Shareholders' Meeting of 19 April 2024

Report of the Board of Directors

on the first and only item on the agenda of the extraordinary part

BPER Banca S.p.A. with head office in Via San Carlo 8/20, Modena, Italy – Tax Code and Modena Companies Register no. 01153230360 – Company belonging to the BPER BANCA GROUP VAT no. 03830780361 – Share capital Euro 2.104.315.691,40 - ABI code 5387.6 - Register of Banks no. 4932 - Member of the Interbank Deposit Protection Fund and of the National Guarantee Fund - Parent Company of the BPER Banca S.p.A. Banking Group registered in the Register of Banking Group no. 5387.6 - Phone no. 059.2021111 - Telefax no. 059.2022033 - e-mail: servizio.clienti@bper.it - PEC: bper@pec.gruppobper.it - bper.it – istituzionale.bper.it

BPER Banca S.p.A.

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Proposal to grant the Board of Directors the power to supplement, pursuant to Article 2420-ter of the Italian Civil Code, the share capital increase resolved by the Board in July 2019 to be used for the conversion of the Additional Tier 1 bond issued by the Bank on 25 July 2019, by issuing, in one or more tranches, up to a maximum of no. 30,000,000 additional ordinary shares to be used for the conversion of the aforementioned Additional Tier 1 bond, due to the conversion price adjustment. Amendment to art. 5 of the Articles of Association. Related and ensuing resolutions

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Dear Shareholders,

the Board of Directors of BPER Banca S.p.A. ("**BPER**" or the "**Bank**") has called an extraordinary meeting to submit for your approval the proposal to grant the Board, pursuant to art. 2420-*ter* of the Italian Civil Code, the power to integrate the capital increase of BPER approved by the Board of Directors in July 2019 to exclusively and irrevocably be used for the conversion of the bond loan called *€ 150,000,000 Convertible Additional Tier 1 Capital Notes* issued on 25 July 2019, by issuing a maximum of no. 30,000,000 additional BPER ordinary shares, with no express nominal value, having the same characteristics as the BPER ordinary shares outstanding at the issue date ("**Integration of the Capital Increase Servicing the Conversion**").This report, drafted pursuant to Article 2441, paragraph 6, of the Italian Civil Code, as well as Article 125-*ter* of the Consolidated Law on Finance (TUF) and Article 72 of the Consob Regulation on Issuers, is intended to explain this proposal.

1. EXPLANATION OF THE TRANSACTION, REASONS AND INTENDED USE OF THE CAPITAL INCREASE

This proposal is part of the *€ 150,000,000 Convertible Additional Tier 1 Capital Notes*, of perpetual duration and with a nominal value of Euro 150,000.000, issued by the Bank on 25 July 2019 - in implementation of the resolution passed by the Board of Directors on 11 July 2019, in execution of the mandate conferred by the Extraordinary Shareholders' Meeting of 4 July 2019 - at a subscription price of Euro 180,000,000, which at the time of issue, was reserved to Fondazione di Sardegna ("**POC AT1**").

In this regard, the aforementioned Extraordinary Shareholders' Meeting of BPER of 4 July 2019 granted, *inter alia*, the Board of Directors, pursuant to Article 2420-*ter* of the Italian Civil Code, the power – exercisable within, and no later than, 31 December 2019 -- to increase the share capital for cash, on a divisible basis and excluding option rights, pursuant to Article 2441, paragraph 5, of the Italian Civil Code, for a maximum total amount of Euro 150,000,000, including a share premium of Euro 42,857,142, servicing POC AT1 exclusively, by issuing a maximum of no. 35,714,286 ordinary BPER shares, at a unit price of Euro 4.2, of which Euro 3 to be allocated to share capital and Euro 1.2 to share premium ("**Delegation of power for the 2019 Capital Increase**"). The Board of Directors had therefore exercised the aforementioned Delegation of power for the 2019 Capital Increase on 11 July 2019, taking into account the BPER share price at the time of the exercise of said delegation.

That being said, the contractual documentation of the POC AT1 - and in particular the related terms and conditions ("**T&Cs**") – in the part that governs the right of conversion by securityholders, provides for, among other things, the following:

- the right to exercise the conversion right is granted to the securityholders within a deadline set on 25 July 2027 ("**Conversion Expiration Date**");

- the number of shares to be subscribed for if the conversion right is exercised is determined based on the ratio, as of the conversion date, between (i) the applicable principal amount of the securities; and (ii) the conversion price ("**Conversion Price**");

- a mechanism for adjusting the Conversion Price to be applied in the event that BPER approves dividends that, with reference to each fiscal year, turn out to be higher than a threshold established in relation to the price of each share and that, with specific regard to the fiscal year ending 31 December 2023, has been established as € 0.27 per share ("**2023 Dividend Threshold**").

On 7 February 2024, the Board of Directors, as already disclosed to the market, reviewed and approved the preliminary figures relating to the individual results and of BPER Group as at 31 December 2023, which include the proposal to distribute to Shareholders a unit cash dividend of Euro 0.30 for each of the 1,415,850,518 shares representing the share capital of BPER, for a maximum total amount of Euro 424,755,155.40 ("**2023 Dividends**"). This proposal was then formally approved by the Board of Directors on 6 March 2024, at the time of approval of the draft financial statements that will be submitted for approval to the Ordinary Shareholders' Meeting convened for 19 April 2024.

The "2023 Dividends" exceed the "2023 Dividend Threshold", thus making the Conversion Price adjustment mechanism applicable under the terms of the T&Cs.

In light of the aforementioned mechanism, should the conversion right of the POC AT1 be exercised by the relevant holders following the approval by the Shareholders' Meeting of the Dividends 2023, the number of shares set in the proxy for the 2019 Capital Increase would be insufficient to cover the full amount of the capital increase already resolved in 2019, as a result of any decrease in the relevant Conversion Price resulting from the adjustment. Therefore, there arises the need to take appropriate steps to supplement the aforementioned capital increase, in order to enable the issuance of the greater number of shares needed to cover any future conversions of the POC AT1, and this is both with reference to the possible adjustment resulting from the payment of the 2023 Dividends, and, prospectively, with reference to any further adjustments that may be necessary in the remaining fiscal years in the conversion period up to the Conversion Expiration Date.

The use of the delegation of power pursuant to Article 2420-*ter* of the Italian Civil Code may, to this end, ensure greater flexibility in the execution of the Integration of the Capital Increase Servicing the Conversion.

In particular, the delegation of power may be exercised from time to time in conjunction with any adjustment of the Conversion Price and to the extent necessary to permit the issue of all the shares underlying the POC AT1 in the event of any conversion at the initiative of the holders. In this respect, the Integration of the Capital Increase Servicing the Conversion is, therefore, severable.

In this regard, it should be noted that, in relation to the aforesaid Integration of the Capital Increase Servicing the Conversion, the prior authorisation process with the competent supervisory Authorities is pending. The issuance of the relevant decision is a necessary condition for the recording of the resolution of the Extraordinary Shareholders' Meeting in the Company Register and for the implementation of the resolution.

2. INFORMATION ON THE RESULTS FOR THE LAST FINANCIAL YEAR ENDED 31 DECEMBER 2023 AND GENERAL INDICATIONS OF THE PERFORMANCE OF OPERATIONS AND OUTLOOK FOR THE CURRENT FINANCIAL YEAR

2.1. Estimated results for the year ending 31 December 2023

On 6 March 2024, the Board of Directors reviewed and approved the draft annual financial statements and consolidated financial statements of the BPER Group as at 31 December 2023, which showed a consolidated net profit of Euro 1,519.5 million (of which Euro 432.4 million attributable to the fourth quarter of 2023).

2.1.1 Indications of the most significant trends recorded in the performance of deposits, also in relation to the types of bank loans and financial investments, with particular reference to quality of the credit

Direct deposits from customers increased to Euro 118.8 bn (+3.4% since the end of 2022). Among the main drivers was the good performance of term deposits (Euro +2.1 bn), bonds (Euro +4.9 bn) and certificates (Euro +1.1 bn) and the positive trend in repos (Euro +2.1 bn), all of which partially offset the Euro 8.0 bn decline in current accounts in 2023. A Senior Non-Preferred Bond issuance for an amount of Euro 500 mln with 6-year maturity and a call option after year 5, reserved for institutional customers, was successfully placed under the Bank’s Euro Medium-Term Notes (EMTN) Programme in September. A Euro 750 mln, 5-year, fixed-rate Covered Bond issuance reserved for institutional investors was successfully launched in November. The bonds qualify as BPER Banca’s first European Covered Bond (Premium) issuance in compliance with the new European directive transposed on 30 March 2023.

Indirect deposits from customers totalled Euro 170.1 bn. The aggregate includes assets under management, amounting to Euro 65.2 bn and up 7.7%, and assets under custody, amounting to Euro 83.8 bn and up 7.0%.

Net loans to customers amounted to Euro 88.2 bn (gross Euro 90.0 bn), down 3.2% since end-2022. The decrease in loans to businesses and households is primarily reflective of the slowdown in demand due to increased interest rates and the increased perception of uncertainty in the evolution of the macroeconomic scenario.

The disciplined approach to non-performing loan management and the derisking actions implemented have enabled the Bank to achieve high asset quality standards: the share of gross non-performing loans to customers (gross NPE ratio) is 2.4%, down on end-2022 (3.2%), whereas the share of net non-performing loans to customers (net NPE ratio) is 1.2%, down on end-2022 which was 1.4%.

The positive trend in the Bank's derisking process continued during the year, with two UTP portfolio disposals completed in April and May for an overall gross claim amount of approximately Euro 900 mln, which allowed for a further reduction of non-performing loans. The coverage ratio for total non-performing loans stood at 52.5% (from 57.1% at the end of 2022); coverage decrease is reflective of high-vintage, high coverage loan disposals during the year. Performing loan coverage stood at 0.74% (vs. 0.77% at the end of 2022) and Stage 2 loan coverage was 5.05% (up from 4.44% at the end of 2022).

Financial assets amounted to Euro 28.6 bn (20.1% of total assets). Within the aggregate, debt securities amounted to Euro 26.7 bn (93.3% of the total portfolio) with duration of 1.9 years net of hedging and include Euro 14.9 bn worth of bonds issued by governments and other supranational public entities, including Euro 9.0 bn of Italian government bonds, down 13.6% since end-2022.

2.1.2 Indication of the recent trends in the evolution of costs and revenues, with particular reference to the margin between interest rates and fees

Net interest income stood at Euro 3,251.8 mln up by 78.1% (Euro 1,825.9 mln in 2022).

Net commission income amounted to Euro 2,010.4 mln, up 3.5% (Euro 1,942.1 million in 2022).

Operating costs amounted to Euro 3,077.3 mln (Euro 2,787.8 mln in 2022).

Net operating income amounted to Euro 2,416.6 mln (Euro 1,470.6 mln in 2022).

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 2.50%, up from the previous year (it was 1.32% at 31 December 2022).

2.2. Outlook for operations

Stagnation in the euro area continued in the final months of 2023 and GDP was down 0.1% in the summer months compared to the previous quarter. The expansion of household consumption was countered by stagnating fixed investment and the negative contribution to growth from destocking. As regards supply, manufacturing and -to a lesser extent- construction value added continued to decline in the third quarter, while services added value increased, particularly in the information, communications and, to a lesser extent, the real estate sector. GDP was essentially at zero growth in all major countries except Spain, where it continued to increase driven by consumption expansion. The most recent economic indicators point to a level of GDP for the Euro area in the fourth quarter that is almost unchanged compared to the prior period. In its October and December meetings, the ECB Governing Council decided to keep the key interest rates unchanged. Past increases in key interest rates continue to be vigorously transmitted to the economy. Tighter lending conditions are dampening demand and contributing to the fall in inflation. According to the ECB projections published in December, GDP growth is expected to recover to 0.8% in 2024 (from an estimated 0.6% in 2023), before stabilising at 1.5% in 2025 and 2026. Compared with last September, projections have been revised downwards for 2023 and 2024 on account of the slowdown in the international economic cycle and tighter financing conditions for households and businesses.

Growth in Italy remained close to zero in the final months of 2023, dampened by tighter credit conditions and by the persistence of high energy prices; consumption stagnated and investment contracted. Economic activity turned downwards again in manufacturing, while holding stable in services; it grew in construction, which continued to benefit from tax incentives. According to the Bank of Italy’s latest projections, prepared as part of the Eurosystem's coordinated exercise, GDP will grow by 0.6% in 2024 (compared with an estimated 0.7% in 2023) and by 1.1% in each of the following two years.

In this scenario, the Bank’s profitability will continue to be underpinned by net interest income, net commission income, and actions to offset the impact of inflationary trends on costs. The capital position is expected to remain robust.

For the 2024 financial year, a guidance is assumed for a slight decrease in net interest income arising from a potentially narrower banking spread in relation to a less restrictive monetary policy, positive dynamics in net commission income on the back of growing revenues from asset management and advisory services, operating costs in line with 2023, with additional consideration of the full effect from the renewal of the national labour agreement (CCNL) for the Financial Sector. On the asset quality front, the expectation is to maintain sound coverage levels and a conservative provisioning approach with a stable cost of credit with respect to 2023. Recurring net profit is expected to be in line with 2023, net of Euro 380 mln in deferred tax assets on tax losses. The Bank’s capital strength will be confirmed and strengthened.

3. UNDERWRITING AND/OR PLACEMENT SYNDICATES AND ANY OTHER FORMS OF PLACEMENT PROVIDED FOR

Since this is an integration of a share capital increase already resolved upon, servicing exclusively the conversion of the POC AT1, no underwriting and/or placement syndicates are involved. No other forms of placement are envisaged.

4. CRITERIA FOR DETERMINING THE NUMBER OF SHARES TO BE ISSUED FOR SERVICING THE CONVERSION

The number of shares to be issued has been decided on the basis of the parameters originally taken into consideration at the time of the issue of the POC AT1 and presented to the shareholders at the Extraordinary Shareholders' Meeting of 4 July 2019. It was also taken into account the mechanism for adjusting the Conversion Price under the terms provided for by the T&Cs that may have to be applied, time by time, until the expiry of the Conversion Period.

The newly issued shares will have regular dividend rights and the same characteristics as the shares outstanding at their issue date. The shares thus issued will be admitted to trading on the electronic share market of Borsa Italiana.

The issue price of the new shares will be determined by the Board of Directors (including any share premium) upon the exercise of the delegation of power and taking into account the applicable Conversion Price, without prejudice to the application of the provisions of Article 2441(6) of the Civil Code. Deloitte & Touche S.p.A., auditing firm, will issue, pursuant to Article 2441, paragraph 6, of the Italian Civil Code and Article 158 of the Consolidated Law on Finance (TUF), an opinion on the fairness of the issue price of the Shares due to the holders of the POC AT1 determined by the Board of Directors. The aforementioned opinion will be made available, taking into account the delegated structure of the capital increase, in accordance with the provisions in force.

5. SHAREHOLDERS WHO HAVE DECLARED THEIR WILLINGNESS TO SUBSCRIBE FOR THE SHARES

The subscription of the Integration of the Capital Increase Servicing the Conversion relating to the BPER ordinary shares that will be issued in the exercise of the delegation of power that is the subject of this Report is reserved exclusively to the holders of POC AT1.

6. JUSTIFICATION FOR THE EXCLUSION OF PRE-EMPTIVE RIGHTS

The Integration of the Capital Increase Servicing the Conversion will be carried out with the exclusion of the option right pursuant to Article 2441, paragraph 5, of the Italian Civil Code, exclusively reserved to the holders of the POC AT1, for the reasons indicated above.

As explained above, the exclusion of the option right is due to the decision to reserve the subscription of POC AT1 exclusively and irrevocably to the Fondazione di Sardegna from the beginning.

That being said, since this Integration of the Capital Increase Servicing the Conversion is part of the issue of POC AT 1, the subscription of the newly issued shares is reserved to the holders of the same POC AT1.

7. PERIOD SET FOR THE EXECUTION OF THE CAPITAL INCREASE

Within the limits of the authorisation that is the subject of this report, the Board of Directors, subject to obtaining approvals from the relevant Authorities, will exercise the powers, on one or more occasions from time to time, and in any case within the expiration date of the conversion period, with regards to the portion necessary to supplement the number of shares underlying the POC AT1 as a result of the provisions of the Conversion Price adjustment mechanism contained in the T&Cs.

In this regard, the market will be promptly and adequately informed.

8. INDICATION OF THE DATE OF ENTITLEMENT TO THE NEWLY ISSUED SHARES

The BPER ordinary shares that will be issued as a result of the exercise of the delegation of power that is the subject of this report will have the same dividend entitlement and the same characteristics as the BPER ordinary shares outstanding at the issue date.

9. ECONOMIC AND FINANCIAL EFFECTS OF THE CAPITAL INCREASE AND DILUTIVE EFFECTS

When exercising the delegation of power referred to in this report, the Board of Directors shall promptly and adequately inform the market about the economic and financial effects of the implementation of the Integration of the Capital Increase Servicing the Conversion.

Since it is not currently possible to determine the exact number of BPER shares that will be issued following the exercise of the delegation of power for the Integration of the Capital Increase Servicing the Conversion, since this number will depend on the possible conversion of the POC AT1 at the option of the holders, it is not currently possible to determine the dilutive effect on the unit value of the outstanding shares.

10. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The granting of the delegation of power for the Integration of the Capital Increase Servicing the Conversion proposed by the Board of Directors requires the corresponding amendment of Article 5 of the Articles of Association.

The following is a comparison of the aforementioned Article 5 in the current and proposed text. In bold font the text proposed to be adopted.

Article 5	**Article 5**
1. Share capital, fully subscribed and paid in, amounts to Euro 2,104,315,691.40 and is represented by 1,415,850,518 registered ordinary shares, with no nominal value. 2. If a share becomes the property of several persons, the joint ownership rights must be exercised by a common representative. 3. Within the limits established by current regulations, the Company, by resolution of the Extraordinary Shareholders' Meeting can issue categories of shares carrying different rights with respect to the ordinary shares, and may determine such rights, as well as financial instruments with equity or administrative rights. 4. All the shares belonging to the same category carry the same rights.	

5. The Board of Directors at the meeting held on 11 July 2019, by virtue of the delegation attributed to it by the Extraordinary Shareholders' Meeting held on 4 July 2019, pursuant to Article 2420-ter of the Italian Civil Code, to be exercised by 31 December 2019, has resolved to issue an Additional Tier 1 convertible bond, for a total nominal amount equal to Euro 150,000,000.00, to be entirely offered in subscription to Fondazione di Sardegna, with the exclusion of option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, at a subscription price higher than par value equal to Euro 180,000,000.00, and, consequently, to resolve a paid capital increase, in one or more tranches and in divisible form, for a maximum total amount equal to Euro 150,000,000.00, including a share premium equal to Euro 42,857,142, to service exclusively and irrevocably the conversion of the abovementioned Additional Tier 1 bond through the issue of a maximum of no. 35,714,286 ordinary shares of the Company, without explicit par value, with regular dividend rights and the same features as the ordinary shares of the Company outstanding at the issue date.	5. The Board of Directors at the meeting held on 11 July 2019, by virtue of the delegation attributed to it by the Extraordinary Shareholders' Meeting held on 4 July 2019, pursuant to Article 2420-ter of the Italian Civil Code, to be exercised by 31 December 2019, has resolved to issue an Additional Tier 1 convertible bond, for a total nominal amount equal to Euro 150,000,000.00, to be entirely offered in subscription to Fondazione di Sardegna, with the exclusion of option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, at a subscription price higher than par value equal to Euro 180,000,000.00, and, consequently, to resolve a paid capital increase, in one or more tranches and in divisible form, for a maximum total amount equal to Euro 150,000,000.00, including a share premium equal to Euro 42,857,142, to service exclusively and irrevocably the conversion of the abovementioned Additional Tier 1 bond through the issue of a maximum of no. 35,714,286 ordinary shares of the Company, without explicit par value, with regular dividend rights and the same features as the ordinary shares of the Company outstanding at the issue date. **On 19 April 2024, the Extraordinary Shareholders' Meeting granted the Board of Directors the power to integrate, pursuant to Article 2420-*ter* of the Italian Civil Code, the share capital increase already resolved by the Board itself on 11 July 2019, by issuing, in one or more tranches, by the expiration date of the conversion period provided for by the Regulation of the aforementioned bond, up to a maximum of no. 30,000,000 additional ordinary shares of the Company to exclusively and irrevocably service the same Additional Tier 1 bond, due to the adjustment of the relevant conversion price.**
6. The Extraordinary Shareholders' Meeting held on 4 July 2019 granted the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power, for a period of five years from the date of the shareholders' meeting resolution, to resolve a paid capital increase, one or more time and in one or more tranches, with the exclusion of option rights pursuant to	

Article 2441, paragraph 4, and/or Article 2441, paragraph 5, of the Italian Civil Code, for a maximum total amount equal to Euro 13,000,000.00, including any share premium to be determined pursuant to Article 2441, paragraph 6, of the Italian Civil Code, by issue of a maximum number of 2,500,000 ordinary shares of the Company, without express par value, whose issue value may also be lower than the accounting par value existing at the relevant issue date, with regular dividend rights and the same characteristics as the ordinary shares of the Company outstanding at the issue date.	

11. WITHDRAWAL RIGHT

The proposed amendment to BPER's Articles of Association does not fall within any of the cases of withdrawal under the Articles of Association and applicable laws and regulations.

12. RESOLUTIONS PROPOSED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

Dear Shareholders,

in view of the above, the Board of Directors invites you to pass the following resolution:

*"The Extraordinary Shareholders' Meeting of BPER Banca S.p.A., (i) having reviewed and approved the explanatory report of the Board of Directors and the proposals formulated therein, (ii) having acknowledged that the subscribed and paid-up share capital amounts to Euro 2,104,315,691.40, (iii) having referred to the resolution of the Board of Directors to increase the capital to service the Additional Tier 1 bond issued on 25 July 2019 (the "**July 2019 Capital Increase**"), resolves:*

1) *to grant the Board of Directors the power to supplement the July 2019 Capital Increase so as to grant the Board of Directors the power to issue, in one or more tranches, without prejudice to the amount of said Capital Increase, additional maximum no. 30,000,000 ordinary shares, to service the conversion of the Additional Tier 1 bond loan, due to the conversion price adjustment, by the expiry date of the conversion period provided for in the Regulation of the aforesaid bond loan;*

2) *to amend Article 5 of the Articles of Association accordingly by entering the following sentence in paragraph 5: "On 19 April 2024, the Extraordinary Shareholders' Meeting granted the Board of Directors the power to integrate, pursuant to Article 2420-ter of the Italian Civil Code, the share capital increase already resolved by the Board itself on 11 July 2019, by issuing, in one or more tranches, by the expiration date of the conversion period provided for by the Regulation of the aforementioned bond, up to a maximum of no. 30,000,000 additional ordinary shares of the Company to exclusively and irrevocably service the same Additional Tier 1 bond, due to the adjustment of the relevant conversion price";*

3) *to grant the Board of Directors and, on its behalf, the Chairman, the Vice Chairman, and the Chief Executive Officer, severally, a mandate to provide, also through proxies, whatever is required, necessary or useful to implement the resolutions, as well as to fulfil the relevant and necessary formalities, including the submission of applications to the competent Supervisory Authorities, the registration of the resolutions in the Company Registry, with the power to introduce any amendments that may be required by the competent Authorities or during registration and/or compliance with the law audits, and in general all that is necessary for their complete execution, with any and all powers necessary and appropriate, in accordance with the applicable provisions of law".*

Modena, 20 March 2024

BPER Banca S.p.A.

The Chair

Flavia Mazzarella