisational structure of BPER Banca and the Group, together with the strategic directions defined in the New Business Plan, the Board of Statutory Auditors has positively acknowledged that, in 2025, the Financial & Sustainability Reporting Supervision Unit will initiate a quality assurance activity through an independent third party to assess the adequacy of the adopted framework in light of the applicable regulations and industry best practices, followed by a process analysis to identify activities/controls that could be automated through Intelligent Automation tools.

The Separate and Consolidated Financial Statements have been prepared in accordance with Legislative Decree 38/2005, according to the IAS/IFRS issued by the IASB (International Accounting Standards Board), endorsed by the European Union and following the indications provided by Circular 262/2005 of the Bank of Italy and subsequent amendments and additions, most recently provided in a communication dated 17 November 2022. During preparation, account was taken, as applicable, of the interpretations and support documents for the application of the accounting standards in relation to the impacts of the ‘extraordinary’ events occurring in the last few years, issued by the European Regulatory and Supervisory Bodies (including *ESMA’s Public Statement* of 24 October 2024 – “*European common enforcement priorities for* 2024 *annual financial reports*”) and by the Standard Setters, published in the previous years. In this regard, the Board of Statutory Auditors recommended that the Bank duly consider the three main thematic areas highlighted in the ESMA 2024 document: i) the Financial Report in accordance with the International Financial Reporting Standards (IFRS); ii) the Sustainability Statement in accordance with the European Sustainability Reporting Standards (ESRS); iii) digital reporting in the European Single Electronic Format (ESEF).

The Bank prepares and updates, if necessary on a preliminary basis with respect to the preparation of the periodic financial information, the document entitled "Accounting policies of the BPER Banca Group", to transpose the information provided by the applicable IAS/IFRS and to define the application choices adopted for preparation of the Financial Reporting for the period. This document, which represents an instrument through which the Parent Company exercises its guidance and coordination activities over the Banks and Companies of the Group, in order to ensure uniformity of application of the accounting standards, is submitted to the Board of Directors' review; the last update was approved on 18 December 2024.

In relation to the accounting estimates, the Board of Statutory Auditors noted that the Board of Directors of the Parent Company BPER Banca took into account the persistent uncertainty in the general macroeconomic environment and in the sector throughout 2024, mainly induced by the geopolitical tensions caused by the armed conflicts in Russia-Ukraine and the Middle East, as well as the measures to combat climate risk with unpredictable effects on the economic and production system. Specifically, also with reference to what was specified by the IASB in its document of 27 March 2020, the Directors considered that the ordinary valuation models adopted by the BPER Banca Group to estimate the ECL and to determine the Significant Increase in Credit Risk (SICR) as part of IFRS 9 impairment, could be integrated, on a recurring basis or otherwise, through the application of "post-model adjustments" in relation to the estimate of the ECL, rather than through the use of "collective assessment" to complement the analytical staging rules. This is to fully grasp the effects of certain significant events on credit risk (so-called "emerging risks"), which have not yet been taken into account in the econometric models used to determine risk parameters. In said context, the Board of Statutory Auditors met the Chief Risk Officer, the Manager responsible for preparing the company's Financial Reports and the independent auditing firm again in 2024, requesting in-depth analyses regarding said cases. The Manager responsible for preparing the company's Financial Reports and the independent auditing firm certified the compatibility of the valuation approaches adopted (namely the overlay approach and the in-model adjustment) with the overall legislative and regulatory framework in force. The Board of Statutory Auditors monitored the process of control of systems for the measurement and forecasting of credit risk, including in light of the critical context referred to above, systematically engaging in dialogue with the functions responsible for monitoring and with the independent auditing firm and notes that it has not received any reports of anomalies. The Board of Statutory Auditors also conducted an in-depth analysis of the relevant disclosure in the Financial Report in compliance with the IAS/IFRS accounting standard and recommendations by the competent Supervisory Authorities, noting that the 2024 Consolidated Financial Report contains detailed information on the impact of the overlay approach on the measurement of loans and receivables, which generates higher adjustments of roughly Euro 237.1 million[3].

The Board of Statutory Auditors monitored the process of impairment of equity investments and goodwill.

The goodwill impairment process, updated as at 31 December 2024, in conjunction with the preparation of the Separate and Consolidated Financial Reports, was examined and discussed at the appropriate meetings with the Manager responsible for preparing the company's Financial Reports, with the Planning and Control Department and with the Independent Auditing Firm, requiring further study of the results of the valuation analyses (and associated sensitivity analyses), which highlighted that the *Cash Generating Unit* (CGU) Arca Holding is the only one for which a recoverable value which is higher than its carrying amount is recognised as goodwill.

In the same context, the Board of Statutory Auditors considered the effects of the valuation of equity investments, which revealed the need to account for certain write-downs originating from value in use being lower than the corresponding carrying amounts. Also considering the equity instruments representing associate equity investments (significant influence), the Board of Statutory Auditors acknowledged total write-downs of Euro 86.3 million at the Consolidated Financial Report level and Euro 119.5 million at the Separate Financial Report level.

With regard to provisions covering liabilities potentially arising from pending litigations, it should be noted that, as at 31 December 2024, the Consolidated and Separate Financial Reports report provisions for risks and charges amounting to Euro 60.9 million and Euro 58 million, respectively. In this regard, the Board of Statutory Auditors has examined in detail with the Bank’s relevant Functions the process of

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[3] See BPER 2024 Consolidated Financial Report, Explanatory Notes, Part A, Section 5 "Risks and uncertainties inherent in the current macroeconomic environment - Management Overlays applied in the assessment of credit risk".

analysing litigations and evaluating related provisions for risks and charges. The Board of Statutory Auditors also requested to be periodically updated on the development of the main disputes.

The Board of Statutory Auditors additionally examined the equity investments held by BPER in Autostrada dei Fiori s.p.a. and UnipolRental s.p.a.: both investments have been reclassified as "financial investments" (as FVTOCI equity instruments, exercising the option made available under IFRS 9), consequently reclassifying them at fair value[4].

In the Consolidated and Separate Financial Reports, the economic impact of the Bridge Project amounts to Euro 150.1 million, mainly attributable to the gain realised from the transfer of control in Gardant Bridge Servicing.

With reference to the Consolidated Explanatory Notes, "Staff costs", amounting to Euro 1,915.5 million, decreased compared to the previous year (-4.29%) and include non-recurring costs of Euro 193.5 million related to: (i) Euro 173.8 million for extending the workforce optimisation manoeuvre complementing the agreement signed on 23 December 2023 (Euro 294.5 million as at 31 December 2023), and (ii) Euro 19.7 million related to regulatory changes in retirement rules, which extended the average redundancy fund membership length and clarified the scope for those participating in the manoeuvre. In the Separate Financial Report, "Staff costs", amounting to Euro 1,599.6 million, decreased compared to the previous year (-8.26%) and include non-recurring costs of Euro 169.5 million related to: (i) Euro 148.7 million for extending the workforce optimisation manoeuvre complementing the agreement signed on 23 December 2023 (Euro 248.8 million as at 31 December 2023), and (ii) Euro 20.8 million related to regulatory changes in retirement rules, which extended the average redundancy fund membership length and clarified the scope for those participating in the manoeuvre.

The Board of Statutory Auditors also considered and analysed the process of fair value measurement of real estate owned, both for functional and commercial use, which led the BPER Group to record a negative impact on the Consolidated Income Statement as at 31 December 2024 for a total of Euro 62.4 million (including Euro 26.3 million in amortisation) and a positive valuation impact of Euro 15.3 million in the dedicated equity reserve.

Finally, intangible assets represented by application software were considered and, as part of the valuations as at 31 December 2024, write-downs were posted for a total of Euro 34.3 million for earlier disposal than their estimated useful life.

Deferred tax assets are recognised following the positive outcome of the probability test on the consolidated tax perimeter as required by IAS 12. This test is based on an economic forecast developed over a 5-year horizon (2025-2029) and is consistent with other estimation processes based on projections of future results. It allows an estimate of expected future tax results that may determine the recognition, retention and recovery of deferred tax assets. As at 31 December 2024, deferred tax assets totalling Euro 47.4 million were recognised based on the aforementioned sustainability test. As part of

[4] For more details, refer to section 7.5 of the Explanatory Notes to the Consolidated Financial Report.

its monitoring activities, the Board of Statutory Auditors is informed on a quarterly basis of the main tax aspects concerning the BPER Group.

Still referring to tax matters, the Board of Statutory Auditors points out that the item "Other assets" includes tax credits purchased from third parties under Relaunch Decree no. 34/2020, which are measured at amortised cost for the portion to be recovered by offsetting, and measured at fair value for the amount corresponding to the sales contracts entered into at the end of the reporting period. The recovery of credits by offsetting is confirmed by the assessment of individual and Group tax capacity, reported quarterly to the Board of Statutory Auditors.

The Board of Statutory Auditors additionally acknowledged the certifications signed by the Manager responsible for preparing the company's Financial Reports and the Chief Executive Officer relating to the Separate and Consolidated Financial Reports as at 31 December 2024 - required by art. 154-*bis*, paragraph 5, of the Consolidated Law on Finance and art. 81-*ter* of Consob Regulation no.11971, as amended with Consob Regulation no. 22551 of 2022 – on the adequacy and effective application of the administrative and accounting procedures, on the consistency of the financial statements with underlying documentary evidence, books and accounting records, their compliance with the IAS/IFRS, on the fact that the Separate and Consolidated Financial Reports thus drafted provide a true and fair view of the equity, economic and financial position of BPER Banca and of its Group.

In light of the above, the information received, the analyses carried out and the aspects referred to in this Report, the administrative-accounting structure appears to be adequately defined and suitable to meet the business needs that emerged during the year and, overall, it is adequate for what is expected under the current regulations.

The Independent Auditors checked the administrative and accounting procedures without raising any exceptions on their reliability or elements that could affect the internal control system involved in the above-mentioned procedures. They also checked the accuracy of the recognition of operating events in the accounting records, as well as the completeness of the information and accounting policies for the preparation of the Separate and Consolidated Financial Reports, without making any comments or observations.

Even though the statutory audit of the accounts as per Legislative Decree 39/2010 is not part of the duties of the Board of Statutory Auditors, it being delegated to the Independent Auditors, based on the information received from the latter and from the Manager responsible for preparing the company's Financial Reports and the performed checks, the administrative and accounting system, as a whole, is deemed adequate.

As regards the scope of consolidation, please refer to the Group report on operations and to Part A of the Explanatory Notes for information on the unification of the line-by-line scope of consolidation for accounting purposes with the scope of consolidation for supervisory purposes for reasons of rationalisation, simplification and control of the process for producing the consolidated figures for supervisory and financial reporting purposes, without appreciable effects in terms of equity, economic results or financial performance of the Group.

On 25 July 2018, BPER Banca s.p.a. was admitted to the list published on the Italian Revenue Agency institutional website (Agenzia delle Entrate) of companies admitted to the cooperative compliance regime under Legislative Decree 128/2015 with the aim of promoting better forms of communication and strengthened cooperation between the Tax Authorities and tax payers who have a system for the recognition, measurement and control of tax risk.

In this regard, the Board of Statutory Auditors was able to ascertain that, in 2024, discussions with the Revenue Agency and the proper functioning of the Tax Control Framework continued - without any significant attention points emerging.

Finally, it should be noted that, during the meeting of 16 December 2024, the Board of Statutory Auditors assessed that the candidate identified to assume, after approval of the 2024 Financial Report, the role of Manager responsible for preparing the Company's Financial Reports, met the professionalism requirements set out in the applicable legislation, and verified that the related appointment process complied with the provisions of the internal document "Succession Plans of the Top Management of BPER Banca s.p.a.", as most recently updated by the Board of Directors on 18 July 2024. The Board of Statutory Auditors therefore expressed a favourable opinion on the proposal concerning the appointment of the individual who will assume said role after the aforementioned accounting obligation has been fulfilled.

8. MONITORING OF RELATIONS WITH SUBSIDIARIES

In the exercise of its management and coordination functions, BPER Banca issues guidance to the Group companies so that they implement the instructions issued by the Supervisory Authorities to ensure its stability, in accordance with the provisions of Bank of Italy Circular 285/2013.

The BPER Group's Governance Policy, last updated on 27 March 2023, regulates the principles governing the Group's governance, the system of internal controls and risk culture, the group information system and centralised processes.

In addition to monitoring the implementation of the Group's policies and regulations, the Board of Statutory Auditors of the Parent Company maintained constant contact with the relevant bodies of the banks and the main subsidiaries of BPER, organising regular meetings with them to exchange information on areas of particular interest: management performance, the implementation of Group directives, the operation of the internal control and risk management system, the main disputes, the outcome of any inspection activities.

Specifically, the Board of Statutory Auditors exchanged information with the Control Bodies of the main subsidiaries of BPER, both banking and non-banking, by sending specific questionnaires for the reporting of significant elements and/or facts, on the basis of which it then held individual meetings during the sessions of 3 and 18 February 2025.

No significant issues emerged from the information exchanges and discussions in relation to the exercise of management and coordination powers by the Parent Company, nor were any matters of concern reported by the Boards of Statutory Auditors of the subsidiaries.

9. ESG ISSUES AND CONSOLIDATED SUSTAINABILITY STATEMENT

During its supervisory activities, the Board of Statutory Auditors noted the BPER Group's growing and increasing focus – particularly by the Board of Directors – on ESG issues, which affect all areas of the Bank. This is in compliance with the requirements of Bank of Italy Circular 285/2013, which stipulates that when defining its strategies, the Body with strategic supervision must take into account the objectives of sustainable finance and, in particular, the incorporation of environmental, social and governance factors into the processes relating to corporate decisions, and pursue sustainable success (see also "Borsa Italiana Corporate Governance Code" of January 2020).

In particular, the Board of Statutory Auditors received detailed information on the main ESG projects under the previous 2022-2025 Business Plan and the New Business Plan, on interactions with the ECB regarding the matter, on the Group's Sustainability Statement, and on the related preparatory processes, including the definition of "double materiality".

Materiality analysis

The materiality analysis relating to the 2024 Sustainability Statement was prepared by the Bank in accordance with the new process defined by the Corporate Sustainability Reporting Directive, transposed into Italian law through Legislative Decree no. 125/24, and, in relation to internal regulations, by the "Group Regulation governing the process for the preparation of consolidated sustainability reporting".

The aforementioned regulation requires the definition of "double materiality", identifying two perspectives within which to frame corporate governance, social, and environmental issues, namely: (i) how these influence the financial performances of a company and its long-term value (impacts suffered) and (ii) the effects the company causes on society and the surrounding environment (impacts generated).

The output generated from this process is represented by the list of material Impacts, Risks and Opportunities (IRO) that the Bank has reported as being significant.

2022-2025 Business Plan and monitoring of the ESG Infusion Projects

Including by attending the Sustainability Committee sessions, the Board of Statutory Auditors received quarterly detailed reports on the progress status of ESG projects as well as a quantitative and trend analysis of specific ESG KPIs for Sustainability.

Consolidated sustainability reporting

The Bank has prepared Consolidated sustainability reporting, which:

- complies with the requirements of the applicable legislation, primarily Legislative Decree no. 125/2024, concerning corporate sustainability reporting, which transposed Directive 2022/2464 (Corporate Sustainability Reporting Directive – CSRD);

- is aligned with the new ESRS (European Sustainability Reporting Standards);
- includes, according to the criteria defined by Regulation (EU) 852/2020, the taxonomy alignment KPIs related to balance sheet assets (i.e. Green Asset Ratio – GAR) and off-balance sheet assets (i.e. financial guarantees granted – FinGuaR KPI and managed financial assets – AuM KPI) of the BPER Group.

The Consolidated Sustainability Statement has been prepared starting from the outcomes of the double materiality assessment and taking into account the significant Impacts, Risks, and Opportunities (IRO) along the entire value chain.

The EU Taxonomy for sustainable investments (Delegated Regulation EU 852/2020) has furthermore introduced, from 2022 onwards, disclosure obligations for companies and financial market participants subject to sustainability disclosure requirements. The regulation specifically requires that, from 1 January 2025, credit institutions report, in addition to alignment with the climate change mitigation and adaptation objectives, their alignment with the other four environmental objectives defined by the same Taxonomy: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems.

The Board of Statutory Auditors has also acknowledged the results of the audit activities conducted by the Financial & Sustainability Reporting Supervision Unit, as already mentioned in section 7, which also covered the Consolidated Sustainability Statement, as well as the contents of the Report issued by the Independent Auditors on 26 March 2025, which indicates that no elements have come to its attention that would suggest the Sustainability Statement for the financial year ended on 31 December 2024 was not prepared, in all material respects, in accordance with the relevant regulatory requirements.

In accordance with Legislative Decree No. 125 of 6 September 2024, the Board of Statutory Auditors certifies that, following the audits and the acquisition of information, no elements of non-compliance and/or violation of regulatory provisions have been identified.

10. REMUNERATION POLICIES

During 2024, the Board of Statutory Auditors supervised the remuneration aspects concerning the BPER Group, as well as: (i) the remuneration to be paid to Directors holding special offices, also considering the provisions of the Remuneration Policy in relation to the variable component; and (ii) the distribution among the members of the Board Committees of the ceiling amount approved by the Shareholders' Meeting concerning the remuneration of said Committees.

The Board of Statutory Auditors also assessed the structural elements of the short-term incentive system MBO 2025 for the Control Functions.

On 19 April 2024, the BPER Shareholders' Meeting approved the "2024 Remuneration Policies" and amendments to the "2024 Remuneration Policies" were approved at the following Shareholders' Meeting on 3 July 2024.

The Board of Directors, at its meeting on 12 March 2025, subject to the prior favourable opinion of the Remuneration Committee, approved the “2025 Remuneration Report on remuneration policies and compensation paid”, including the remuneration policies for the period and the annual disclosure on the implementation of the 2024 “Remuneration Policies”, which will be presented to the Shareholders’ Meeting on 18 April 2025.

In this regard, having verified the correct identification of the beneficiaries, the compliance with the criteria for determining variable remuneration and the related allocation methods, as well as the remuneration structure, the Board of Statutory Auditors examined the opinion issued by the Compliance Function certifying compliance with the Supervisory Provisions and with the provisions on Corporate Information pursuant to Article 123-*ter* of the Consolidated Law on Finance and Article 84-*quarter* of the Consob Issuers' Regulation, providing the indications set forth in Schedule no. 7-*bis* of Annex 3 of the latter Regulation.

The Board of Statutory Auditors also acknowledged that the Board of Directors, at its meeting on 12 March 2025, approved the Report on the proposed authorisation to purchase and dispose of treasury shares pursuant to articles 2357 and 2357-*ter* of the Italian Civil Code and art. 132 of Legislative Decree 58/1998 (the 'Consolidated Law on Finance') to service incentive plans based on financial instruments (both newly adopted schemes, such as the 2025 MBO and 2025-2027 LTI Plan, and the 2022-2024 LTI and the still-active short-term plans, for the portions not yet vested or deferred), which will be submitted to the aforementioned Shareholders' Meeting.

Finally, the Board of Statutory Auditors reviewed the audit performed by Internal Audit to assess the processes concerning remuneration and incentive policies in terms of compliance and adequacy with Circular 285/2013 and the "2025 Report on Remuneration Policy and Compensation Paid". For this purpose, the following were examined: the adequacy of the process for defining Remuneration Policies, the fairness of remuneration payments, and the adequacy of contributions from second-level Control Functions. From a forward-looking perspective, the preparatory steps for the preparation of the 2025 Remuneration Policy were examined. No particular issues were identified during the review.

11. *GOVERNANCE*

The Board of Statutory Auditors monitored the actual implementation of corporate governance rules and did not identify any critical issues.

<u>The Company’s compliance with the Code of Corporate Governance and the Report on corporate governance</u>

BPER Banca adheres to the Code of *Corporate Governance* recently approved in January 2020, by the Corporate Governance Committee promoted, inter alia, by Borsa Italiana s.p.a.

With a letter dated 17 December 2024, the Chair of the Corporate Governance Committee (the “Committee”) addressed to the Bank (as to all issuer companies) the customary letter aimed at providing details of the monitoring activities carried out by the Committee regarding the application of the corporate governance provisions and highlighting the main vulnerabilities identified by said Committee during the year, as well as formulating recommendations to promote the evolution of corporate Governance according to the principles of the “Corporate Governance Code” (the “Recommendations of the Corporate Governance Committee for 2025”, hereinafter the "Recommendations").

The Chair’s Letter and the related Recommendations were thoroughly examined by the Board of Statutory Auditors at the meeting held on 18 February 2025, as well as by the Board of Directors at the meeting of 20 February 2025.

The Board of Statutory Auditors further examined the Corporate Governance and Ownership Structure Report for 2024, prepared pursuant to art. 123-bis of the Consolidated Law on Finance and approved by the Board of Directors on 12 March 2025.

The Board of Statutory Auditors finally verified that the aforementioned Report provided details of the Recommendations and the subsequent initiatives undertaken and planned by the Bank to ensure its full and constant alignment with the Recommendations provided by the Corporate Governance Committee.

<u>The fulfilment of the eligibility requirements for Directors and the self-assessment process of the Board of Directors</u>

The Board of Directors in office at the end of the 2024 financial year was appointed for the three-year period 2024-2026 by the Shareholders' Meeting of 19 April 2024.

Pursuant to the applicable legislation, the BPER Board of Directors on 5 May 2024, with the support of the Nominations and Corporate Governance Committee, verified that the Directors met the eligibility requirements and criteria and that they complied with the applicable regulatory and corporate governance provisions. During said meeting, the Board of Directors ascertained the adequacy of its composition at collective level and compliance of the actual composition with that identified as optimal in the Guidelines for Shareholders published in 2024 in view of the renewal of the Administrative Body.

On 30 April 2024, the Board of Directors assessed the independence of each non-executive director based on:

i) art. 148, paragraph 3, of the Consolidated Law on Finance;
ii) Ministerial Decree no. 169/2020;
iii) Recommendation 7 of the Code of Corporate Governance;
iv) the parameters of evaluation of the significance of professional, commercial or financial relations established by the “Rules for verifying the independence requirement of Directors”, updated by the Board of Directors on 16 June 2022.

The Board of Statutory Auditors, which participates in all meetings of the Nominations and Corporate Governance Committee, through the Chair or one of its members, monitored the process and, at the meeting of the Board of Directors of 30 April 2024, did not consider it necessary to make any observations in relation to the correct application of the criteria and the procedures for assessing independence adopted by the Board of Directors.

The Board of Statutory Auditors, by constantly participating in the meetings of the Nominations and Corporate Governance Committee, continuously supervised the self-assessment process of the Board of Directors for the 2024 financial year, carried out with the help of an external consultant.
Following the self-assessment process, the Board of Directors positively evaluated its composition and its function, presenting its results at the meeting on 20 February 2025.

<u>The fulfilment of the eligibility requirements for Statutory Auditors and the self-assessment process of the Board of Statutory Auditors</u>

The Board of Statutory Auditors was appointed for the three-year period 2024-2026 by the Shareholders' Meeting of 19 April 2024, and subsequently supplemented by the Shareholders' Meeting of 19 December 2024, in light of the resignation of the Chair Angelo Mario Giudici.

On 6 May 2024, the Board of Statutory Auditors verified that the members appointed by the Shareholders' Meeting of 19 April met the eligibility requirements and criteria and complied with the applicable regulatory and corporate governance provisions, including those relating to the prohibition of interlocking.

During said meeting, the Board of Statutory Auditors ascertained the adequacy of its composition at collective level and compliance of the actual composition with that identified as optimal in the Guidelines for Shareholders published in 2024 in view of the renewal of the Control Body.

Following the aforementioned verification, all the members of the BPER Board of Statutory Auditors were found to have the professionalism and expertise appropriate to the tasks entrusted to them.

On 6 May 2024, the Board of Statutory Auditors also assessed the independence of each Auditor based on:

i) art. 148, paragraph 3, of the Consolidated Law on Finance;

ii) art. 14 of Ministerial Decree 169/2020;

iii) Recommendations 7 and 9 of the Corporate Governance Code.

Subsequently, on 8 May 2024, the Board of Directors, based on the declarations made by the members of the Board of Statutory Auditors and the preliminary activities carried out by the relevant structures, also taking into account the outcome of the assessment conducted by the Board of Statutory Auditors itself and the opinion expressed by the Nominations and Corporate Governance Committee, verified – pursuant to art. 148, paragraph 4-*quater*, of the Consolidated Law on Finance – the absence of causes of ineligibility and disqualification and the presence of the requirements of integrity and professionalism for each member of the Board of Statutory Auditors, as provided under art. 148, paragraphs 3 and 4, of the Consolidated Law on Finance.

On 14 January 2025, following the Shareholders' Meeting of 19 December 2024, the Board of Statutory Auditors ascertained that the newly elected Chair of the Board of Statutory Auditors, Silvia Bocci, met the requirements and eligibility criteria, also with regard to compliance with the limit on the number of offices held, the prohibition on interlocking, the possibility of dedicating adequate time to the office, the possession of the independence requirements envisaged by the regulations in force and the Corporate Governance Code.

On said occasion, the Board of Statutory Auditors again evaluated the composition of the Body as a whole, ascertaining its adequacy in ensuring the independence and professionalism of its function.

On 16 January 2025, for the purposes of art. 148, paragraph 4-*quater* of the Consolidated Law on Finance, the Board of Directors confirmed the absence of causes of ineligibility and disqualification, as well as the existence of the integrity and professionalism requirements on the part of newly elected member.

As regards the self-assessment process of the Board of Statutory Auditors for 2024, it was carried out by said Board with the assistance of an external advisor. At the end of this process, the Board of Statutory Auditors deemed its composition to be adequate overall and considered that it had carried out its supervisory and control activities effectively during the first year of its mandate. Based on the outcomes of the assessment, the Board of Statutory Auditors also formulated some considerations geared towards increasingly more effective development of its operations.

12. OMISSIONS AND REPREHENSIBLE FACTS RECORDED. OPINIONS PROVIDED AND INITIATIVES UNDERTAKEN.

Information about any complaints received pursuant to article 2408 of the Italian Civil Code and actions taken

The Board of Statutory Auditors has not received any communications that could be considered complaints in accordance with Article 2408 of the Italian Civil Code during the period from 2024 up to the date of submission of this report.

Information about any petitions received and actions taken

In the course of 2024, the Board of Statutory Auditors received one communication that qualified as a complaint to the Supervisory Authorities. The communication was reviewed by the Board of Statutory Auditors, conducting the necessary in-depth analyses with the competent Corporate Functions and Structures to obtain the information required to examine and evaluate the matters at hand. The analyses conducted did not reveal any cases worthy of mention and, to date, no follow-up has been reported by the Authorities concerned.

Furthermore, during the year, the Board of Statutory Auditors acquired the information flows concerning customer complaints and statements prepared by the relevant internal structures; no critical issues to report in the overall process concerning customer complaints.

The Body was brought up to date about the Whistle-blowing reports by the Internal Audit Function and took note of the Whistle-blowing Report for 2024.

The IT upgrades made to the "Whistleblowing Communication" platform during 2024, along with the updating of the official websites of all Group Legal Entities that have adopted the Whistleblowing safeguards, ensure adequate protection for whistleblowers and greater immediacy of access and usability.

The framework will be further strengthened in 2025 through the delivery of dedicated training to all Group employees. This training, designed and delivered in collaboration with the Chief People Officer's structures, will further enhance awareness and accountability among employees in relation to the Internal Reporting System and the related strengthened safeguards, thereby contributing to the dissemination of a risk and control culture, also in line with the European Central Bank's Draft guide on governance and risk culture.

Subject to the above, no critical issues emerged in 2024 regarding the whistleblowing management process.

12.1 OPINIONS ISSUED BY THE BOARD OF STATUTORY AUDITORS PURSUANT TO THE LAW DURING 2024

During 2024 and up to the date of this report, the Board of Statutory Auditors issued a number of opinions and was consulted according to the provisions of the law.

In particular, given that the statutory audit engagement granted by the Shareholders' Meeting of 26 November 2016 to Deloitte & Touche s.p.a. for the 2017-2025 nine-year period will expire upon the approval of the Separate Financial Report of BPER Banca s.p.a. as at 31 December 2025, the Shareholders' Meeting of 19 April 2024 was presented with the reasoned proposal of the Board of Statutory Auditors whose mandate expired upon approval of the Financial Report as at 31 December 2023. This proposal was formulated pursuant to the combined provisions of art. 13 of Legislative Decree no. 39/2010 and art. 16 of Regulation 537/2014, regarding the appointment of the statutory auditor for the 2026-2034 financial years, the determination of the related fee, and the criteria for any adjustment of such fee during the engagement.

As previously mentioned in section 6, the Shareholders' Meeting approved the appointment of KPMG s.p.a. as independent auditor for the period 2026-2034, determining the relevant fee and the criteria for any adjustments of the same during the assignment, which may subsequently be approved by the Board of Directors.

Finally, on 28 May 2024, the Board of Statutory Auditors acknowledged the proposal to amend the "Group Regulation on the process of appointing independent auditors and their networks", approved by the Board of Directors on 5 June 2024. The new regulatory document incorporates improvement opportunities drawn from the experience gained during the years of effective implementation of the process, as well as the need for greater efficiency and streaming of the process itself. In this context, it should be noted that the Board of Statutory Auditors gave its favourable opinion on five proposals for the provision of non-audit services by the Independent Auditors.

With regard to the appointment processes, the Board of Statutory Auditors, as previously mentioned, gave its favourable opinion on the proposals to appoint the Manager responsible for preparing the Company's Financial Reports and the Chief Compliance Officer. It also expressed a favourable opinion on the approval by the Board of Directors of the proposed update to the "Group policy on related parties and associated persons", regarding the 2024 Validation Report on the internal rating system, and in relation to the remuneration of Directors holding special offices and members of Board committees.

Finally, three transactions pursuant to art. 136 of the Consolidated Law on Banking were unanimously approved by the Board of Directors and with the favourable vote of all members of the Board of Statutory Auditors.

13. PROPOSALS REGARDING THE FINANCIAL REPORT AND ITS APPROVAL

Shareholders,

Taking into account all of the above, considering the content of the audit reports issued by Deloitte & Touche s.p.a. and taking note of the attestations issued jointly by the Chief Executive Officer and the Manager responsible for preparing the company's Financial Reports, the Board of Statutory Auditors has no objections to your approving the draft Separate Financial Report of BPER Banca s.p.a. as at 31 December 2024 accompanied by the Report on Operations and the proposed allocation of BPER Banca's profit for the year 2024, as approved by the Board of Directors on 12 March 2025.

On the conclusion of the first year of our mandate, we wish to express our heartfelt thanks for the esteem and confidence shown with this appointment, and extend our gratitude to all the Directors, and among them, in particular, to the Chair of the Board of Directors, Fabio Cerchiai and the Chief Executive Officer, Gianni Franco Papa, the Management, the Internal Control Functions as well as to all personnel of the Bank for their fruitful collaboration and assistance in carrying out the functions and duties we were assigned.

Modena, 26 March 2025

The Board of Statutory Auditors

Silvia Bocci (Chair)

Michele Rutigliano (Standing Auditor)

Patrizia Tettamanzi (Standing Auditor)

OTHER ATTACHMENTS

CONTENTS

FINANCIAL STATEMENTS OF THE GROUP'S SUBSIDIARY COMPANIES AND BANKS

(*) With reference to the subsidiary Bibanca s.p.a., as it has scheduled the approval of its Financial Report as at 31 December 2024 after the approval and publication of the BPER Banca Consolidated Financial Report, the attached statements represent the financial position and economic results preliminarily approved by the same entity for the purpose of preparing the BPER Banca Consolidated Financial Report (the "Consolidation Reporting Package").

BPER BANK Luxembourg société anonyme
Public limited company
Share Capital: Euro 30,667,500 fully paid in
Registered office in Luxembourg

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents at banks and post offices	2,316,234	4,307,809
20.	Loans to banks:	337,284,795	463,462,568
	a) on demand	10,219,220	49,398,439
	b) other loans	327,065,575	414,064,129
40.	Loans to customers	288,954,962	319,321,847
50.	Bonds and other securities:	234,597,724	168,028,969
	a) of public issuers	171,477,796	76,454,891
	b) other issuers:	63,119,928	91,574,078
	c) financial institutions	-	-
	d) other issuers	-	-
60.	Shares, quotas and other equity instruments	2,467	7,490,747
70.	Equity investments	-	-
80.	Equity investments in Group Companies	-	-
90.	Intangible fixed assets	141,936	146,264
100.	Property, plant and equipment	269,110	205,669
130.	Other assets	4,167,433	3,050,434
140.	Accrued income and prepaid expenses:	6,117,743	4,002,457
	a) accrued income		
	Total assets	**873,852,405**	**970,016,762**

(in Euro)

Guarantees and commitments		2024	2023
10.	Guarantees granted	3,169,125	4,669,930
	of which: other guarantees	3,169,125	4,669,930
20.	Commitments	32,673,707	38,663,092

BPER BANK Luxembourg société anonyme
Public limited company
Share Capital: Euro 30,667,500 fully paid in
Registered office in Luxembourg

(in Euro)

Liabilities		2024	2023
10.	Due to banks:	480,607,799	448,332,988
	a) on demand	19,550,305	6,214
	b) forward or with notice	461,057,495	448,326,774
30.	Due to customers	260,447,925	405,715,744
	a) on demand	164,123,040	230,365,039
	b) forward or with notice	96,324,886	175,350,705
40.	Debt securities in issue:	-	-
	a) bonds	-	-
	b) forward or with notice	-	-
50.	Other liabilities	1,945,276	1,497,382
60.	Accrued expenses and deferred income:	25,335,825	18,935,942
	a) accrued expenses	-	-
80.	Provisions for risks and charges:	6,002,561	3,432,464
	a) provisions taxes and duties	5,658,152	3,151,448
	b) other provisions	344,409	281,016
110.	Subordinated liabilities	15,000,000	15,000,000
120.	Share capital	30,667,500	30,667,500
140.	Reserves:	46,434,742	37,105,862
	a) legal reserve	2,870,482	2,404,038
	d) other reserves	43,564,260	34,701,824
170.	Profit (loss) for the year	7,410,777	9,328,880
	Total liabilities	**873,852,405**	**970,016,762**

BPER BANK Luxembourg société anonyme
Public limited company
Share Capital: Euro 30,667,500 fully paid in
Registered office in Luxembourg

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
10.	Interest and similar income	31,673,254	31,659,850
20.	Interest and similar expense	(19,310,990)	(17,425,396)
30.	Dividends and other income:	-	-
	a) on shares, quotas and other equity instruments	-	-
	b) on equity investments in Group Companies	-	-
40.	Commission income	6,033,168	6,412,336
50.	Commission expense	(320,188)	(294,173)
60.	Profits (losses) from financial transactions	359,527	347,281
70.	Other operating income	245,603	599,989
80.	Administrative expenses:	(8,322,549)	(7,150,303)
	a) staff costs	(4,876,064)	(3,921,590)
	of which: wages and salaries	(4,115,695)	(3,260,632)
	social security charges	(477,423)	(439,596)
	other staff costs	(282,946)	(221,362)
	b) other administrative expenses	(3,446,484)	(3,228,713)
90.	Net adjustments to property, plant and equipment and intangible assets	(166,593)	(194,679)
100.	Provisions for risks and charges	-	-
110.	Other operating expense	(29,614)	(152,161)
120.	Net impairment adjustments on guarantees and commitments	(812,253)	(1,967,649)
130.	Write-backs on loans, guarantees issued and commitments	-	-
160.	Write-backs on property, plant, equipment and intangible assets	554,209	654,961
170.	**Profit (loss) from current operations**	**9,903,574**	**12,490,057**
180.	Non-recurring income	-	-
190.	One-off charges	-	-
200.	**Extraordinary profit (loss)**	-	-
220.	Income taxes for the period	(2,492,797)	(3,161,177)
230.	**Profit (loss) for the year**	**7,410,777**	**9,328,880**

Banco di Sardegna
Società per azioni
Share Capital: Euro 155,247,762 fully paid in
Tax Code and Companies' Register no. 01564560900
Registered office in Cagliari
Administrative headquarters and General Management - Sassari

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	4,456,461,655	4,045,344,908
20.	Financial assets measured at fair value through profit or loss	29,541,834	33,924,000
	a) financial assets held for trading	1,604,999	1,905,895
	c) other financial assets mandatorily measured at fair value	27,936,835	32,018,105
30.	Financial assets measured at fair value through other comprehensive income	86,011,793	89,700,943
40.	Financial assets measured at amortised cost	10,089,824,454	10,083,566,713
	a) loans to banks	1,484,777,972	1,496,088,195
	b) loans to customers	8,605,046,482	8,587,478,518
50.	Hedging derivatives	-	-
70.	Equity investments	115,426,578	165,887,802
80.	Property, plant and equipment	267,057,332	256,025,492
90.	Intangible assets	1,430,008	1,878,366
	of which		
	- goodwill	-	-
100.	Tax assets	125,346,064	166,240,125
	a) current	2,582,953	8,427,643
	b) deferred	122,763,111	157,812,482
110.	Non-current assets and disposal groups classified as held for sale	229,000	-
120.	Other assets	181,104,489	204,846,308
	Total assets	**15,352,433,207**	**15,047,414,657**

Liabilities and shareholders' equity		2024	2023
10.	Financial liabilities measured at amortised cost	13,569,214,484	13,478,628,515
	a) due to banks	1,462,438,498	1,514,515,912
	b) due to customers	12,087,325,421	11,927,383,407
	c) debt securities issued	19,450,565	36,729,196
20.	Financial liabilities held for trading	1,300,142	1,291,740
40.	Hedging derivatives	419,718	495,041
60.	Tax liabilities	11,933,219	13,902,938
	a) current	1,319,846	2,996,552
	b) deferred	10,613,373	10,906,386
70.	Liabilities associated with assets classified as held for sale	-	-
80.	Other liabilities	380,374,414	316,113,395
90.	Employee termination indemnities	10,284,374	14,489,438
100.	Provisions for risks and charges	164,549,052	166,191,682
	a) commitments and guarantees granted	11,724,919	10,539,507
	c) other provisions for risks and charges	152,824,133	155,652,175
110.	Valuation reserves	140,863,821	143,993,694
140.	Reserves	552,611,315	490,235,764
150.	Share premium reserve	126,318,353	126,318,353
160.	Share capital	155,247,762	155,247,762
180.	Profit (Loss) for the year (+/-)	239,316,553	140,506,335
	Total liabilities and shareholders' equity	**15,352,433,207**	**15,047,414,657**

Banco di Sardegna
Società per azioni
Share Capital: Euro 155,247,762 fully paid in
Tax Code and Companies' Register no. 01564560900
Registered office in Cagliari
Administrative headquarters and General Management in Sassari

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
10.	Interest and similar income	462,397,820	416,528,549
	of which: interest income calculated using the effective interest method	462,335,946	416,419,574
20.	Interest and similar expense	(156,421,427)	(112,028,021)
30.	**Net interest income**	**305,976,393**	**304,500,528**
40.	Commission income	201,736,852	209,155,718
50.	Commission expense	(13,273,418)	(10,692,572)
60.	**Net commission income**	**188,463,434**	**198,463,146**
70.	Dividends and similar income	8,412,740	4,556,174
80.	Net income from trading activities	891,347	429,008
90.	Net income from hedging activities	80,064	15,560
100.	Gains (Losses) on disposal or repurchase of:	2,981,200	2,250,528
	a) financial assets measured at amortised cost	2,981,200	2,250,528
	b) financial assets measured at fair value through other comprehensive income	-	-
	c) financial liabilities	-	-
110.	Net income on other financial assets and liabilities measured at fair value through profit or loss	688,536	2,339,955
	b) other financial assets mandatorily measured at fair value	688,536	2,339,955
120.	**Net interest and other banking income**	**507,493,714**	**512,554,899**
130.	Net impairment losses/write-backs for credit risk relating to:	(37,432,453)	(37,750,502)
	a) financial assets measured at amortised cost	(37,419,516)	(37,752,565)
	b) financial assets measured at fair value through other comprehensive income	(12,937)	2,063
140.	Gains (losses) from contractual modifications without derecognition	(31,472)	305,057
150.	**Net income from financial activities**	**470,029,789**	**475,109,454**
160.	Administrative expenses:	(284,317,217)	(299,106,283)
	a) staff costs	(158,820,603)	(171,719,524)
	b) other administrative expenses	(125,496,614)	(127,386,759)
170.	Net provisions for risks and charges	(4,088,047)	(3,572,053)
	a) commitments and guarantees granted	(1,185,412)	9,432,562
	b) other net provisions	(2,902,635)	(13,004,615)
180.	Net adjustments/write-backs to property, plant and equipment	(13,484,838)	(12,522,552)
190.	Net adjustments/write-backs to intangible assets	(448,357)	(139,493)
200.	Other operating expense/income	34,389,034	42,309,663
210.	**Operating costs**	**(267,949,425)**	**(273,030,718)**
220.	Gains (Losses) of equity investments	104,890,709	1,481,000
230.	Valuation differences on property, plant and equipment and intangible assets measured at fair value	(300,098)	(4,072,427)
240.	Impairment losses on goodwill	-	(1,650,000)
250.	Gains (Losses) on disposal of investments	(778,786)	(3,647)
260.	**Profit (Loss) from current operations before tax**	**305,892,189**	**197,833,662**
270.	Income taxes on current operations for the year	(66,575,636)	(57,327,327)
280.	**Profit (Loss) from current operations after tax**	**239,316,553**	**140,506,335**
300.	**Profit (loss) for the year**	**239,316,553**	**140,506,335**

Income statement items as at 31 December 2023 were re-stated following reclassification of some cost/income components. More specifically, following this reclassification, commission expense included Euro 2.3 million worth of charges for payment services provided (previously classified under "Other Administrative Expenses") and "Other operating income" included Euro 2.0 million worth of recoveries of costs for services ancillary to lending (previously classified as "Commission income").

Bibanca
Società per azioni
Share Capital: Euro 74,458,606.80 fully paid in
Tax Code and Companies' Register no. 01583450901
Registered office in Sassari

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	536,288,688	650,331,146
30.	Financial assets measured at fair value through other comprehensive income	19,560,581	15,129,935
40.	Financial assets measured at amortised cost	3,950,064,836	3,451,625,407
	a) loans to banks	13,884,740	19,696,132
	b) loans to customers	3,936,180,096	3,431,929,275
80.	Property, plant and equipment	10,754,033	11,956,636
90.	Intangible assets	4,384,807	4,418,738
100.	Tax assets	9,976,537	12,667,660
	a) current	768,916	782,540
	b) deferred	9,207,621	11,885,120
120.	Other assets	34,370,534	22,164,295
	Total assets	**4,565,400,016**	**4,168,293,817**

Liabilities and shareholders' equity		2024	2023
10.	Financial liabilities measured at amortised cost	4,087,032,605	3,710,812,867
	a) due to banks	3,821,544,510	3,446,688,777
	b) due to customers	265,488,095	264,124,090
	c) debt securities issued	-	-
60.	Tax liabilities	2,130,551	4,169,178
	a) current	1,005,987	3,352,314
	b) deferred	1,124,564	816,864
80.	Other liabilities	63,916,230	72,213,251
90.	Employee termination indemnities	575,076	751,450
100.	Provisions for risks and charges	17,865,490	15,566,208
	a) commitments and guarantees granted	544,129	356,321
	c) other provisions for risks and charges	17,321,362	15,209,887
110.	Valuation reserves	8,321,085	4,132,066
140.	Reserves	106,852,743	89,628,955
150.	Share premium reserve	139,067,612	139,067,612
160.	Share capital	74,458,607	74,458,607
170.	Treasury shares (-)	(5,784)	(5,784)
180.	Profit (Loss) for the year (+/-)	65,185,802	57,499,407
	Total liabilities and shareholders' equity	**4,565,400,016**	**4,168,293,817**

Bibanca
Società per azioni
Share Capital: Euro 74,458,606.80 fully paid in
Tax Code and Companies' Register no. 01583450901
Registered office in Sassari

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
10.	Interest and similar income	204,758,702	159,888,102
	of which: interest income calculated using the effective interest method	204,743,142	159,883,044
20.	Interest and similar expense	(69,445,353)	(51,846,374)
30.	**Net interest income**	**135,313,349**	**108,041,728**
40.	Commission income	116,767,494	106,207,496
50.	Commission expense	(54,013,894)	(48,827,802)
60.	**Net commission income**	**62,753,600**	**57,379,694**
70.	Dividends and similar income	92,329	57,791
80.	Net income from trading activities	10,225	(185)
100.	Gains (Losses) on disposal or repurchase of:	-	-
	b) financial assets measured at fair value through other comprehensive income	-	-
120.	**Net interest and other banking income**	**198,169,503**	**165,479,028**
130.	Net impairment losses/write-backs for credit risk relating to:	(31,317,903)	(11,904,483)
	a) financial assets measured at amortised cost	(31,317,903)	(11,904,483)
140.	Gains (losses) from contractual modifications without derecognition	(4,474)	(2,071)
150.	**Net income from financial activities**	**166,847,125**	**153,572,474**
160.	Administrative expenses:	(78,455,232)	(78,002,609)
	a) staff costs	(17,522,797)	(19,242,351)
	b) other administrative expenses	(60,932,435)	(58,760,258)
170.	Net provisions for risks and charges	(3,044,148)	(1,437,936)
	a) commitments and guarantees granted	(187,808)	147,489
	b) other net provisions	(2,856,341)	(1,585,425)
180.	Net adjustments/write-backs to property, plant and equipment	(881,389)	(505,179)
190.	Net adjustments/write-backs to intangible assets	(1,398,160)	(1,166,714)
200.	Other operating expense/income	15,580,423	13,966,737
210.	**Operating costs**	**(68,198,506)**	**(67,145,701)**
230.	Valuation differences on property, plant and equipment and intangible assets measured at fair value	-	-
250.	Gains (Losses) on disposal of investments	(275,798)	(374)
260.	**Profit (Loss) from current operations before tax**	**98,372,821**	**86,426,399**
270.	Income taxes on current operations for the year	(33,187,019)	(28,926,992)
280.	**Profit (Loss) from current operations after tax**	**65,185,802**	**57,499,407**
300.	**Profit (loss) for the year**	**65,185,802**	**57,499,407**

Income statement items as at 31 December 2023 were re-stated following reclassification of some cost/income components. More specifically, following reclassification, "Commission expense" included charges for payment services rendered totalling Euro 9.8 million (previously classified under "Other administrative expenses").

BPER Real Estate
Società per azioni
Share Capital: Euro 159,233,925 fully paid in
Tax Code and Companies' Register no. 01795510237
Registered office in Modena

Balance sheet as at 31 December 2024

(in Euro)

Assets	2024	2023
Investment Property	266,374,940	254,272,841
Property, plant and equipment intended for business administration	7,026,000	7,050,000
Other property, plant and equipment	2,139,159	2,460,919
Intangible fixed assets	7,803	13,043
Financial assets measured at fair value through other comprehensive income	36,552	36,552
Equity investments	2,383,220	-
Deferred tax assets	187,825	110,341
Other non-current tax receivables	-	-
Trade receivables and other non-current assets	46,723,033	47,486,470
- of which Parent Company and its subsidiaries	46,207,611	46,953,667
- of which others	515,421	532,803
Total non-current assets	**324,878,532**	**311,430,166**
Inventories of goods	88,168,330	11,671,976
Other current tax receivables	3,805,698	2,198,708
Trade receivables and other current assets	4,845,705	2,846,158
- of which customers	441,735	664,129
- of which Parent Company and its subsidiaries	4,239,017	1,843,548
- of which others	164,953	338,481
Current tax assets	255,782	-
Cash and cash equivalents	99,035	793
- of which Parent Company and its subsidiaries	97,834	-
- of which Cash	1,201	793
Total current assets	**97,174,550**	**16,717,635**
Non-current assets held for sale	**984,740**	**1,563,500**
Total assets	**423,037,823**	**329,711,301**

BPER Real Estate
Società per azioni
Share Capital: Euro 159,233,925 fully paid in
Tax Code and Companies' Register no. 01795510237
Registered office in Modena

Liabilities and shareholders' equity	**2024**	**2023**
Share capital	191,830,824	159,233,925
Valuation reserves	25,753,447	25,745,468
Share premium reserve	17,172,826	17,172,826
Other reserves	67,431,544	61,662,808
Losses carried forward	(24,676,008)	(2,815,938)
Profit (loss) for the year	(10,768,013)	(21,860,069)
Shareholders' equity	**266,744,620**	**239,139,019**
Non-current payables due to banks and other lenders	109,164,406	48,771,836
- of which Parent Company and its subsidiaries	*64,589,590*	*3,406,666*
- of which others	*44,574,815*	*45,365,171*
Deferred tax liabilities	7,314,953	7,626,578
Provisions for risks and charges	2,835,575	21,103
Total non-current liabilities	**119,314,934**	**56,419,517**
Current payables due to banks and other lenders	26,421,511	27,384,707
- of which Parent Company and its subsidiaries	*25,641,209*	*26,605,183*
- of which others	*780,303*	*779,524*
Trade receivables and other current liabilities	10,509,655	6,481,350
- of which suppliers	*6,715,298*	*3,612,783*
- of which Parent Company and its subsidiaries	*1,515,477*	*2,370,470*
- of which others	*2,278,881*	*498,098*
Current tax liabilities	5,546	229,162
Other tax payables	41,557	57,545
Total current liabilities	**36,978,269**	**34,152,764**
Liabilities directly associated with assets held for sale	-	-
Total liabilities	**156,293,202**	**90,572,282**
Total Liabilities and Shareholders' Equity	**423,037,823**	**329,711,301**

BPER Real Estate
Società per azioni
Share Capital: Euro 159,233,925 fully paid in
Tax Code and Companies' Register no. 01795510237
Registered office in Modena

Income Statement as at 31 December 2024

(in Euro)

Items of the Income Statement	**2024**	**2023**
Revenues from sales and services	17,398,162	14,514,098
- of which from Parent Company and its subsidiaries	*10,523,880*	*10,793,711*
- of which from others	*6,874,282*	*3,720,386*
Changes in inventories of work in progress	(7,109,461)	-
Other income and revenues	1,908,883	2,281,278
- of which from Parent Company and its subsidiaries	*1,452,330*	*1,826,403*
- of which from others	*456,553*	*454,875*
Total value of production	**12,197,585**	**16,795,376**
Service costs	(7,660,603)	(6,344,050)
- of which from Parent Company and its subsidiaries	*(1,297,931)*	*(904,175)*
- of which from others	*(6,392,672)*	*(5,439,874)*
Costs for use of third-party assets	(74,128)	(37,282)
Amortisation, depreciation and write-downs	*(9,035,410)*	*(28,661,331)*
- of which write-downs/write-backs from property, plant and equipment intended for business administration	*128,432*	*308,386*
- of which write-downs from investment property	-	-
- of which write-downs from intangible assets	-	-
- of which write-down from receivables included in current assets	*(309,159)*	*(59,775)*
- of which net result of fair value measurement of investment property	*(8,164,494)*	*(28,276,864)*
- of which net result of fair value measurement of property, plant and equipment intended for business administration	-	-
- of which depreciation from investment property	*(29,679)*	*(55,755)*
- of which depreciation from Property, plant and equipment intended for business administration	*(152,432)*	*(80,386)*
- of which depreciation from other fixed assets	*(502,838)*	*(491,697)*
- of which amortisation from intangible assets	*(5,240)*	*(5,240)*
Provisions for risks and charges	(34,472)	50,940
Other operating costs	(3,821,306)	(3,228,135)
Total cost of production	**(20,625,920)**	**(38,219,858)**
Operating income	**(8,428,335)**	**(21,424,482)**
Dividends	-	-
Financial income	1,991,219	1,869,787
- of which from Parent Company and its subsidiaries	*1,947,207*	*1,869,445*
- of which from others	*44,012*	*343*
Financial charges	(4,275,052)	(2,679,996)
- of which from Parent Company and its subsidiaries	*(2,724,543)*	*(1,186,533)*
- of which from others	*(1,550,509)*	*(1,493,463)*
Write-down of equity investments	(392,802)	-
Profit (Loss) before tax	**(11,104,969)**	**(22,234,691)**
Taxes	336,956	374,622
- of which current	*(59,907)*	*(1,426,506)*
- of which deferred	*396,863*	*1,801,128*
Profit (loss) from current operations after tax	**(10,768,013)**	**(21,860,069)**
Profit (loss) after tax from discontinued operations	**-**	**-**
Profit (loss) after tax	**(10,768,013)**	**(21,860,069)**

Modena Terminal
Società a responsabilità limitata a socio unico
Share Capital: Euro 8,000,000 fully paid in
Tax Code and Companies' Register no. 00993810365
Registered office in Campogalliano

Balance sheet as at 31 December 2024

(in Euro)

Assets	2024	2023
B) Fixed assets, with those granted under a finance lease indicated separately:		
I. Intangible fixed assets	33,011	1,570
II. Tangible fixed assets	12,760,675	12,013,503
Total fixed assets, with those granted under a finance lease indicated separately	**12,793,686**	**12,015,073**
C) Current assets:		
I. Inventories:	103,229	65,001
II. Receivables, with those granted under a finance lease indicated separately:		
- due within one year	2,114,319	1,798,751
- due after one year	8,116	8,116
IV. Cash and cash equivalents	1,538,316	1,588,534
Total current assets	**3,763,980**	**3,460,402**
D) Accruals and deferrals, with separate indication of the discount on loans	4,415	3,444
Total assets	**16,562,081**	**15,478,919**

(in Euro)

Liabilities and shareholders' equity	2024	2023
A) Shareholders' equity:		
Capital	8,000,000	8,000,000
II. Share premium reserve	1,032,135	1,032,135
IV. Legal reserve	376,777	336,443
VII. Other reserves	4,064,571	3,298,225
VIII. Retained earnings (losses) carried forward	-	-
IX. Profit (loss) for the year	542,215	806,680
Total shareholders' equity	**14,015,698**	**13,473,483**
B) Provisions for risks and charges	250,000	126,000
a) Provisions for staff severance indemnities	625,810	657,398
D) Payables, with separate indication, for each item, of the amounts payable after the next financial year		
- payable within next financial year	1,579,562	1,106,804
- receivable after next financial year	-	-
Total payables, with separate indication, for each item, of the amounts payable after the next financial year	1,579,562	1,106,804
E) Accrued expenses and deferred income	91,011	115,234
Total liabilities and shareholders' equity	**16,562,081**	**15,478,919**

(in Euro)

Memorandum accounts	2024	2023
Sureties to third parties	330,916	250,000
Third-party assets deposited at the company	105,723,300	102,130,495
Total memorandum and guarantee accounts	**106,054,216**	**102,380,495**

Modena Terminal
Società a responsabilità limitata a socio unico
Share Capital: Euro 8,000,000 fully paid in
Tax Code and Companies' Register no. 00993810365
Registered office in Campogalliano

Income Statement as at 31 December 2024

(in Euro)

Items	2024	2023
A) Value of production:		
1) revenues from sales and services	7,369,045	7,182,275
5) other revenue and income, with operating grants indicated	273,515	442,883
- of which operating grants	-	107,890
Total value of production	**7,642,560**	**7,625,158**
B) Costs of production:		
6) raw materials, supplies and consumables	115,696	91,488
7) services	3,661,192	3,397,270
8) use of third-party assets	45,625	30,189
9) staff costs	1,601,535	1,533,509
10) amortisation, depreciation and write-downs:		
a) amortisation of intangible fixed assets	11,294	1,138
b) depreciation of property, plant and equipment	1,035,884	1,087,429
c) other write-downs of fixed assets	-	-
d) write-downs of receivables included in current assets and cash and cash equivalents	-	-
11) changes in inventories of raw materials, ancillary materials, consumables and commodities	(38,228)	3,290
12) provisions for risks	124,000	126,000
14) other operating costs	236,810	234,884
Total cost of production	**6,793,808**	**6,505,197**
Difference between production revenues and costs (A-B)	**-**	**1,119,961**
C) Financial income and expense:		
16) other financial income		
17) interest and other financial expense, with separate indication of those from subsidiaries and associates and to parent companies	(1,725)	(3,483)
Total net operating income and expense	**(1,725)**	**(3,483)**
Profit (loss) before tax	**847,027**	**1,116,478**
20) Income taxes for the year: current, deferred and prepaid	304,812	309,798
21) Profit (Loss) for the year	**542,215**	**806,680**

Sardaleasing
Società per azioni
Share Capital: Euro 184,122,460 fully paid in
Tax Code and Companies' Register no. 00319850905
Registered office in Sassari

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	4,729,043	4,572,487
20.	Financial assets measured at fair value through profit or loss	83,015,136	79,139,511
	c) other financial assets mandatorily measured at fair value	83,015,136	79,139,511
30.	Financial assets measured at fair value through other comprehensive income	68,192	123,725
40.	Financial assets measured at amortised cost	2,864,300,801	3,150,208,253
	a) loans to banks	2,288,358	167,823
	b) loans to financial institutions	47,720,538	48,955,654
	c) loans to customers	2,814,291,905	3,101,084,776
80.	Property, plant and equipment	18,278,971	39,048,912
90.	Intangible assets	2,764,280	2,600,222
100.	Tax assets	20,703,113	24,922,301
	a) current	445,856	-
	b) deferred	20,257,257	24,922,301
120.	Other assets	19,066,224	34,606,493
	Total assets	**3,012,925,760**	**3,335,221,904**

(in Euro)

Liabilities and shareholders' equity		2024	2023
10.	Financial liabilities measured at amortised cost	2,762,688,971	3,101,559,113
	a) payables	2,762,688,971	3,101,559,113
20.	Financial liabilities held for trading	-	69,296
60.	Tax liabilities	541,654	562,913
	a) current	-	22,557
	b) deferred	541,654	540,356
80.	Other liabilities	68,189,632	59,200,533
90.	Employee termination indemnities	487,410	762,991
100.	Provisions for risks and charges	11,373,762	12,227,314
	a) commitments and guarantees granted	342,019	640,152
	c) other provisions for risks and charges	11,031,743	11,587,162
110.	Share capital	184,122,460	184,122,460
140.	Share premium reserve	3,157,000	3,157,000
150.	Reserves	(30,055,813)	(33,350,298)
160.	Valuation reserves	3,570,214	3,616,097
170.	Profit (Loss) for the year	8,850,470	3,294,485
	Total liabilities and shareholders' equity	**3,012,925,760**	**3,335,221,904**

Sardaleasing
Società per azioni
Share Capital: Euro 184,122,460 fully paid in
Tax Code and Companies' Register no. 00319850905
Registered office in Sassari

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
10.	Interest and similar income	166,739,385	168,238,261
	of which: interest income calculated using the effective interest method	166,591,000	168,145,677
20.	Interest and similar expense	(117,291,422)	(115,049,899)
30.	**Net interest income**	**49,447,963**	**53,188,362**
40.	Commission income	2,956,342	3,165,664
50.	Commission expense	(1,146,283)	(1,186,002)
60.	**Net commission income**	**1,810,059**	**1,979,662**
70.	Dividends and similar income	1,538,724	957,589
80.	Net income from trading activities		(15,406)
100.	Gains (Losses) on disposal or repurchase of:	(237,112)	6,446,569
	a) financial assets measured at amortised cost	(237,112)	6,446,569
110.	Net income on financial assets and liabilities measured at fair value through profit or loss	(9,650,016)	(3,913,217)
	b) other financial assets mandatorily measured at fair value	(9,650,016)	(3,913,217)
120.	**Net interest and other banking income**	**42,909,618**	**58,643,559**
130.	Net impairment losses/write-backs for credit risk relating to:	(11,942,349)	(35,322,218)
	a) financial assets measured at amortised cost	(11,942,349)	(35,322,218)
140.	Gains (losses) due to contractual modifications without derecognition	*1,809*	*(27,791)*
150.	**Net income from financial activities**	**30,969,078**	**23,293,550**
160.	Administrative expenses:	(14,052,473)	(15,776,951)
	a) staff costs	(8,411,306)	(9,669,269)
	b) other administrative expenses	(5,641,167)	(6,107,682)
170.	Net provisions for risks and charges	(1,761,666)	648,014
	a) commitments and guarantees granted	298,134	893,188
	b) other net provisions	(2,059,800)	(245,174)
180.	Net impairment losses/write-backs to property, plant and equipment	(702,695)	(707,389)
190.	Net impairment losses/write-backs on intangible assets	(1,291,410)	(1,317,825)
200.	Other operating expense/income	(1,439,674)	(2,322,338)
210.	**Operating costs**	**(19,247,918)**	**(19,476,489)**
230.	**Valuation differences on property, plant and equipment and intangible assets measured at fair value**	**(981,337)**	**(1,288,329)**
250.	**Gains (Losses) on disposal of investments**	**(1,305,467)**	**40,000**
260.	**Profit (Loss) from current operations before tax**	**9,434,356**	**2,568,732**
270.	Income taxes on continuing operations for the year	(583,886)	725,753
280.	**Profit (Loss) from current operations after tax**	**8,850,470**	**3,294,485**
300.	**Profit (loss) for the year**	**8,850,470**	**3,294,485**

Estense Covered Bond
Società a responsabilità limitata
Share Capital: Euro 10,000 fully paid in
Tax Code and Treviso - Belluno Companies' Register no. 04362620264
BPER BANCA VAT GROUP - VAT NO. 03830780361
Registered office in Conegliano

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	43,948	20,035
100.	Tax assets:	4,740	4,842
	a) current	4,740	4,842
120.	Other assets	19,324	21,209
	Total assets	**68,012**	**46,086**

(in Euro)

Liabilities and shareholders' equity		2024	2023
60.	Tax liabilities:	628	-
	a) current	628	-
80.	Other liabilities	51,206	29,908
110.	Share capital	10,000	10,000
140.	Share premium reserve	2,000	2,000
150.	Reserves	4,178	4,178
170.	Profit (loss) for the year	-	-
	Total liabilities and shareholders' equity	**68,012**	**46,086**

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
10.	Interest and similar income	1,991	1,706
	of which: interest income calculated using the effective interest method	1,991	1,706
30.	**Net interest income**	**1,991**	**1,706**
50.	Commission expense	-	-
60.	**Net commission income**	**-**	**1,706**
120.	**Net interest and other banking income**	**1,991**	**1,706**
150.	**Net income from financial activities**	**-**	**1,706**
160.	Administrative expenses:	(136,868)	(117,477)
	a) staff costs	(27,475)	(25,479)
	b) other administrative expenses	(109,393)	(91,998)
200.	Other operating income/expense	136,125	115,771
210.	**Operating costs**	**(743)**	**(115,771)**
260.	**Profit (Loss) from current operations before tax**	**1,248**	**-**
270.	Income taxes on continuing operations for the year	(1,248)	-
280.	**Profit (Loss) from current operations after tax**	**-**	**-**
300	**Profit (loss) for the year**	**-**	**-**

Estense CPT Covered Bond
Società a responsabilità limitata
Share Capital: Euro 10,000.00 fully paid in
Tax Code and Treviso - Belluno Companies' Register no. 04730160266
BPER BANCA VAT GROUP - VAT NO. 03830780361
Registered office in Conegliano

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	34,552	26,853
	a) legal tender currency	34,552	26,853
100.	Tax assets:	3,923	4,577
	a) current	3,923	4,577
120.	Other assets	13,557	13,806
	Total assets	**52,032**	**45,236**

(in Euro)

Liabilities and shareholders' equity		2024	2023
60.	Tax liabilities:	1,642	-
	a) current	1,642	-
80.	Other liabilities	40,390	35,236
110.	Share capital	10,000	10,000
170.	Profit (loss) for the year	-	-
	Total liabilities and shareholders' equity	**52,032**	**45,236**

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
10.	Interest and similar income	1,219	92
30.	**Net interest income**	**1,219**	**92**
50.	Commission expense	(401)	(460)
60.	**Net commission income**	**(401)**	**(460)**
120.	**Net interest and other banking income**	**818**	**(368)**
160.	Administrative expenses:	(129,479)	(130,506)
	a) staff costs	(26,748)	(25,705)
	b) other administrative expenses	(102,731)	(104,801)
200.	Other operating income/expense	128,661	130,874
260.	**Profit (Loss) from current operations before tax**	**-**	**-**
270.	Income taxes on continuing operations for the year	-	-
280.	**Profit (Loss) from current operations after tax**	**-**	**-**
300	**Profit (loss) for the year**	**-**	**-**

BPER Factor
Società per azioni
Share Capital: Euro 54,590,910 fully paid in
Tax Code and Companies' Register no. 02231420361
Registered office in Bologna

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	12,253,792	12,253,191
30.	Financial assets measured at fair value through other comprehensive income	-	866,092
40.	Financial assets measured at amortised cost	2,279,616,151	2,178,200,109
	a) loans to banks	8,182,231	17,617,616
	b) loans to financial institutions	149,290,571	245,988,248
	c) loans to customers	2,122,143,349	1,914,594,245
80.	Property, plant and equipment	5,192,551	3,902,262
90.	Intangible assets	616,646	554,567
	of which		
	- goodwill	-	-
100.	Tax assets	2,761,995	3,403,722
	a) current	-	38,506
	b) deferred	2,761,995	3,365,216
120.	Other assets	3,619,593	3,834,130
	Total assets	**2,304,060,728**	**2,203,014,073**

(in Euro)

Liabilities and shareholders' equity		2024	2023
10.	Financial liabilities measured at amortised cost	2,055,321,097	1,990,289,229
	a) payables	2,055,321,097	1,990,289,229
60.	Tax liabilities	209,221	188,616
	a) current	156,938	126,090
	b) deferred	52,283	62,526
80.	Other liabilities	76,064,499	50,234,069
90.	Employee termination indemnities	587,418	778,149
100.	Provisions for risks and charges	16,110,268	16,073,152
	a) commitments and guarantees granted	24,795	13,625
	c) other provisions for risks and charges	16,085,473	16,059,527
110.	Share capital	54,590,910	54,590,910
140.	Share premium reserve	20,814,175	20,814,175
150.	Reserves	66,175,859	64,120,940
160.	Valuation reserves	(135,354)	(115,222)
170.	Profit (Loss) for the year	14,322,635	6,040,055
	Total liabilities and shareholders' equity	**2,304,060,728**	**2,203,014,073**

BPER Factor
Società per azioni
Share Capital: Euro 54,590,910 fully paid in
Tax Code and Companies' Register no. 02231420361
Registered office in Bologna

Income Statement as at 31 December 2024

(in Euro)

		2024	2023
10.	Interest and similar income	79,375,229	64,134,716
	of which: interest income calculated using the effective interest method	79,375,229	64,134,716
20.	Interest and similar expense	(55,747,083)	(41,328,382)
30.	**Net interest income**	**23,628,146**	**22,806,334**
40.	Commission income	17,835,903	17,976,932
50.	Commission expense	(7,088,806)	(6,347,955)
60.	**Net commission income**	**10,747,097**	**11,628,977**
70.	**Dividends and similar income**	**-**	**-**
80.	Net income from trading activities	27,100	(50,526)
100.	Gains (Losses) on disposal or repurchase of:	6,630	-
	a) financial assets measured at amortised cost	-	-
	b) financial assets measured at fair value through other comprehensive income	6,630	-
	c) financial liabilities	-	-
110.	Net income on financial assets and liabilities measured at fair value through profit or loss	-	-
	a) financial assets and liabilities designated at fair value	-	-
	b) other financial assets mandatorily measured at fair value	-	-
120.	**Net interest and other banking income**	**34,408,973**	**34,384,785**
130.	Net impairment losses/write-backs for credit risk relating to:	(282,821)	(3,556,703)
	a) financial assets measured at amortised cost	(283,164)	(3,556,695)
	b) financial assets measured at fair value through other comprehensive income	343	(8)
150.	**Net income from financial activities**	**34,126,152**	**30,828,082**
160.	Administrative expenses:	(13,136,654)	(13,308,904)
	a) staff costs	(8,288,713)	(8,759,480)
	b) other administrative expenses	(4,847,941)	(4,549,424)
170.	Net provisions for risks and charges	171,707	34,844
	a) commitments and guarantees granted	(11,171)	34,419
	b) other net provisions	182,878	425
180.	Net impairment losses/write-backs to property, plant and equipment	(508,160)	(536,549)
190.	Net impairment losses/write-backs on intangible assets	(235,228)	(288,640)
200.	Other operating expense/income	1,210,387	390,786
210.	**Operating costs**	**(12,497,948)**	**(13,708,463)**
230.	Valuation differences on property, plant and equipment and intangible assets measured at fair value	-	(144,000)
240.	Impairment losses on goodwill	-	(5,468,739)
260.	**Profit (Loss) from current operations before tax**	**21,628,204**	**11,506,880**
270.	Income taxes on continuing operations for the year	(7,305,569)	(5,466,825)
280.	**Profit (Loss) from current operations after tax**	**14,322,635**	**6,040,055**
290.	Profit (loss) from discontinued operations after tax	-	-
300.	**Profit (loss) for the year**	**14,322,635**	**6,040,055**

BPER Trust Company
Società per azioni a socio unico
Share Capital: Euro 500,000 fully paid in
Tax Code and Companies' Register no. 03443650365
Registered office in Modena

Balance sheet as at 31 December 2024

(in Euro)

Assets	2024	2023
C) Current assets:		
II. Receivables, with those granted under a finance lease indicated separately:		
- receivable within one year	650,380	506,383
- receivable after next financial year	-	-
IV. Cash and cash equivalents	1,030,857	829,590
Total current assets	**1,681,237**	**1,335,973**
D) Accruals and deferrals, with separate indication of the discount on loans		
- prepaid expenses	2,991	2,448
Total assets	**1,684,228**	**1,338,421**

(in Euro)

Liabilities and shareholders' equity	2024	2023
A) Shareholders' equity:		
Capital	500,000	500,000
IV. Legal reserve	40,428	31,219
VII. Other reserves	614,436	439,449
IX. Profit (loss) for the year	261,042	184,197
Total shareholders' equity	**1,415,906**	**1,154,865**
D) Payables, with separate indication, for each item, of the amounts payable after next financial year:		
- payable within one year	268,322	183,556
- payable after next financial year	-	-
Total liabilities and shareholders' equity	**1,684,228**	**1,338,421**

(in Euro)

Memorandum accounts	2024	2023
Third party assets held by the company:		
Other third party assets held by the company	-	-
Total memorandum and guarantee accounts	**-**	**-**

BPER Trust Company
Società per azioni a socio unico
Share Capital: Euro 500,000 fully paid in
Tax Code and Companies' Register no. 03443650365
Registered office in Modena

Income Statement as at 31 December 2024

(in Euro)

Items	2024	2023
A) Value of production:		
1) revenues from sales and services	674,075	509,724
5) other revenue and income, with operating grants indicated separately	8	19,318
Total value of production	**674,083**	**529,042**
B) Costs of production:		
7) services	305,388	272,222
8) use of third-party assets	2,626	2,612
14) other operating costs	2,593	2,771
Total cost of production	**310,607**	**277,605**
Difference between production revenues and costs (A-B)	**363,476**	**251,437**
C) Financial income and expense:		
16) other financial income	6	14
Total net operating income and expense	**6**	**14**
Profit (loss) before tax (A - B +/- C +/- D +/- E)	**363,482**	**251,451**
20) Income tax for the year: current, deferred, prepaid	102,440	67,254
21) Profit (Loss) for the year	**261,042**	**184,197**

Adras
Società per azioni a socio unico
Share capital: resolved - subscribed - paid-in for Euro 1,954,535.00
Tax Code and Companies' Register no. 02052820905
Registered office in Milan

Balance sheet as at 31 December 2024

(in Euro)

Assets	2024	2023
B) Fixed assets:	**27,526,123**	**27,385,621**
I. Intangible fixed assets	937	1,054
II. Tangible fixed assets	27,193,319	27,000,157
III. Financial fixed assets	331,867	384,409
C) Current assets:	**2,550,702**	**2,529,880**
I. Inventories:	-	-
II Loans and receivables:	292,566	392,931
a) within the next financial year	292,566	392,313
b) after the next financial year	-	618
- receivable after 12 months	-	-
IV. Cash and cash equivalents	2,258,136	2,136,949
D) Accruals and deferrals	**4,369**	**2,867**
Total assets	**30,081,194**	**29,918,367**

(in Euro)

Liabilities and shareholders' equity	2024	2023
A) Shareholders' equity:	**3,027,617**	**3,027,617**
Capital	1,954,535	1,954,535
III. Revaluation reserve	-	-
IV. Legal reserve	51,146	51,146
VII. Other reserves, indicated separately	19,000,000	19,000,000
VIII. Retained earnings (losses) carried forward	(17,978,064)	(17,917,565)
IX. Profit (loss) for the year	-	(60,499)
B) Provisions for risks and charges	**228,845**	**248,845**
a) Provisions for staff severance indemnities	**16,077**	**14,051**
Debts	**26,795,182**	**26,620,280**
a) payable within the next financial year	570,264	416,290
b) payable after the next financial year	26,224,918	26,203,990
E) Accrued expenses and deferred income	**13,473**	**7,574**
Total liabilities and shareholders' equity	**30,081,194**	**29,918,367**

Adras
Società per azioni a socio unico
Share capital: resolved - subscribed - paid-in for Euro 1,954,535.00
Tax Code and Companies' Register no. 02052820905
Registered office in Milan

Income Statement as at 31 December 2024

(in Euro)

Items	2024	2023
A) Value of production:		
1) revenues from sales and services	2,601,887	2,556,101
2) change in inventories	-	-
5) other income and revenues	589,190	753,951
c) contributions during the year	-	1,941
b) other	-	752,011
Total value of production	**3,191,077**	**3,310,052**
B) Costs of production:		
6) raw materials, ancillary materials, consumables and commodities	-	-
7) services	1,531,632	1,685,071
8) use of third-party assets	720	1,780
9) staff costs	32,508	32,357
a) wages and salaries	24,600	22,692
b) social security charges	5,828	7,437
c) employee termination indemnities	2,080	1,897
d) pension and similar obligations	-	-
e) other costs	-	330
10) Amortisation, depreciation and write-downs	1,167,279	1,247,380
a) Amortisation of intangible fixed assets	117	117
b) Depreciation of property, plant and equipment	1,051,618	1,032,634
c) Other write-downs of fixed assets	-	-
d) Write-down of receivables included in current assets and of cash and cash equiva-lents	115,544	214,629
12) provisions for risks	-	37,000
13) other provisions	-	-
14) other operating costs	344,371	352,153
Total cost of production	**3,076,510**	**3,355,740**
Difference between production revenues and costs (A-B)	**114,567**	**(45,688)**
C) Financial income and expense:		
16) other financial income	-	-
d) From receivables recorded under fixed assets	-	-
2) in associated companies	-	-
d) Other income	-	-
4) Other	-	-
17) interest and other financial expense	(55,540)	(1,130)
b) in associated companies	(22,342)	(265)
c) in parent companies	(33,177)	(603)
d) other	(21)	(262)
Total between financial income and expense (15+16+17+17-bis)	**(55,540)**	**(1,130)**
D) Value adjustments of financial assets	**-**	
18) revaluations	-	39,290
19) write-downs	(53,160)	(50,000)
a) of equity investments	-	-
b) of financial fixed assets that do not constitute equity investments	(53,160)	(50,000)
Total value adjustments of financial assets (18-19)	**(53,160)**	**(10,710)**
Profit (loss) before tax (A - B +/- C +/- D +/- E)	**5,867**	**(57,528)**
22) Income taxes for the period	-	
a) current tax	(5,867)	(2,971)
b) direct taxes of previous years	-	-
23) Profit (loss) for the year	**-**	**(60,499)**

Arca Holding Consolidated Annual Report

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	164,744,513	150,627,249
20.	Financial assets measured at fair value through profit or loss	259,778,621	231,049,376
	c) other financial assets mandatorily measured at fair value	259,778,621	231,049,376
40.	Financial assets measured at amortised cost	114,664,768	95,119,467
80.	Property, plant and equipment	17,956,347	18,505,771
90.	Intangible assets	116,425,963	118,314,818
	of which	-	-
	- goodwill	116,425,963	113,620,017
100.	Tax assets	26,100,106	28,180,770
	a) current	2,034,193	1,908,791
	b) deferred	24,065,913	26,271,979
120.	Other assets	3,634,309	7,587,495
	Total assets	**703,304,627**	**649,384,946**

(in Euro)

Liabilities and shareholders' equity		2024	2023
10.	Financial liabilities measured at amortised cost	85,706,062	64,473,900
	a) payables	85,706,062	64,473,900
60.	Tax liabilities	3,069,705	2,804,042
	a) current	1,078,912	922,026
	b) deferred	1,990,793	1,882,016
80.	Other liabilities	37,131,961	31,638,349
90.	Employee termination indemnities	242,245	387,641
100.	Provisions for risks and charges	1,868,400	1,269,153
	b) pension and similar obligations	618,400	619,153
	c) other provisions for risks and charges	1,250,000	650,000
110.	Share capital	50,000,000	50,000,000
150.	Reserves	440,293,141	422,830,704
160.	Valuation reserves	4,761,379	4,518,721
170.	Profit (Loss) for the year	80,231,734	71,462,436
	Total liabilities and shareholders' equity	**703,304,627**	**649,384,946**

Arca Holding Consolidated Annual Report

Income Statement as at 31 December 2024

(in Euro)

		2024	2023
10.	Commission income	440,843,136	380,982,320
20.	Commission expense	(281,079,384)	(235,013,315)
30.	**Net commission income**	**159,763,752**	**145,969,005**
50.	Interest and similar income	5,386,404	2,926,162
60.	Interest and similar expense	(63,807)	(127,618)
100.	Net income on financial assets and liabilities	11,448,579	11,377,133
	b) other financial assets mandatorily measured at fair value	11,448,579	11,377,133
110.	**Net interest and other banking income**	**176,534,928**	**160,144,682**
130.	**Net income from financial activities**	**176,534,928**	**160,144,682**
140.	Administrative expenses:	(57,137,748)	(55,808,547)
	a) staff costs	(23,535,577)	(22,379,939)
	b) other administrative expenses	(33,602,171)	(33,428,608)
150.	Net provisions for risks and charges	(600,000)	44,539
160.	Net impairment losses/write-backs to property, plant and equipment	(1,140,179)	(1,198,353)
170.	Net impairment losses/write-backs on intangible assets	(1,894,305)	(1,094,849)
180.	Other operating income/expense	634,762	192,749
190.	**Operating costs**	**(60,137,470)**	**(57,864,461)**
210.	Valuation differences on property, plant and equipment and intangible assets measured at fair value	**-**	**-**
240.	**Profit (Loss) from current operations before tax**	**116,397,458**	**102,280,221**
250.	Income taxes on continuing operations for the year	(36,165,724)	(30,817,785)
260.	**Profit (Loss) from current operations after tax**	**80,231,734**	**71,462,436**
290.	Profit (loss) from discontinued operations after tax	-	-
280.	**Profit (loss) for the year**	**80,231,734**	**71,462,436**

Arca Holding
Società per azioni
Share Capital: Euro 50,000,000 fully paid in
Tax Code and Companies' Register no. 07155680155
Registered office in Milan, via Disciplini 3

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	46,096,208	48,686,893
20.	Financial assets measured at fair value through profit or loss	53,219,279	37,438,757
	c) other financial assets mandatorily measured at fair value	53,219,279	37,438,757
70.	Equity investments	174,443,483	174,443,483
100.	Tax assets	17,033,339	20,291,290
	a) current	281,323	53,706
	b) deferred	16,752,016	20,237,584
120.	Other assets	2,489,227	4,197,404
	Total assets	**293,281,536**	**285,057,827**

Liabilities and shareholders' equity		2024	2023
60.	Tax liabilities	242,008	922,026
	a) current	242,008	922,026
80.	Other liabilities	121,362	187,747
110.	Share capital	50,000,000	50,000,000
150.	Reserves	179,948,054	178,781,575
170.	Profit (Loss) for the year	62,970,112	55,166,479
	Total liabilities and shareholders' equity	**293,281,536**	**285,057,827**

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
40.	Dividends and similar income	66,000,000	57,500,000
50.	Interest and similar income	713,583	183,519
100.	Net income on financial assets and liabilities measured at fair value through profit or loss	999,822	1,522,321
	b) other financial assets mandatorily measured at fair value	999,822	1,522,321
110.	Net interest and other banking income	67,713,405	59,205,840
130.	**Net income from financial activities**	**67,713,405**	**59,205,840**
140.	**Administrative expenses:**	**-2,076,520**	**-2,226,229**
	a) staff costs	(1,617,683)	(1,712,351)
	b) other administrative expenses	(458,837)	(513,878)
150.	Net provisions for risks and charges	-	44,539
180.	Other operating income/expense	(287)	783
190.	**Operating costs**	**(2,076,807)**	**(2,180,907)**
240.	**Profit (Loss) from current operations before tax**	**65,636,598**	**57,024,933**
250.	Income taxes on continuing operations for the year	(2,666,486)	(1,858,454)
260.	**Profit (Loss) from current operations after tax**	**62,970,112**	**55,166,479**
280.	**Profit (loss) for the year**	**62,970,112**	**55,166,479**

Arca Fondi SGR
Società per azioni
Share Capital: Euro 50,000,000 fully paid in
Tax Code and Companies' Register no. 09164960966
Registered office in Milan, via Disciplini 3

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	118,648,305	101,940,356
20.	Financial assets measured at fair value through profit or loss	206,559,342	193,610,619
	c) other financial assets mandatorily measured at fair value	206,559,342	193,610,619
40.	Financial assets measured at amortised cost	114,664,768	95,119,467
80.	Property, plant and equipment	17,956,347	18,505,771
90.	Intangible assets	116,425,963	118,314,818
	of which		
	- goodwill	116,425,963	113,620,017
100.	Tax assets	9,066,767	7,889,480
	a) current	1,752,870	1,855,085
	b) deferred	7,313,897	6,034,395
120.	Other assets	2,559,332	5,761,235
	Total assets	**585,880,824**	**541,141,746**

(in Euro)

Liabilities and shareholders' equity		2024	2023
10.	Financial liabilities measured at amortised cost	85,706,062	64,473,900
	a) payables	85,706,062	64,473,900
60.	Tax liabilities	2,827,697	1,882,016
	a) current	836,904	-
	b) deferred	1,990,793	1,882,016
80.	Other liabilities	38,424,849	33,821,746
90.	Employee termination indemnities	242,245	387,641
100.	Provisions for risks and charges	1,868,400	1,269,153
	b) pension and similar obligations	618,400	619,153
	c) other provisions for risks and charges	1,250,000	650,000
110.	Share capital	50,000,000	50,000,000
140.	Share premium reserve	124,408,896	124,408,896
150.	Reserves	194,379,674	186,583,716
160.	Valuation reserves	4,761,379	4,518,721
170.	Profit (Loss) for the year	83,261,622	73,795,957
	Total liabilities and shareholders' equity	**585,880,824**	**541,141,746**

Arca Fondi SGR
Società per azioni
Share Capital: Euro 50,000,000 fully paid in
Tax Code and Companies' Register no. 09164960966
Registered office in Milan, via Disciplini 3

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
10.	Commission income	440,843,136	380,982,320
20.	Commission expense	(281,079,384)	(235,013,315)
30.	**Net commission income**	**159,763,752**	**145,969,005**
50.	Interest and similar income	4,672,821	2,742,643
60.	Interest and similar expense	(63,807)	(127,618)
100.	Net income on financial assets and liabilities measured at fair value through profit or loss	10,448,757	9,854,812
	b) other financial assets mandatorily measured at fair value	10,448,757	9,854,812
110.	**Net interest and other banking income**	**174,821,523**	**158,438,842**
130.	**Net income from financial activities**	**174,821,523**	**158,438,842**
140.	Administrative expenses:	(55,080,227)	(53,601,318)
	a) staff costs	(21,917,893)	(20,667,589)
	b) other administrative expenses	(33,162,334)	(32,933,729)
150.	Net provisions for risks and charges	(600,000)	-
160.	Net impairment losses/write-backs to property, plant and equipment	(1,140,179)	(1,198,353)
170.	Net impairment losses/write-backs on intangible assets	(1,894,305)	(1,094,849)
180.	Other operating income/expense	654,048	210,966
190.	**Operating costs**	**(58,060,663)**	**(55,683,554)**
240.	**Profit (Loss) from current operations before tax**	**116,760,860**	**102,755,288**
250.	Income taxes on continuing operations for the year	(33,499,238)	(28,959,331)
260.	**Profit (Loss) from current operations after tax**	**83,261,622**	**73,795,957**
290.	Profit (loss) from discontinued operations after tax	-	-
280.	**Profit (loss) for the year**	**83,261,622**	**73,795,957**

Finitalia
Società per azioni
Share Capital: Euro 15,376,285 fully paid in
Tax Code and Companies' Register no. 01495490151
Registered office in Milan

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	131,086	168,209
40.	Financial assets measured at amortised cost	394,487,294	462,255,530
	a) loans to banks	1,017,147	853,316
	b) loans to financial institutions	640,691	4,036,006
	c) loans to customers	392,829,456	457,366,208
80.	Property, plant and equipment	2,962,778	3,257,429
100.	Tax assets	4,302,810	5,233,693
	a) current	1,175,015	3,892
	b) deferred	3,127,795	5,229,801
120.	Other assets	10,439,639	9,661,121
	Total assets	**412,323,607**	**480,575,982**

(in Euro)

Liabilities and shareholders' equity		2024	2023
10.	Financial liabilities measured at amortised cost	327,629,162	388,164,497
	a) payables	327,629,162	388,164,497
60.	Tax liabilities	75,445	996,724
	a) current	-	923,519
	b) deferred	75,445	73,205
80.	Other liabilities	12,112,494	15,802,125
90.	Employee termination indemnities	394,052	382,316
100.	Provisions for risks and charges	412,789	423,465
	c) other provisions for risks and charges	412,789	423,465
110.	Share capital	15,376,285	15,376,285
140.	Share premium reserve	258,228	258,228
150.	Reserves	47,352,278	41,962,225
160.	Valuation reserves	(213,335)	(209,249)
170.	Profit (Loss) for the year	8,926,209	17,419,366
	Total liabilities and shareholders' equity	**412,323,607**	**480,575,982**

Finitalia
Società per azioni
Share Capital: Euro 15,376,285 fully paid in
Tax Code and Companies' Register no. 01495490151
Registered office in Milan

Income Statement as at 31 December 2024

(in Euro)

	Items	2024	2023
10.	Interest and similar income	43,061,731	52,119,092
	of which: interest income calculated using the effective interest method	42,737,975	51,717,558
20.	Interest and similar expense	(10,100,281)	(12,368,530)
30.	**Net interest income**	**32,961,450**	**39,750,562**
40.	Commission income	1,456,146	10,356,413
50.	Commission expense	(3,918,992)	(6,277,090)
60.	**Net commission income**	**(2,462,846)**	**4,079,323**
70.	Dividends and similar income	-	-
110.	Net income on financial assets and liabilities measured at fair value through profit or loss	-	-
	b) other financial assets mandatorily measured at fair value	-	-
120.	**Net interest and other banking income**	**30,498,604**	**43,829,885**
130.	Net impairment losses/write-backs for credit risk relating to:	(2,717,336)	(2,683,801)
	a) financial assets measured at amortised cost	(2,717,336)	(2,683,801)
150.	**Net income from financial activities**	**27,781,268**	**41,146,084**
160.	Administrative expenses:	(16,339,086)	(18,155,602)
	a) staff costs	(8,172,667)	(7,894,518)
	b) other administrative expenses	(8,166,419)	(10,261,084)
170.	Net provisions for risks and charges	12,604	34,383
	a) commitments and guarantees granted	-	-
	b) other net provisions	12,604	34,383
180.	Net impairment losses/write-backs to property, plant and equipment	(330,351)	(425,584)
190.	Net impairment losses/write-backs on intangible assets	-	-
200.	Other operating expense/income	2,308,717	3,234,587
210.	**Operating costs**	**(14,348,116)**	**(15,312,216)**
250.	Gains (Losses) on disposal of investments	**779**	**33**
260.	**Profit (Loss) from current operations before tax**	**13,433,931**	**25,833,901**
270.	Income taxes on continuing operations for the year	(4,507,722)	(8,414,535)
280.	**Profit (Loss) from current operations after tax**	**8,926,209**	**17,419,366**
300.	**Profit (loss) for the year**	**8,926,209**	**17,419,366**

Banca Cesare Ponti
Società per azioni
Share Capital: Euro 64,000,000.00 fully paid in
Tax Code and Companies' Register no. 07051880966
Registered office in Milan, Piazza Duomo 19
Administrative headquarters and General Management in Milan, Piazza Duomo 19

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	1,663,008,265	94,862,849
20.	Financial assets measured at fair value through profit or loss	115,509,842	112,163,590
	a) financial assets held for trading	11,938,079	13,857,213
	b) financial assets designated at fair value	101,193,046	96,076,970
	c) other financial assets mandatorily measured at fair value	2,378,717	2,229,407
30.	Financial assets measured at fair value through other comprehensive income	50,650,390	53,914,554
40.	Financial assets measured at amortised cost	351,306,503	110,659,864
	a) loans to banks	212,408,282	29,188,924
	b) loans to customers	138,898,221	81,470,940
50.	Hedging derivatives	-	-
70.	Equity investments	-	-
80.	Property, plant and equipment	62,711,524	7,479,461
90.	Intangible assets	-	-
	of which		
	- goodwill	-	-
100.	Tax assets	9,941,253	2,417,107
	a) current	627,582	80,760
	b) deferred	9,313,671	2,336,347
110.	Non-current assets and disposal groups classified as held for sale	-	-
120.	Other assets	43,289,313	7,935,296
	Total assets	**2,296,417,090**	**389,432,721**

Liabilities and shareholders' equity		2024	2023
10.	Financial liabilities measured at amortised cost	1,820,326,185	154,533,720
	a) due to banks	26,308,929	1,659,709
	b) due to customers	1,702,570,235	146,309,443
	c) debt securities issued	91,447,021	6,564,568
20.	Financial liabilities held for trading	925,168	958,671
30.	Financial liabilities designated at fair value	107,933,511	104,960,056
40.	Hedging derivatives	15,557,213	15,939,511
50.	Change in value of macro-hedged financial liabilities (+/-)	-	-
60.	Tax liabilities	7,405,997	261,630
	a) current	7,142,300	-
	b) deferred	263,697	261,630
70.	Liabilities associated with assets classified as held for sale	-	-
80.	Other liabilities	107,008,053	8,453,690
90.	Employee termination indemnities	3,731,493	327,916
100.	Provisions for risks and charges	23,085,723	1,352,288
	a) commitments and guarantees granted	2,022	2,489
	b) pension and similar obligations	-	-
	c) other provisions for risks and charges	23,083,701	1,349,799
110.	Valuation reserves	(951,788)	(1,756,780)
140.	Reserves	84,129,369	81,131,034
150.	Share premium reserve	6,388,794	6,388,794
160.	Share capital	64,000,000	14,000,000
180.	Profit (Loss) for the year (+/-)	56,877,372	2,882,191
	Total liabilities and shareholders' equity	**2,296,417,090**	**389,432,721**

Banca Cesare Ponti
Società per azioni
Share Capital: Euro 64,000,000.00 fully paid in
Tax Code and Companies' Register no. 07051880966
Registered office in Milan, Piazza Duomo 19
Administrative headquarters and General Management in Milan, Piazza Duomo 19

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
10.	Interest and similar income	45,730,380	10,070,546
	of which: interest income calculated using the effective interest method	41,696,906	6,091,962
20.	Interest and similar expense	(18,683,433)	(1,286,795)
30.	**Net interest income**	**27,046,947**	**8,783,751**
40.	Commission income	178,061,484	10,808,532
50.	Commission expense	(677,504)	(583,535)
60.	**Net commission income**	**177,383,980**	**10,224,997**
80.	Net income from trading activities	2,695,714	3,923,560
90.	Net income from hedging activities	(161,484)	179,235
100.	Gains (Losses) on disposal or repurchase of:	173	6,534
	a) financial assets measured at amortised cost	173	6,534
110.	Net income on other financial assets and liabilities measured at fair value through profit or loss	(5,501,755)	(7,515,320)
	a) financial assets and liabilities designated at fair value	(5,651,064)	(7,605,770)
	b) other financial assets mandatorily measured at fair value	149,309	90,450
120.	**Net interest and other banking income**	**201,463,575**	**15,602,757**
130.	Net impairment losses/write-backs for credit risk relating to:	(159,257)	(65,908)
	a) financial assets measured at amortised cost	(161,722)	(66,616)
	b) financial assets measured at fair value through other comprehensive income	2,465	708
140.	Gains (losses) from contractual modifications without derecognition	-	-
150.	**Net income from financial activities**	**201,304,318**	**15,536,849**
160.	Administrative expenses:	(157,947,673)	(11,560,993)
	a) staff costs	(81,549,403)	(5,397,693)
	b) other administrative expenses	(76,398,270)	(6,163,300)
170.	Net provisions for risks and charges	(468,178)	(4,235)
	a) commitments and guarantees granted	467	2,326
	b) other net provisions	(468,645)	(6,561)
180.	Net adjustments/write-backs to property, plant and equipment	(5,995,095)	(1,373,768)
190.	Net adjustments/write-backs to intangible assets	-	-
200.	Other operating expense/income	47,748,513	1,041,666
210.	**Operating costs**	**(116,662,433)**	**(11,897,330)**
250.	Gains (Losses) on disposal of investments	-	547,630
260.	**Profit (Loss) from current operations before tax**	**84,641,885**	**4,187,149**
270.	Income taxes on current operations for the year	(27,764,513)	(1,304,958)
280.	**Profit (Loss) from current operations after tax**	**56,877,372**	**2,882,191**
300.	**Profit (loss) for the year**	**56,877,372**	**2,882,191**

BPER Reoco

Income Statement as at 30 June 2024

(in Euro)

Items of the Income Statement	2024
Revenues from sales and services	4,459,912
- of which from Parent Company and its subsidiaries	*43,755*
- of which from others	*4,416,157*
Changes in inventories of work in progress	(2,747,674)
Other income and revenues	57,586
- of which from Parent Company and its subsidiaries	*14,593*
- of which from others	*42,993*
Total value of production	**1,769,824**
Costs for raw materials	-
Service costs	(3,075,158)
- of which from Parent Company and its subsidiaries	*(397,227)*
- of which from others	*(2,677,931)*
Costs for use of third-party assets	(1,685)
Amortisation, depreciation and write-downs	(776,703)
- of which write-downs from receivables included in current assets	*(410,958)*
- of which net result of fair value measurement of investment property	*(359,000)*
- of which net result of fair value measurement of property, plant and equipment intended for business administration	-
- of which amortisation from Rights of use on property	*(3,905)*
- of which depreciation from Property, plant and equipment intended for business administration	-
- of which depreciation from other fixed assets	*(2,840)*
- of which amortisation from intangible assets	-
Provisions for risks and charges	-
Other operating costs	(483,372)
- of which from Parent Company and its subsidiaries	*(262)*
- of which from others	*(483,110)*
Total cost of production	**(4,336,918)**
Operating income	**(2,567,094)**
Dividends	-
Financial income	309
- of which from Parent Company and its subsidiaries	*309*
- of which from others	-
Financial charges	(1,496,923)
- of which from Parent Company and its subsidiaries	*(1,496,887)*
- of which from others	*(36)*
Write-down of equity investments	(208,029)
Profit (Loss) before tax	**(4,271,737)**
Taxes	-
- of which current	-
- of which deferred	-
Profit (loss) from current operations after tax	**(4,271,737)**
Profit (loss) after tax from discontinued operations	**-**
Profit (loss) after tax	**(4,271,737)**

The Company was merged into BPER Real Estate with accounting effect from 1 July 2024.

Carige Covered Bond
Società a responsabilità limitata
Share Capital: Euro 10,000.00 fully paid in
Tax Code and Companies' Register no. 05887770963
Registered Office in Via Cassa di Risparmio 15, Genoa

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	76,206	77,955
100.	Tax assets	6,043	1,187
	a) current	6,043	1,187
120.	Other assets	27,019	31,490
	Total assets	**109,268**	**110,632**

Liabilities and shareholders' equity		2024	2023
10.	Financial liabilities measured at amortised cost	65,856	69,154
	a) payables	65,856	69,154
60.	Tax liabilities	444	2,489
	a) current	444	2,489
80.	Other liabilities	32,968	28,989
160.	Share capital	10,000	10,000
	Total liabilities and shareholders' equity	**109,268**	**110,632**

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
10.	Interest and similar income	642	-
30.	**Net interest income**	**642**	**-**
50.	Commission expense	(10)	(7,440)
60.	**Net commission income**	**(10)**	**(7,440)**
120.	**Net interest and other banking income**	**632**	**(7,440)**
160.	Administrative expenses:	(104,850)	(91,244)
	a) staff costs	(20,860)	(18,529)
	b) other administrative expenses	(83,990)	(72,715)
200.	Other operating expense/income	104,799	101,067
210.	**Operating costs**	**(51)**	**9,823**
260.	**Profit (Loss) from current operations before tax**	**581**	**2,383**
270.	Income taxes on current operations for the year	(581)	(2,383)
300.	**Profit (loss) for the year**	**-**	**-**

Lanterna Finance
Società a responsabilità limitata
Share Capital: Euro 10,000.00 fully paid in
Tax Code and Companies' Register no. 08703420961
Registered office in Genoa

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
10.	Cash and cash equivalents	178,532	58,228
100.	Tax assets	373,956	-
	a) current	*373,956*	-
120.	Other assets	23,811	78,223
	Total assets	**576,299**	**136,451**

Liabilities and shareholders' equity		2024	2023
60.	Tax liabilities	-	1,990
	a) current	-	1,990
80.	Other liabilities	566,299	124,461
160.	Share capital	10,000	10,000
	Total liabilities and shareholders' equity	**576,299**	**136,451**

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
50.	Commission expense	(83)	(421)
60.	**Net commission income**	**(83)**	**(421)**
120.	**Net interest and other banking income**	**(83)**	**(421)**
150.	**Net income from financial activities**	**(83)**	**(421)**
160.	Administrative expenses:	(62,430)	(89,663)
	a) staff costs	(20,860)	(19,560)
	b) other administrative expenses	(41,570)	(70,103)
200.	Other operating expense/income	62,513	92,074
210.	**Operating costs**	**83**	**2,411**
260.	**Profit (Loss) from current operations before tax**	**-**	**1,990**
270.	Income taxes on current operations for the year	-	(1,990)
280.	**Profit (Loss) from current operations after tax**	**-**	**-**
300.	**Profit (loss) for the year**	**-**	**-**

Lanterna Mortgage
Società a responsabilità limitata
Share Capital: Euro 10,000.00 fully paid in
Tax Code and Companies' Register no. 09342920965
Registered office in Genoa

Balance sheet as at 31 December 2024

(in Euro)

ASSETS	2024	2023
C) CURRENT ASSETS		
II. Loans		
receivable within next financial year	1,890	4,509
Total loans	**1,890**	**4,509**
IV. Cash and cash equivalents	8,403	8,510
Total cash and cash equivalents	**8,403**	**8,510**
TOTAL CURRENT ASSETS (C)	**10,293**	**13,019**
D) ACCRUALS AND DEFERRALS	**12,200**	**12,200**
TOTAL ASSETS (A+B+C+D)	**22,493**	**25,219**

LIABILITIES	2024	2023
A) SHAREHOLDERS' EQUITY:		
I. Share capital	10,000	10,000
TOTAL SHAREHOLDERS' EQUITY (A)	**10,000**	**10,000**
D) DEBTS		
- payable within next financial year	12,493	15,219
TOTAL PAYABLES (D)	**12,493**	**15,219**
TOTAL LIABILITIES (A+B+C+D+E)	**22,493**	**25,219**

Lanterna Mortgage
Società a responsabilità limitata
Share Capital: Euro 10,000.00 fully paid in
Tax Code and Companies' Register no. 09342920965
Registered office in Genoa

Income Statement as at 31 December 2024

(in Euro)

Items	2024	2023
A) VALUE OF PRODUCTION:		
5) other revenues and income	52,408	50,599
TOTAL VALUE OF PRODUCTION (A)	**52,408**	**50,599**
B) COSTS OF PRODUCTION:		
6) raw materials, ancillary materials, consumables and commodities;	-	-
7) service costs;	51,934	47,279
14) other operating costs.	474	1,430
TOTAL COST OF PRODUCTION (B)	**52,408**	**48,709**
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	**-**	**1,890**
C) FINANCIAL INCOME AND EXPENSE:		
17) interest and other financial charges	-	-
TOTAL FINANCIAL INCOME AND EXPENSE (C)	-	-
PROFIT (LOSS) BEFORE TAX (A-B+/-C+/-D+)	-	**1,890**
INCOME TAXES FOR THE YEAR	-	1,890
23) PROFIT (LOSS) FOR THE YEAR	**-**	**-**

St. Anna Golf
Società a responsabilità limitata
Share Capital: Euro 50,000.00 fully paid in
Tax Code and Companies' Register no. 02919060109
Registered office in Genoa
Administrative headquarters and General Management - Via Cassa di Risparmio 15, Genoa

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
B)	FIXED ASSETS		
	I - Intangible assets		
	Total intangible fixed assets	1,752	5,976
	b) financial assets designated at fair value		
	II - Materials		
	Total property, plant and equipment	8,535,939	8,314,627
	III - Financial		
	Total fixed financial assets	81,356	519,426
	TOTAL FIXED ASSETS (B)	8,619,047	8,840,029
C)	CURRENT ASSETS		
	I - Inventories		
	Total inventories	670,000	680,000
	II - Loans		
	Total loans	476,468	391,083
	- receivable within next financial year	476,468	391,083
	IV - Cash and cash equivalents		
	Total cash and cash equivalents	666	174,730
	TOTAL CURRENT ASSETS (C)	1,147,134	1,245,813
D)	ACCRUED INCOME AND PREPAID EXPENSES	-	1,439
	Total assets	**9,766,181**	**10,087,281**

Liabilities and shareholders' equity		2024	2023
A)	SHAREHOLDERS' EQUITY		
	I - Capital	50,000	50,000
	II - Share premium reserve	957,283	957,283
	VI – Other reserves, indicated separately	1,500,000	1,500,000
	8) Payments to cover losses	1,500,000	1,500,000
	VIII - Retained earnings (losses) carried forward	(511,908)	-
	IX - Profit (loss) for the year	(541,904)	(511,908)
	Loss covered in the year		
	TOTAL SHAREHOLDERS' EQUITY (A)	1,453,471	1,995,375
	a) current		
	b) deferred		
B)	PROVISIONS FOR RISKS AND CHARGES		
	TOTAL PROVISIONS FOR RISK AND CHARGES (B)	119,739	123,739
D)	LIABILITIES		
	TOTAL PAYABLES (D)	8,158,193	7,921,439
	- payable within next financial year	1,096,705	599,820
	- payable after next financial year	7,061,488	7,321,619
E)	ACCRUED EXPENSES AND DEFERRED INCOME	34,778	46,728
	Total liabilities and shareholders' equity	**9,766,181**	**10,087,281**

St. Anna Golf
Società a responsabilità limitata
Share Capital: Euro 50,000.00 fully paid in
Tax Code and Companies' Register no. 02919060109
Registered office in Genoa
Administrative headquarters and General Management - Via Cassa di Risparmio 15, Genoa

Balance sheet as at 31 December 2024

(in Euro)

Items		2024	2023
A)	**VALUE OF PRODUCTION**		
	1) Revenues from sales and services	364,000	317,328
	2) Change in inventories of work in progress, semi-finished and finished products	(10,000)	50,000
	5) Other revenues and income relating to:	**69,610**	**20,774**
	- Core business	69,610	20,774
	- Extraordinary operations	-	-
	TOTAL VALUE OF PRODUCTION (A)	423,610	388,102
B)	**COSTS OF PRODUCTION**		
	6) Raw materials, ancillary materials, consumables and commodities	(9,026)	(17,852)
	7) services	(158,325)	(131,726)
	8) Use of third-party assets	(7,566)	(7,182)
	10) Amortisation, depreciation and write-downs	(223,974)	(222,430)
	a) Amortisation of intangible fixed assets	(876)	(876)
	b) Amortisation of property, plant and equipment	(223,098)	(221,554)
	12) Provisions for risks	-	(32,000)
	14) Other operating costs relating to:	(67,542)	(86,881)
	- Core business	(67,542)	(86,881)
	TOTAL COST OF PRODUCTION (B)	(466,433)	(498,071)
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	(42,823)	(109,969)
C)	**FINANCIAL INCOME AND EXPENSE**		
	17) Interest and other financial expense		
	e) other	(61,011)	(45,569)
	Total interest and other financial expense	(61,011)	(45,569)
	TOTAL FINANCIAL INCOME AND EXPENSE (15 + 16 - 17 +/- 17bis)	(61,011)	(45,569)
D)	**VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES**		
	19) Write-downs		
	a) of equity investments	(438,070)	(356,370)
	Total write-downs	(438,070)	(356,370)
	TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES (D)	(438,070)	(356,370)
	PROFIT (LOSS) BEFORE TAX (A - B +/- C +/- D)	(541,904)	(511,908)
	20) Income taxes for the year: current, deferred, prepaid	-	-
	b) taxes relating to previous years	-	-
	21) Profit (loss) for the year	**(541,904)**	**(511,908)**

Commerciale Piccapietra
Società a responsabilità limitata a socio unico
Share Capital: Euro 500,000 fully paid in
Tax Code and Companies' Register no. 02807740994
Registered office in Genoa

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
B)	Fixed assets, with those granted under a finance lease indicated separately:		
	I. Intangible fixed assets	412,015	412,015
	II. Tangible fixed assets	372,726	500
	Total fixed assets, with those granted under a finance lease indicated separately	**784,741**	**412,515**
C)	Current assets:		
	I. Inventories:		
	II Receivables, with those granted under a finance lease indicated separately:		
	- due within one year	2,860	-
	- due after one year		
	IV. Cash and cash equivalents	1,673,347	2,068,661
	Total current assets	**1,676,207**	**2,068,661**
D)	Accruals and deferrals, with separate indication of the discount on loans	-	93
	Total assets	**2,460,948**	**2,481,269**

Liabilities and shareholders' equity		2024	2023
A)	Shareholders' equity:		
	Capital	500,000	500,000
	II. Share premium reserve	-	-
	IV. Legal reserve	-	-
	VII. Other reserves	2,000,000	2,000,001
	VIII. Retained earnings (losses) carried forward	(37,742)	(25,923)
	IX. Profit (loss) for the year	(239,372)	(11,819)
	Total shareholders' equity	**2,222,886**	**2,462,259**
B)	Provisions for risks and charges	-	-
C)	Provisions for staff severance indemnities	-	-
D)	Payables, with separate indication, for each item, of the amounts payable after the next financial year		
	- payable within next financial year	238,062	19,010
	- payable after next financial year	-	-
	Total payables, with separate indication, for each item, of the amounts payable after the next financial year	**238,062**	**19,010**
E)	Accrued expenses and deferred income	-	-
	Total liabilities and shareholders' equity	**2,460,948**	**2,481,269**

Commerciale Piccapietra
Società a responsabilità limitata a socio unico
Share Capital: Euro 500,000 fully paid in
Tax Code and Companies' Register no. 02807740994
Registered office in Genoa

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
A)	**Value of production:**		
	1) revenues from sales and services	-	-
	5) other revenues and income, with operating grants indicated separately	-	1
	Total value of production	**-**	**1**
B)	**Costs of production:**		
	6) raw materials, supplies and consumables	-	-
	7) services	234,742	11,389
	8) use of third-party assets		
	9) staff costs		
	10) amortisation, depreciation and write-downs:		
	a) amortisation of intangible fixed assets		
	b) depreciation of property, plant and equipment		
	c) other write-downs of fixed assets		
	d) write-downs of receivables included in current assets and cash and cash equivalents		
	11) changes in inventories of raw materials, ancillary materials, consumables and commodities		
	12) provisions for risks		
	14) other operating costs	4,366	431
	Total cost of production	**239,108**	**11,820**
	Difference between production revenues and costs (A-B)	**(239,108)**	**(11,819)**
C)	**Financial income and expense:**		
	16) other financial income	-	-
	17) interest and other financial expense, with separate indication of those from subsidiaries and asso-ciates and to parent companies	264	-
	Total financial income and expenses	**(264)**	**-**
	Profit (loss) before tax	**(239,372)**	**(11,819)**
	20) Income taxes for the year: current, deferred and prepaid		
	21) Profit (loss) for the year	**(239,372)**	**(11,819)**

Annia
Società a responsabilità limitata a socio unico
Share capital: 100,000, fully paid-in
Tax Code and Companies' Register no. 12792090966
Registered office in Milan, via Mike Bongiorno 13
Administrative Headquarters and General Management - Milan, via Mike Bongiorno 13

Balance sheet as at 31 December 2024

(in Euro)

Assets		2024	2023
B)	**FIXED ASSETS**		
	I - Intangible assets		
	Total intangible fixed assets	1,500	2,000
	1) Start-up and expansion costs	1,500	2,000
	5) Goodwill	-	-
	II - Materials		
	Total property, plant and equipment	13,960,662	14,050,715
	1) Land and buildings	13,954,099	14,050,715
	2) Property, Plant and Equipment	6,563	-
	TOTAL FIXED ASSETS (B)	**13,962,162**	**14,052,715**
C)	**CURRENT ASSETS**		
	II - Loans	81,626	37,898
	1) from customers	80,481	37,423
	5-bis) tax receivables	807	-
	5-quarter) from others	338	475
	IV - Cash and cash equivalents	**2,105,727**	**1,681,008**
	1) bank and postal deposits	2,105,727	1,681,008
	TOTAL CURRENT ASSETS (C)	**2,187,353**	**1,718,906**
D)	**ACCRUED INCOME AND PREPAID EXPENSES**	**-**	**-**
	Total assets	**16,149,515**	**15,771,621**

(in Euro)

Liabilities and shareholders' equity		2024	2023
A)	**SHAREHOLDERS' EQUITY**		
	I - Capital	**100,000**	**100,000**
	II - Share premium reserve	**900,000**	**900,000**
	VIII - Retained earnings (losses) carried forward	(11,324)	-
	IX - Profit (loss) for the year	(58,927)	(11,324)
	TOTAL SHAREHOLDERS' EQUITY (A)	**929,749**	**988,676**
B)	**PROVISIONS FOR RISKS AND CHARGES**	**-**	**-**
C)	**PROVISIONS FOR STAFF SEVERANCE INDEMNITIES**	**-**	**-**
D)	**LIABILITIES**		
	TOTAL PAYABLES (D)	**15,213,151**	**14,782,945**
	7) Due to suppliers	43,177	68,915
	11) Due to Parent Companies	15,054,249	14,633,886
	12) Tax liabilities	2,234	10,891
	14) Other liabilities	113,491	69,253
E)	**ACCRUED EXPENSES AND DEFERRED INCOME**	**6,615**	**-**
	Total liabilities	**15,219,766**	**14,782,945**
	Total liabilities and shareholders' equity	**16,149,515**	**15,771,621**

Annia
Società a responsabilità limitata a socio unico
Share capital: 100,000, fully paid-in
Tax Code and Companies' Register no. 12792090966
Registered office in Milan, via Mike Bongiorno 13
Administrative Headquarters and General Management - Milan, via Mike Bongiorno 13

Income Statement as at 31 December 2024

(in Euro)

Items		2024	2023
A)	**VALUE OF PRODUCTION**		
	1) Revenues from sales and services	1,045,664	862,490
	2) Change in inventories of work in progress, semi-finished and finished products		
	5) Other revenue and income relating to:		
	- Core business	64,507	36,858
	- Extraordinary operations		
	TOTAL VALUE OF PRODUCTION (A)	1,110,171	899,348
B)	**COSTS OF PRODUCTION**		
	6) Raw materials, ancillary materials, consumables and commodities		
	7) Services	(458,337)	(265,151)
	8) Use of third-party assets		
	10) Amortisation, depreciation and write-downs	(350,737)	(346,010)
	a) Amortisation of intangible fixed assets	(500)	(501)
	b) Amortisation of property, plant and equipment	(350,237)	(345,509)
	14) Other operating costs relating to:	(146,638)	(116,222)
	- Core business	(146,638)	(116,222)
	TOTAL COST OF PRODUCTION (B)	(955,712)	(727,383)
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	154,459	171,965
C)	**FINANCIAL INCOME AND EXPENSE**		
	16) Other financial income	14	-
	17) Interest and other financial expense	(200,020)	(172,597)
	e) other		
	Total interest and other financial expense	(200,006)	(172,597)
	TOTAL FINANCIAL INCOME AND EXPENSE (15 + 16 - 17 +/- 17bis)	(200,006)	(172,597)
D)	**VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES**		
	19) Write-downs		
	a) of equity investments		
	Total write-downs		
	TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES (D)		
	PROFIT (LOSS) BEFORE TAX (A - B +/- C +/- D)	(45,547)	(632)
	20) Income taxes for the year: current, deferred, prepaid	(13,380)	(10,692)
	b) taxes relating to previous years		
	21) Profit (loss) for the year	**(58,927)**	**(11,324)**

SUMMARY DOCUMENT OF THE ESSENTIAL INFORMATION FROM THE MOST RECENT APPROVED FINANCIAL REPORT OF THE BANK'S SUBSIDIARIES

(Article 2429, paragraph 3, of the Italian Civil Code)

Cassa di Risparmio di Fossano s.p.a.

Financial Report as at 31/12/2024 (in Euro)

Items	
total assets	**2,093,643,625**
liabilities	1,883,331,768
shareholders' equity	175,888,546
profit for the year	34,423,311
total liabilities	**2,093,643,625**
revenues	119,119,434
costs	84,696,123
profit for the year	**34,423,311**

Cassa di Risparmio di Savigliano s.p.a.

Financial Report as at 31/12/2024 (in Euro)

Items	
total assets	**1,834,963,732**
liabilities	1,716,610,907
shareholders' equity	107,402,797
profit for the year	10,950,028
total liabilities	**1,834,963,732**
revenues	86,171,257
costs	75,221,229
profit for the year	**10,950,028**

Resiban s.p.a.

Financial Report as at 31/12/2024 (in Euro)

Items	
total assets	**2,567,098**
liabilities	1,688,104
shareholders' equity	634,615
profit for the year	244,379
total liabilities	**2,567,098**
revenues	4,086,251
costs	3,841,872
profit for the year	**244,379**

Unione Fiduciaria s.p.a.

Financial Report as at 31/12/2023 (in Euro)

Items	
total assets	**70,324,116**
liabilities	20,018,670
shareholders' equity	49,284,193
profit for the year	1,021,253
total liabilities	**70,324,116**
revenues	23,371,589
costs	22,350,336
profit for the year	**1,021,253**

Sarda Factoring s.p.a.

Financial Report as at 31/12/2024 (in Euro)

Items	
total assets	**58,453,561**
liabilities	49,339,797
shareholders' equity	8,377,959
profit for the year	735,805
total liabilities	**58,453,561**
revenues	4,705,061
costs	3,969,256
profit for the year	**735,805**

Alba Leasing s.p.a.

Financial Report as at 31/12/2024 (in Euro)

Items	
total assets	**5,303,918,091**
liabilities	4,846,497,078
shareholders' equity	437,322,669
profit for the year	20,098,344
total liabilities	**5,303,918,091**
revenues	334,617,292
costs	314,518,948
profit for the year	**20,098,344**

Lanciano Fiera - Polo Fieristico d'Abruzzo Consorzio

Financial Report as at 31/12/2023 (in Euro)

Items	
total assets	**596,789**
liabilities	401,796
shareholders' equity	94,917
profit for the year	100,076
total liabilities	**596,789**
revenues	671,741
costs	571,665
profit for the year	**100,076**

Nuova Erzelli s.r.l.

Financial Report as at 31/12/2023 (in Euro)

Items	
total assets	**19,806**
liabilities	7,730
shareholders' equity	20,000
loss for the year	(7,924)
total liabilities	**19,806**
revenues	1
costs	7,925
loss for the year	**(7,924)**

Gility s.r.l. Società Benefit

Financial Report as at 31/12/2023 (in Euro)

Items	
total assets	**5,432,376**
liabilities	406,745
shareholders' equity	6,354,200
loss for the year	(1,328,569)
total liabilities	**5,432,376**
revenues	1,037,398
costs	2,365,967
loss for the year	**(1,328,569)**

Gardant Bridge Servicing s.r.l.

Financial Report as at 31/12/2024 (in Euro)

Items	
total assets	**38,122,230**
liabilities	16,920,134
shareholders' equity	172,912
profit for the year	21,029,184
total liabilities	**38,122,230**
revenues	50,518,823
costs	29,489,639
profit for the year	**21,029,184**

GEOGRAPHICAL ORGANISATION OF THE GROUP

Group commercial banks

Details	BPER Banca	Banco di Sardegna	Banca Cesare Ponti	31.12.2024	31.12.2023
Emilia - Romagna	**239**	**-**	**-**	**239**	**249**
Bologna	46			46	47
Ferrara	25			25	27
Forlì – Cesena	22			22	22
Modena	56			56	58
Parma	23			23	23
Piacenza	4			4	4
Ravenna	23			23	26
Reggio Emilia	28			28	29
Rimini	12			12	13
Abruzzo	**59**	-	-	**59**	**65**
Chieti	25			25	26
L'Aquila	22			22	23
Pescara	6			6	8
Teramo	6			6	8
Basilicata	**25**	-	-	**25**	**25**
Matera	12			12	12
Potenza	13			13	13
Calabria	**48**	-	-	**48**	**50**
Catanzaro	9			9	9
Cosenza	18			18	20
Crotone	6			6	6
Reggio Calabria	12			12	12
Vibo Valentia	3			3	3
Campania	**79**	-	-	**79**	**84**
Avellino	14			14	15
Benevento	4			4	4
Caserta	8			8	8
Naples	30			30	33
Salerno	23			23	24
Friuli Venezia G.	**2**	-	-	**2**	**2**
Pordenone	1			1	1
Trieste	1			1	1
Lazio	**72**	**3**	**-**	**75**	**79**
Frosinone	6			6	6
Latina	10			10	12
Rieti	5			5	5
Rome	45	3		48	49
Viterbo	6			6	7
Liguria	**108**	**1**	**1**	**110**	**116**
Genova	59	1	1	61	65
Imperia	14			14	15
La Spezia	10			10	10
Savona	25			25	26

Details	BPER Banca	Banco di Sardegna	Banca Cesare Ponti	31.12.2024	31.12.2023
Lombardy	**264**	**1**	**1**	**266**	**274**
Bergamo	53			53	53
Brescia	72			72	73
Como	10			10	12
Cremona	5			5	5
Lecco	1			1	1
Lodi	3			3	3
Mantua	10			10	10
Milan	26	1	1	28	30
Monza Brianza	11			11	12
Pavia	24			24	25
Varese	49			49	50
Marche	**82**	-	-	**82**	**88**
Ancona	26			26	28
Ascoli Piceno	7			7	9
Fermo	9			9	9
Macerata	19			19	19
Pesaro-Urbino	21			21	23
Molise	**6**	-	-	**6**	**7**
Campobasso	4			4	4
Isernia	2			2	3
Piedmont	**73**	**-**	**-**	**73**	**78**
Alessandria	13			13	14
Asti	3			3	3
Biella	1			1	1
Cuneo	20			20	23
Novara	5			5	5
Turin	26			26	27
Verbano-Cusio-Ossola	3			3	3
Vercelli	2			2	2
Apulia	**51**	-	-	**51**	**51**
Bari	12			12	12
Barletta-Andria-Trani	7			7	7
Brindisi	6			6	6
Foggia	13			13	13
Lecce	5			5	5
Taranto	8			8	8
Sardinia	**-**	**265**	**-**	**265**	**280**
Cagliari		24		24	25
Nuoro		56		56	59
Oristano		35		35	39
Sassari		78		78	82
South Sardinia		72		72	75
Sicily	**43**	-	-	**43**	**43**
Agrigento	5			5	5
Catania	8			8	8
Enna	2			2	2
Messina	7			7	7
Palermo	12			12	13
Ragusa	2			2	1
Siracusa	3			3	3
Trapani	4			4	4

Details	BPER Banca	Banco di Sardegna	Banca Cesare Ponti	31.12.2024	31.12.2023
Tuscany	**68**	**1**	**-**	**69**	**73**
Arezzo	12			12	12
Florence	16			16	16
Grosseto	3			3	3
Livorno	4	1		5	5
Lucca	11			11	13
Massa e Carrara	12			12	14
Pisa	3			3	3
Pistoia	3			3	3
Prato	2			2	2
Siena	2			2	2
Aosta Valley	**1**	**-**	**-**	**1**	**1**
Aosta	1			1	1
Trentino-Alto Adige	**3**	-	-	**3**	**3**
Trento	3			3	3
Umbria	**17**	**-**	**-**	**17**	**17**
Perugia	14			14	14
Terni	3			3	3
Veneto	**45**	**-**	**-**	**45**	**50**
Belluno	2			2	2
Padua	11			11	13
Rovigo	5			5	5
Treviso	1			1	2
Venice	12			12	12
Verona	11			11	11
Vicenza	3			3	5
Total 31.12.2024	**1,285**	**271**	**2**	**1,558**	
Total 31.12.2023	**1,347**	**286**	**2**		**1,635**
Changes to the Group's geographical organisation during the period					**(77)**

Total branches of the Group

LIST OF IAS/IFRS ENDORSED BY THE EUROPEAN COMMISSION AS AT 31 DECEMBER 2024

Accounting standards

IAS/IFRS	ACCOUNTING STANDARDS	ENDORSEMENT (a)	AMENDMENTS
IAS 1	Presentation of Financial Statements	Reg. 1803/2023	Reg. 2822/2023
IAS 2	Inventories	Reg. 1803/2023	
IAS 7	Statement of Cash Flows	Reg. 1803/2023	Reg. 1317/2024
IAS 8	Accounting Policies, Changes in Accounting Estimates and Er-rors	Reg. 1803/2023	
IAS 10	Events after the Reporting Period	Reg. 1803/2023	
IAS 12	Income Taxes	Reg. 1803/2023	Reg. 2468/2023
IAS 16	Property, Plant and Equipment	Reg. 1803/2023	
IAS 19	Employee Benefits	Reg. 1803/2023	
IAS 20	Accounting for Government Grants and Disclosure of Govern-ment Assistance	Reg. 1803/2023	
IAS 21	Effects of Changes in Foreign Exchange Rates	Reg. 1803/2023	Reg. 2862/2024
IAS 23	Borrowing costs	Reg. 1803/2023	
IAS 24	Related Party Disclosures	Reg. 1803/2023	
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Reg. 1803/2023	
IAS 27	Separate Financial Statements	Reg. 1803/2023	
IAS 28	Investments in Associates and Joint Ventures	Reg. 1803/2023	
IAS 29	Financial Reporting in Hyperinflationary Economies	Reg. 1803/2023	
IAS 32	Financial instruments: presentation	Reg. 1803/2023	
IAS 33	Earnings per Share	Reg. 1803/2023	
IAS 34	Interim Financial Reporting	Reg. 1803/2023	
IAS 36	Impairment of Assets	Reg. 1803/2023	
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Reg. 1803/2023	
IAS 38	Intangible assets	Reg. 1803/2023	
IAS 39	Financial Instruments: Recognition and Measurement	Reg. 1803/2023	
IAS 40	Investment Property	Reg. 1803/2023	
IAS 41	Agriculture	Reg. 1803/2023	
IFRS 1	First-time Adoption of International Financial Reporting Standards	Reg. 1803/2023	Reg. 2862/2024
IFRS 2	Share-based Payment	Reg. 1803/2023	
IFRS 3	Business Combinations	Reg. 1803/2023	
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Reg. 1803/2023	
IFRS 6	Exploration for and Evaluation of Mineral Resources	Reg. 1803/2023	
IFRS 7	Financial Instruments: Disclosures	Reg. 1803/2023	Reg. 1317/2024
IFRS 8	Operating Segments	Reg. 1803/2023	
IFRS 9	Financial instruments	Reg. 1803/2023	
IFRS 10	Consolidated Financial Statements	Reg. 1803/2023	
IFRS 11	Joint Arrangements	Reg. 1803/2023	
IFRS 12	Disclosure of Interests in Other Entities	Reg. 1803/2023	
IFRS 13	Fair Value Measurement	Reg. 1803/2023	
IFRS 15	Revenue from Contracts with Customers	Reg. 1803/2023	
IFRS 16	Leases	Reg. 1803/2023	Reg. 2579/2023
IFRS 17	Insurance Contracts	Reg. 1803/2023	

Interpretations

IFRIC/SIC	INTERPRETATIONS	ENDORSEMENT (a)	AMENDMENTS
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Reg. 1803/2023	
IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments	Reg. 1803/2023	
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Reg. 1803/2023	
IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	Reg. 1803/2023	
IFRIC 7	Applying the Restatement Approach under IAS 29 Financial Re-porting in Hyperinflationary Economies	Reg. 1803/2023	
IFRIC 10	Interim Financial Reporting and Impairment	Reg. 1803/2023	
IFRIC 12	Service Concession Arrangements	Reg. 1803/2023	
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Re-quirements and their Interaction	Reg. 1803/2023	
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	Reg. 1803/2023	
IFRIC 17	Distributions of Non-cash Assets to Owners	Reg. 1803/2023	
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	Reg. 1803/2023	
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	Reg. 1803/2023	
IFRIC 21	Levies	Reg. 1803/2023	
IFRIC 22	Foreign Currency Transactions and Advance Consideration	Reg. 1803/2023	
IFRIC 23	Uncertainty over Income Tax Treatments	Reg. 1803/2023	
SIC 7	Introduction of the Euro	Reg. 1803/2023	
SIC 10	Government Assistance – No Specific Relation to Operating Activ-ities	Reg. 1803/2023	
SIC 25	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders	Reg. 1803/2023	
SIC 29	Service Concession Arrangements: Disclosures	Reg. 1803/2023	
SIC 32	Intangible Assets – Web Site Costs	Reg. 1803/2023	

Key: (a) Reg. 1803/2023 repeals Commission Regulation (EC) no. 1126/2008 adopting International Accounting Standards and related Interpretations issued or adopted by the IASB until 15 October 2008. This Regulation was amended to include Standards and related Interpretations issued or adopted by the IASB and adopted by the Commission until 8 September 2022, in accordance with Regulation (EC) No. 1606/2002.

RESOLUTIONS OF THE SHAREHOLDERS' MEETING HELD ON 18 APRIL 2025

The ordinary and extraordinary shareholders' meeting, in one call, chaired by Fabio Cerchiai, passed the following resolutions:

- 2024 Separate Financial Report approved, along with the proposal for the allocation of profit and the distribution of a cash dividend of Euro 0.60 per share for each of the 1,421,624,324 ordinary shares representing the share capital, for a maximum total amount of Euro 852,974,594.40 (net of those which will be held in the portfolio on the ex-date, on which no dividend will be paid);
- Section I and II of the 2025 Report on Remuneration Policy and Compensation Paid approved, respectively with a binding and non-binding resolution;
- 2025 MBO incentive plan based on financial instruments approved, pursuant to art. 114-bis of the Consolidated Law on Finance, as described in the relevant Information Document;
- 2025-2027 Long-Term Incentive plan (LTI) based on financial instruments approved, pursuant to art. 114-bis of the Consolidated Law on Finance, as described in the relevant Information Document;
- purchase and disposal of up to 3,000,000 BPER Banca s.p.a. ordinary shares approved (not exceeding a total value of approximately Euro 18 million), with no par value, to service the 2025 MBO incentive scheme and any prior shares in existing short- and long-term incentive plans, as well as any other compensation to be paid through financial instruments in implementation of the Remuneration Policies in force at any given time on the terms and conditions specified in the Explanatory Report of the Board of Directors to the Shareholders' Meeting;
- power granted to the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, to be exercised by 31 December 2025, to increase the share capital in one or more tranches, in divisible form, with the exclusion of the pre-emption right pursuant to art. 2441, paragraph 4, first indent, of the Italian Civil Code for a total maximum amount of EUR 981,120,051.74, in addition to a share premium, by issuing a maximum of 657,409,377 ordinary shares of the Company, with no par value, with regular dividend entitlement and the same characteristics as the ordinary shares outstanding at the issue date, whose issuance price will be determined by the Board of Directors in line with the provisions of the law, to be paid by contribution in kind to service the voluntary Public Exchange Offer over all the shares of Banca Popolare di Sondrio s.p.a., with subsequent amendments to art. 5 of the Articles of Association, in line with the proposal contained in the Explanatory Report of the Board of Directors to the Shareholders' Meeting; The effectiveness of this resolution remains subject to obtaining the assessment measure concerning the aforementioned amendments to the Articles of Association from the competent Supervisory Authorities, pursuant to art. 56 of the Consolidated Law on Banking.

It should be noted that, as foreseen in the Notice of Call, participation in the Shareholders' Meeting took place, without access to the meeting rooms, exclusively through the Designated Representative pursuant to art.135-undecies of Legislative Decree 58 of 24 February 1998 (Consolidated Law on Finance), in accordance with current legislation.

Exclusively through the Designated Representative, a total of 1,490 Shareholders with voting rights attended the Shareholders' Meeting representing a total of 883,778,998 ordinary shares, equal to 62.166846% of the share capital.