

# BPER:

## 1H24 Results

Milan, August 7<sup>th</sup>, 2024

# Disclaimer

---

*This document has been prepared by “BPER Banca” solely for information purposes, and only in order to present its strategies and main financial figures.*

*The information contained in this document has not been audited. No guarantee, express or implied, can be given as to the document’s contents, nor should the completeness, correctness or accuracy of the information or opinions herein be relied upon. BPER Banca, its advisors and its representatives decline all liability (for negligence or any other cause) for any loss occasioned by the use of this document or its contents. All forecasts contained herein have been prepared on the basis of specific assumptions which could prove wrong, in which case the actual data would differ from the figures given herein. No part of this document may be regarded as forming the basis for any contract or agreement. No part of the information contained herein may for any purpose be reproduced or published as a whole or in part, nor may such information be disseminated.*

*The Manager responsible for preparing the Company’s financial reports, Marco Bonfatti, declares, in accordance with art. 154-bis, para. 2, of the “Consolidated Financial Services Act” (Legislative Order No. 58/1998), that the accounting information contained in this document corresponds to documentary records, ledgers and accounting entries.*

*Marco Bonfatti*

*Manager responsible for preparing the Company’s financial reports*

---

## **METHODOLOGICAL NOTE**

*Figures included in the tables shown in this document may not add exactly due to rounding differences.*

*Starting from the closing of the first quarter 2024 accounts, the Income Statement underwent the following reclassification changes:*

- Gains (losses) of equity investments measured under the equity method are presented as a separate line in Operating Income (former Gains (Losses) on investments);*
- Contributions to the SRF, DGS and FITD-SV funds are shown under Profit (Loss) from current operations.*

*Based on the same overall net profitability, the margins in the Income Statement as at 30 June 2024 were affected by the reclassification of some cost/income components.*

*More specifically, in the first half:*

- Net commissions included €16.2 mn worth of charges for payment services provided (former Other administrative expenses);*
- Other administrative expenses were offset within the same item by €8.3 mn in recovery of costs for services ancillary to lending (former Commission income);*
- Staff costs included €9.1 mn in business trips and training charges (former Other administrative expenses);*
- 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 €17 mn.*

*In the interest of comparability of results, similar reclassifications have been made for the comparative reporting periods.*

# Agenda

- **Executive summary**
- Group results
- Final remarks
  
- Annexes

# Steadfast Revenue growth and higher profitability in 1H24

Delivered higher results in first half with Pre-tax Profit up by 16% H/H

“Core” Revenues up by 7% H/H and operational efficiency stable with Cost/Income below 51%

Strong asset quality profile confirmed with an improved Cost of Risk

Strong balance sheet, higher capital ratio thanks to organic capital generation of 199bps in the first half

## Total Revenues

**€2.8 bn**  
+4.1% H/H

## Profit before tax<sup>(1)(2)</sup>

**€1.1 bn**  
+15.9% H/H

## Cost/Income<sup>(3)</sup>

**50.6%**  
Flat H/H

## CoR<sup>(4)</sup>

**41bps**  
-20bps H/H

## RoTE<sup>(5)</sup>

**16.5%**

## FL CET1<sup>(6)</sup>

**15.3%**

## LCR

**161.4%**  
160.9% Dec-23

## NSFR

**134.6%**  
128.4% Dec-23

(1) Profit before tax excluding €150.1 mn of gains from the disposal of the NPE servicing platform in 1Q24 and €173.8 mn of HR-related actions in 2Q24.

(2) EPS equal to €0.512.

(3) Excluding €173.8 mn of HR-related actions in 2Q24.

(4) CoR annualised.

(5) RoTE calculated on Net Profit adjusted, excluding €148.0 mn of the net capital gain from the NPE servicing platform disposal in 1Q24 and €173.8 mn of HR-related actions and tax effect of 52.1 mn in 2Q24.

(6) CET1 ratio was calculated including profit (loss) for the period for the portion not allocated to dividends, i.e. bringing forward in advance the effects of the ECB’s authorisation to include these profits in “Own Funds” pursuant to art. 26, para. 2 of the CRR.

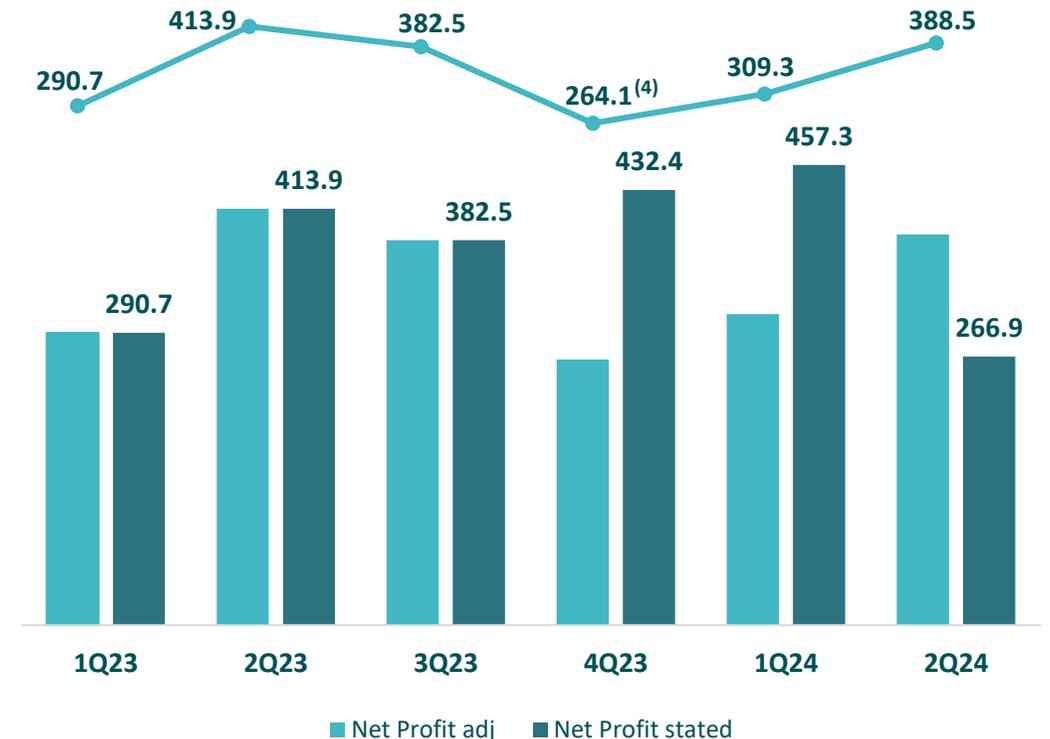
# Net Profit in 1H24 mainly driven by “Core” Revenues and lower LLPs

## P&L Key Figures

(€mn)	1H24	H/H	2Q24	Q/Q	Y/Y
Total Revenues	2,758.1	+4.1%	1,396.9	+2.6%	+5.1%
o/w NII	1,682.5	+8.9%	838.9	-0.6%	+2.4%
o/w Net Commission Income	1,014.7	+4.0%	516.0	+3.5%	+7.6%
Operating Costs <sup>(1)</sup>	-1,395.9	+4.2%	-706.6	+2.5%	+4.8%
Net operat. Income	1,362.1	+4.1%	690.3	+2.7%	+5.4%
LLPs	-175.1	-34.1%	-81.7	-12.6%	-34.9%
Profit before tax (adjusted) <sup>(2)</sup>	1,067.7	+15.9%	606.5	+31.5%	+13.7%
Net Profit (adjusted) <sup>(3)</sup>	697.7	-1.0%	388.5	+25.6%	-6.1%
Net Profit (stated)	724.2	+2.8%	266.9	-41.6%	-35.5%

Lower tax rate in 2Q23 and 1Q24

## Net Profit stated vs adjusted<sup>(3)</sup> (€mn)



(1) Excluding €173.8 mn of HR-related actions in 2Q24.

(2) Including systemic charges in 1H23 of €49.5 mn and in 1H24 of €109.6 mn.

(3) No adjustments in the first three quarters of 2023. In 4Q23, the adjustment referred to €294.5 mn of HR-related actions and tax effect of €82.6 mn. In 1Q24, the adjustment referred to €148.0 mn of the net capital gain from the NPE servicing platform disposal in 2Q24, the adjustment referred to €173.8 mn of HR-related actions and tax effect of €52.1 mn in 2Q24.

(4) Excluding €380 mn of DTAs on tax losses.

# On track to achieve 2024 Guidance

	FY23	1H24	FY24 Guidance vs. FY23 Results
Net Interest Income	€3.3 bn	€1.7 bn	 Revised to stable
Net Commission Income	€2.0 bn	€1.0 bn	 Unchanged
Operating Costs <sup>(1)</sup>	€2.7 bn	€1.4 bn	  Revised upwards
Cost of Risk <sup>(2)</sup>	48bps	41bps	  Revised to improved
Net Profit <sup>(3)</sup>	€1.3 bn	€0.7 bn	 Unchanged
CET1 Ratio	14.5%	15.3%	 Unchanged

(1) Operating Costs exclude €294.5 mn and €173.8 mn of HR-related actions in 4Q23 and 2Q24, respectively.

(2) CoR annualised in 1H24.

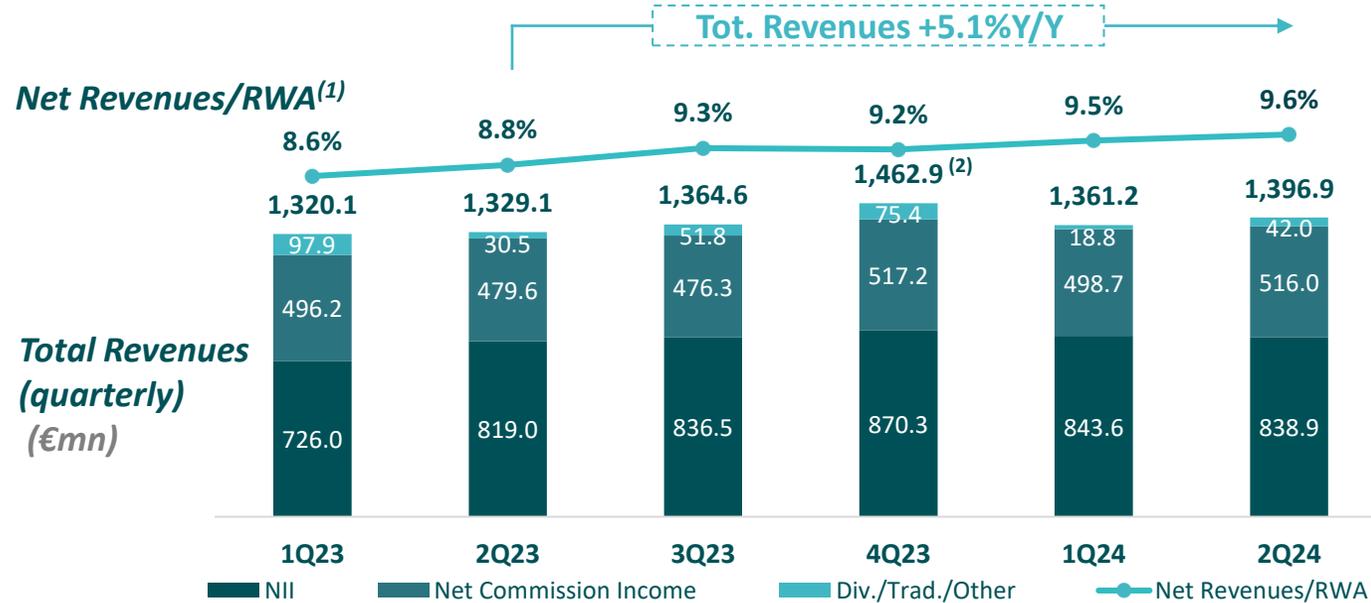
(3) In 2023, Net Profit excludes €294.5 mn of HR-related actions and tax effect of €82.6 mn and €380 mn of DTAs on tax losses. Net Profit excludes €148.0 mn of net gain from the disposal of the NPE servicing platform in 1Q24 and €173.8 mn of HR-related actions and tax effect of €52.1 mn in 2Q24.

# Agenda

- Executive summary
- **Group results**
- Final remarks
  
- Annexes

# Resilient performance in “Core” Revenues

## Total Revenues



## Q/Q key drivers (€mn)



## Key Highlights

### “Core” Revenues

- In 1H24 “Core” Revenues at €2.7 bn, up by 7.0% H/H, mainly thanks to:
  - ✓ Strong NII (+8.9% H/H) benefiting from spread increase
  - ✓ Robust Commission Income (+4.0% H/H) supported by AuC/AuM and Non-life insurance fees
- In 2Q24 “Core” Revenues at €1.4 bn, up by 0.9% Q/Q, mainly thanks to:
  - ✓ Resilient NII (-0.6% Q/Q) despite rates decrease
  - ✓ Higher Commission Income (+3.5% Q/Q) supported by diversified product origination

### Dividends & Others

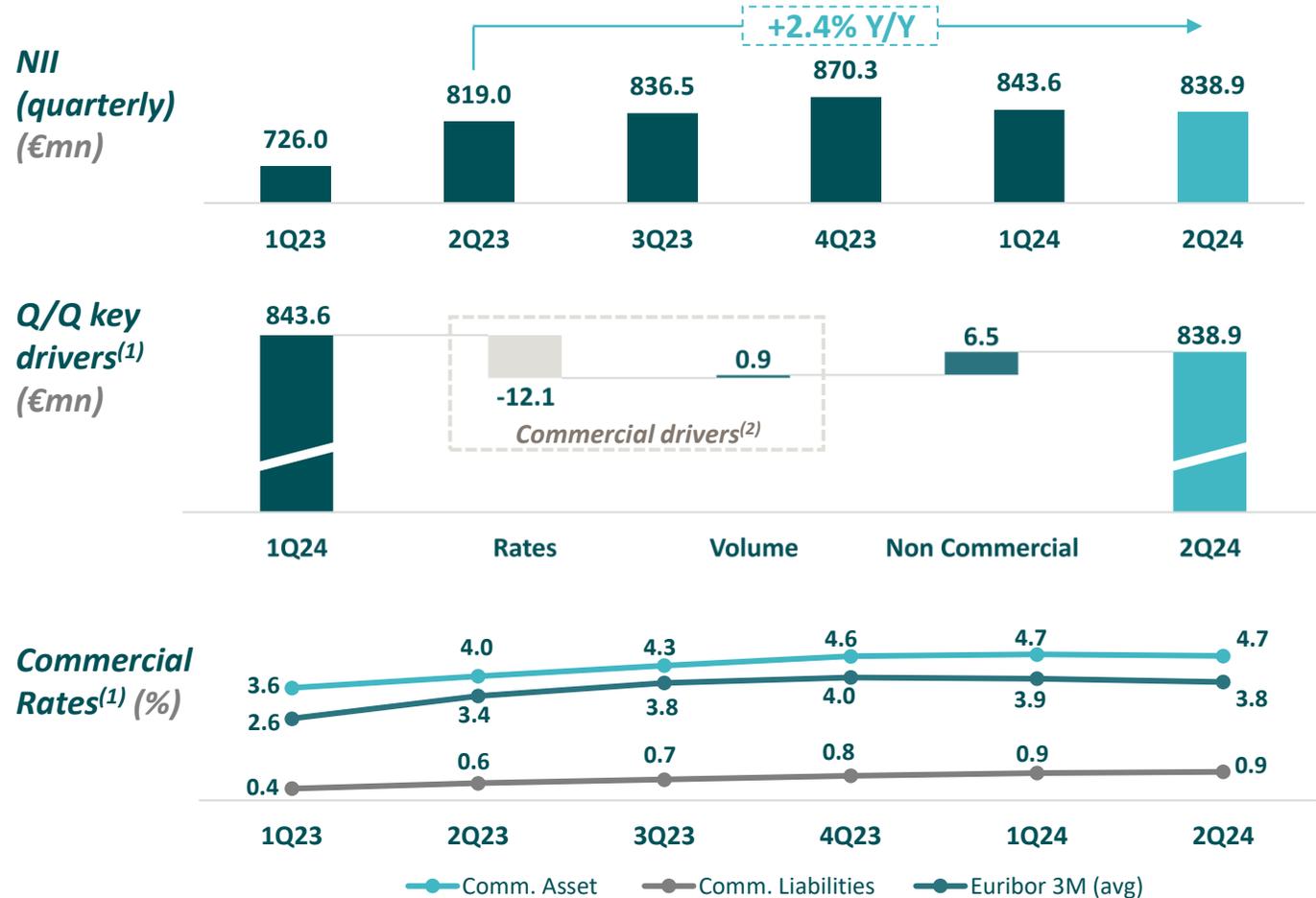
- Dividends at €32.2 mn in 2Q24 (+40.6% Y/Y)
- Other Operating Income at €10.6 mn in 2Q24

(1) Total Revenues shall be considered cumulative for the period and annualised. The RWA stock shall be considered point in time as the date of closing of the reporting period.

(2) In 4Q23, “Core” Revenues strongly higher thanks to (i) robust NII supported by positive commercial dynamics of €22.6 mn and (ii) strong Fee Income boosted by an insurance performance fee of €22.7 mn.

# 2Q24 NII driven by lower rates partially compensated by treasury activities

## Net Interest Income & Rates



## Key Highlights

### NII

- In 1H24, strong NII at €1.7 bn (+8.9% H/H) thanks to spread increase
- In 2Q24, resilient NII at €838.9 mn (-0.6% Q/Q) with lower rates partially compensated by Non Commercial dynamics of €6.5 mn (mainly driven by treasury related actions)

### Commercial Rates

- Commercial rates almost flat despite lower interest rates environment

### NII Sensitivity

- Interest rates sensitivity: +/-100 bps equal to approx. €130 mn (annualised)

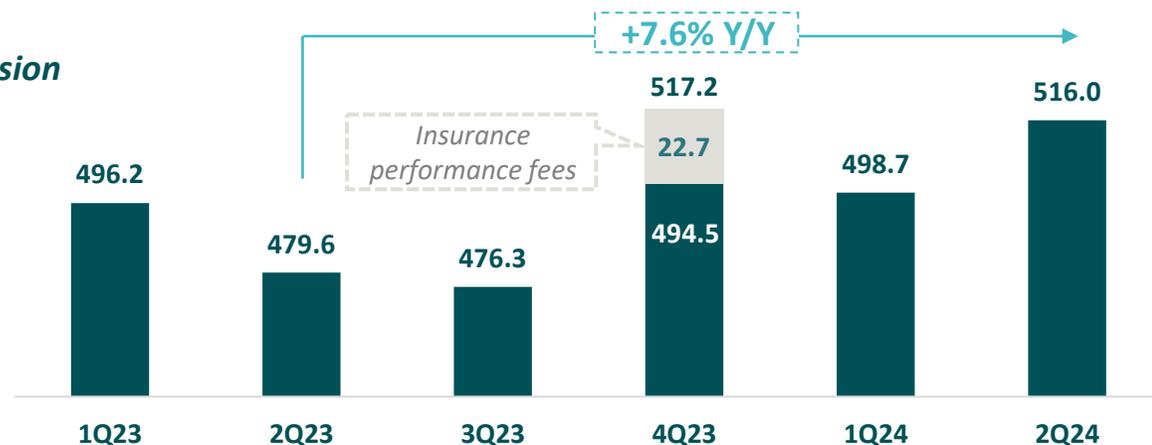
(1) Managerial quarterly figures.

(2) Commercial drivers include Ecobonus effects, almost flat Q/Q.

# Net Commissions up thanks to AuC/AuM & Non-life insurance products

## Net Commission Income<sup>(1)</sup>

Net Commission Income (quarterly) (€mn)



## Commission Income by category

(€mn)	2Q23		3Q23		4Q23		1Q24		2Q24	
Wealth	189.6	-7.6%	191.1	+0.8%	200.7	+5.0%	210.7	+5.0%	216.3	+2.6%
o/w AuC	13.5	-10.0%	13.5	+0.1%	16.1	+19.4%	16.1	-0.2%	16.0	-0.6%
o/w AuM	139.8	-1.7%	139.6	-0.1%	149.0	+6.7%	157.3	+5.5%	162.6	+3.4%
o/w Life Insurance & Others	36.4	-24.3%	38.0	+4.5%	35.6	-6.3%	37.4	+5.0%	37.7	+0.9%
Non-life Insurance	19.3	+13.9%	19.1	-0.9%	43.6	+128.0%	20.8	-52.4%	29.2	+40.5%
Banking services	270.7	-1.2%	266.0	-1.7%	272.9	+2.6%	267.2	-2.1%	270.5	+1.2%
<b>Total</b>	<b>479.6</b>	<b>-3.4%</b>	<b>476.3</b>	<b>-0.7%</b>	<b>517.2</b>	<b>+8.6%</b>	<b>498.7</b>	<b>-3.6%</b>	<b>516.0</b>	<b>+3.5%</b>

## Key Highlights

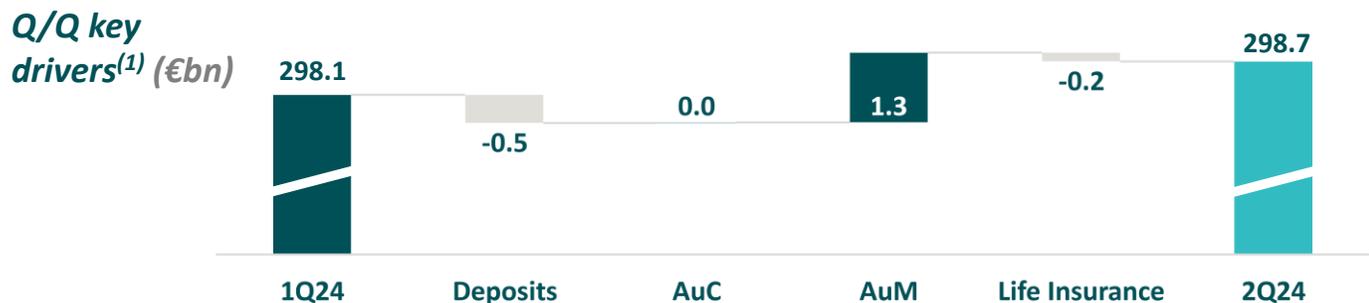
### Net Commission Income

- In 1H24, Commission Income up at €1.0 bn (+4.0% H/H) mainly driven by AuC/AuM and Non-life insurance products
- In 2Q24, Fees up by 7.6% Y/Y supported by AuM net inflows & market effect and Non-life products, thanks to the high quality of insurance products offered to our customers
- In 2Q24, Banking services fees as main contributor to overall Net Commission Income at €270.5 mn (+1.2% Q/Q)

(1) Since 2Q24, Net Commission Income have included charges for payment services provided and Other administrative expenses have been netted against recoveries of costs for services ancillary to lending. In the interest of comparability of results, similar reclassifications have been made for the comparative quarters.

# Total Financial Assets growth supported by diversified product mix

## TFA



(1) Managerial quarterly figures.

## Key Highlights

### Deposits

- Deposits mainly affected by outflows into AuC/AuM thanks to customer demand of Italian Govies

### AuC & AuM

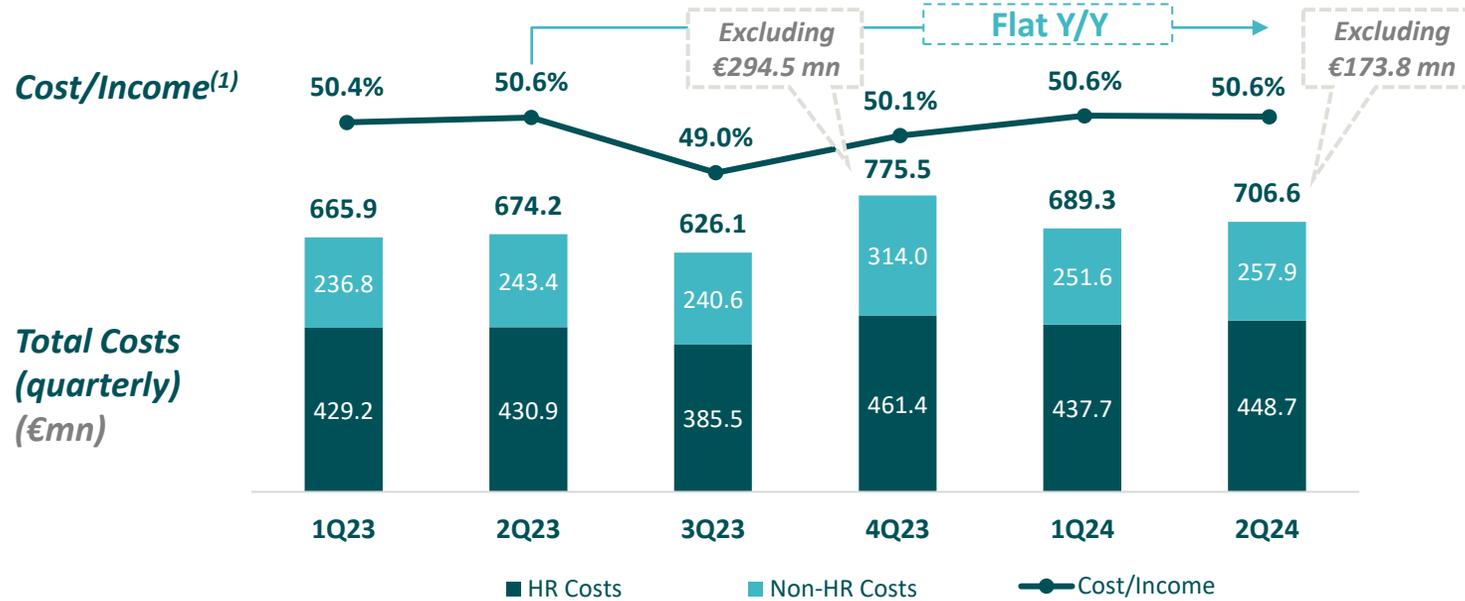
- As of end June, AuC at €91.4 bn (flat Q/Q and +13.2% Y/Y)
- As of end June, AuM at €68.6 bn (+2.0% Q/Q and 8.3% Y/Y)
- Both AuC & AuM trend positively supported by customer asset rotation
- AuM inflows +€0.5 bn in the first half of 2024

### Life insurance

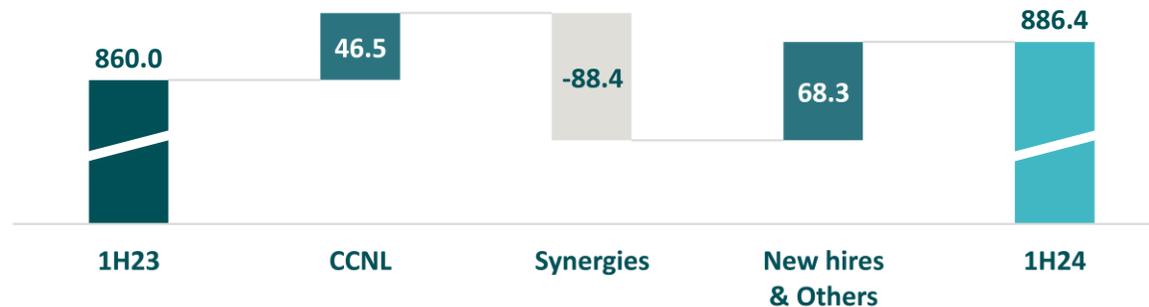
- Life Insurance at €21.2 bn, almost flat Q/Q

# Cost/Income flat at 50.6%, HR Costs up by 3.1% H/H mainly due to CCNL

## Operating Costs



## H/H HR costs key drivers<sup>(2)</sup> (€mn)



## Key Highlights

### Operating Costs

- In 1H24, Total Costs were up to €1.4 bn (+4.2% H/H) with a Cost/Income ratio at 50.6%
- In 2Q24, Total Costs reached at €706.6 mn up by 2.5% Q/Q

### HR Cost

- FTE-related actions undertaken in 2Q24, reaching 20,072 FTE at the end of June (-524 FTE H/H and -152 FTE from 31-Dec-23)
- HR costs in 1H24 affected by the increase of National Collective Labour Agreement (CCNL) for €46.5 mn

### Non-HR Cost

- In 1H24, Non-HR Costs mainly influenced by the implementation of NPE servicing platform with Gardant
- Branches at 1,635 down by 125 H/H

(1) Cost/Income Ratio calculated on annualised cumulative values for the period.

(2) Managerial quarterly figures.

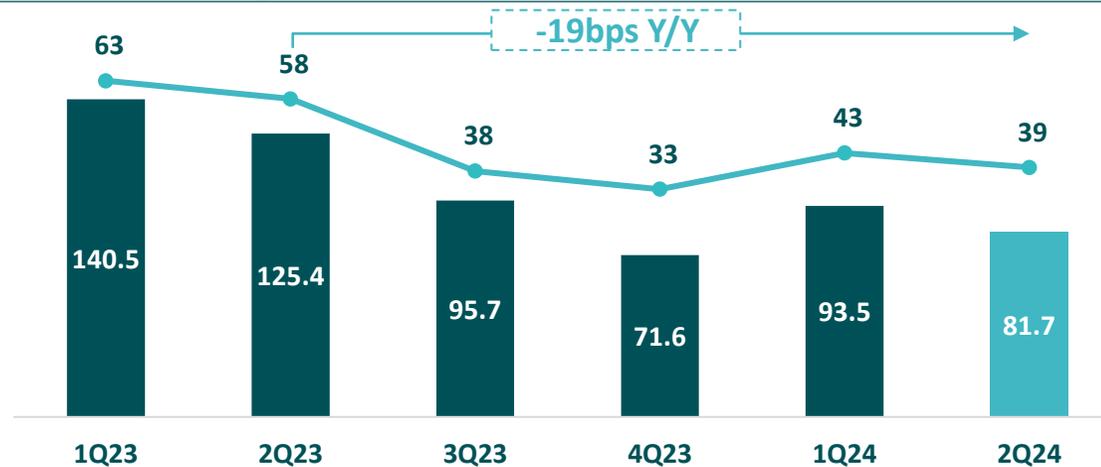
Note: Total Costs, HR Costs and Cost/Income exclude HR-related actions costs in 4Q23 and 2Q24.

# Improvement in Cost of Risk and well balanced Coverage Ratio

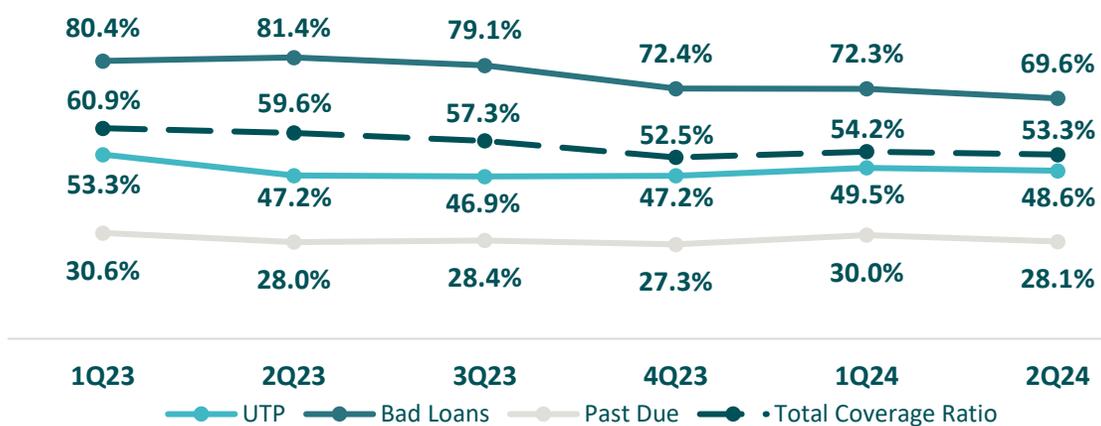
## LLPs, Cost of Risk & Coverage ratio

Cost of Risk  
(quarterly)  
(bps)

LLPs  
(quarterly)  
(€mn)



Coverage  
ratio by  
Asset class



## Key Highlights

### Loan loss provisions

- In 1H24, LLPs at €175.1 mn (-34.1% H/H)
- In 2Q24, LLPs at €81.7 mn down both Q/Q and Y/Y

### Cost of Risk

- In 1H24, CoR down to 41bps. In 2Q24, CoR at 39bps (-4bps Q/Q and -19bps Y/Y) progressing in line with guidance

### Overlays

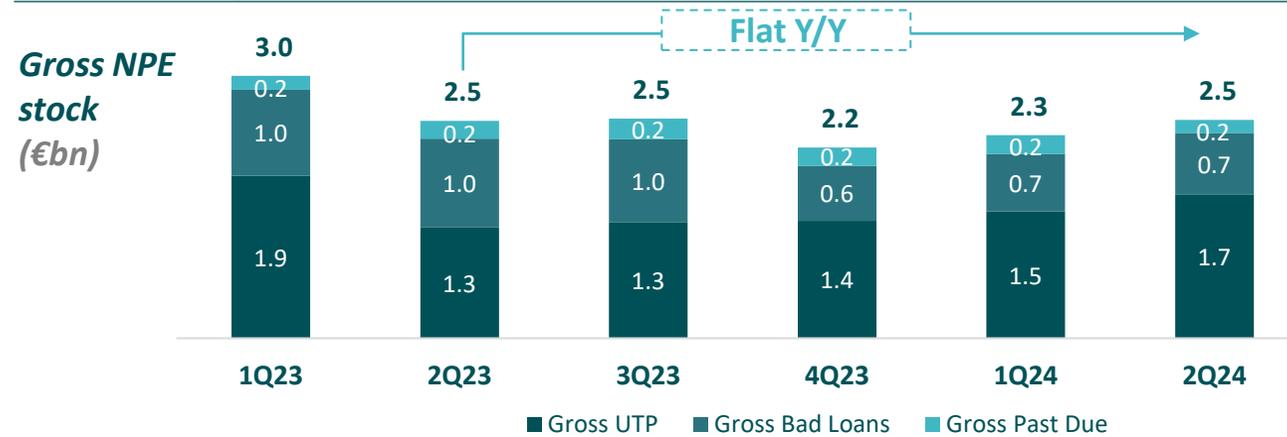
- Total cumulative overlays up to €221.9 mn at the end of June (+€20.0 mn Q/Q)

### Coverage Ratio

- Total Coverage Ratio down by 89bps Q/Q mainly due to UTP inflows with a better LGD profile characterised by higher levels of collateral
- Total Coverage Ratio amongst the highest in Italy

# NPEs slightly increase due to the late implementation of the new platform

## Asset Quality



## Key Highlights

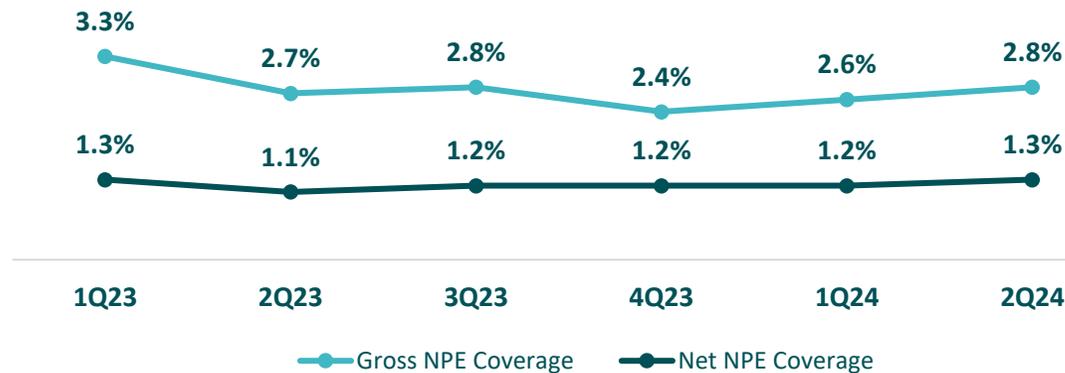
### Stage Classification

- Strong reduction in Stage 2 loans (-€0.9 bn Q/Q) with a Stage 2 Coverage Ratio of 5.35% (+33bps Q/Q)

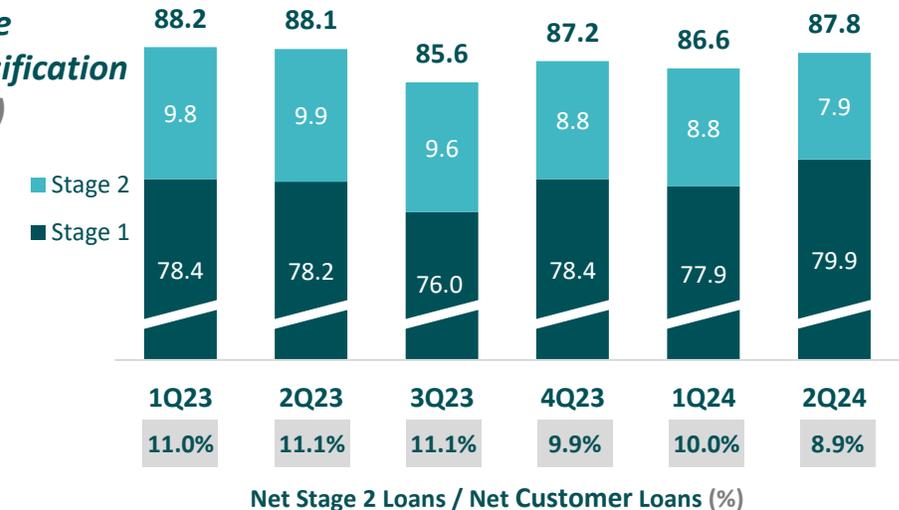
### Gross NPE Stock

- Gross NPEs stable Y/Y and up by €0.3 bn in 1H24 mainly due to the increase in gross UTP loans with a better LGD profile

## Gross & Net NPE ratio

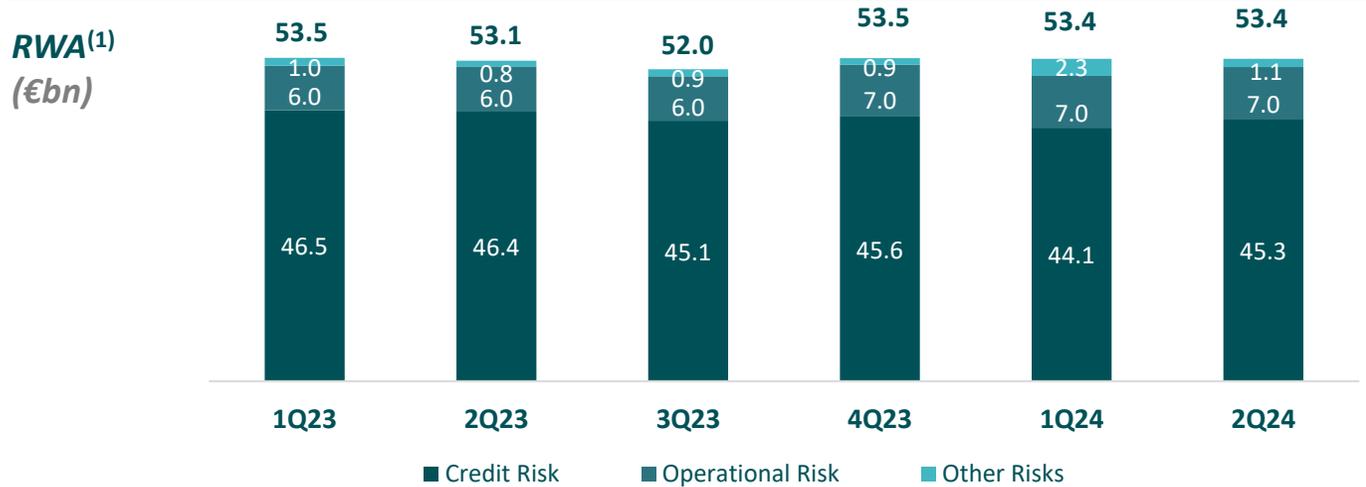


## Stage Classification (€bn)



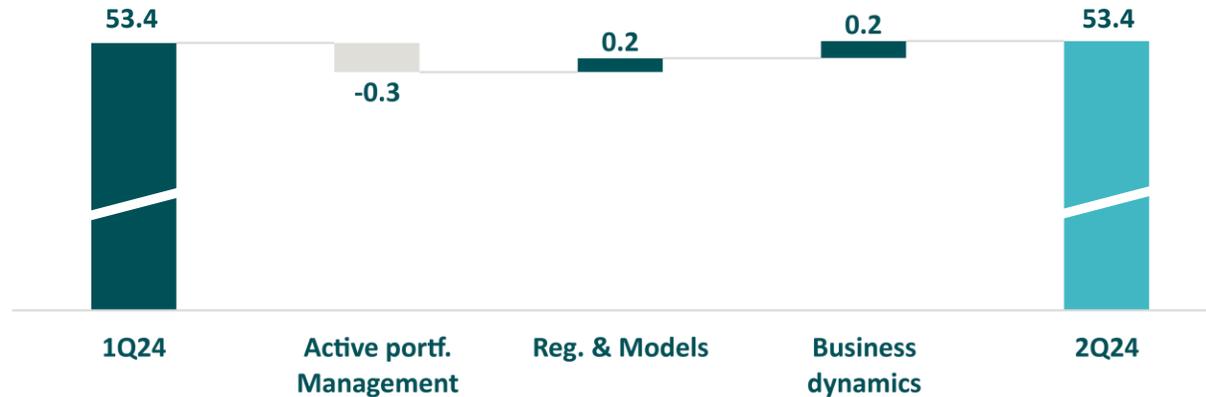
# RWA well managed with continued efficiencies and lower credit risk

## RWA evolution



## Q/Q key drivers

(€bn)



## Key Highlights

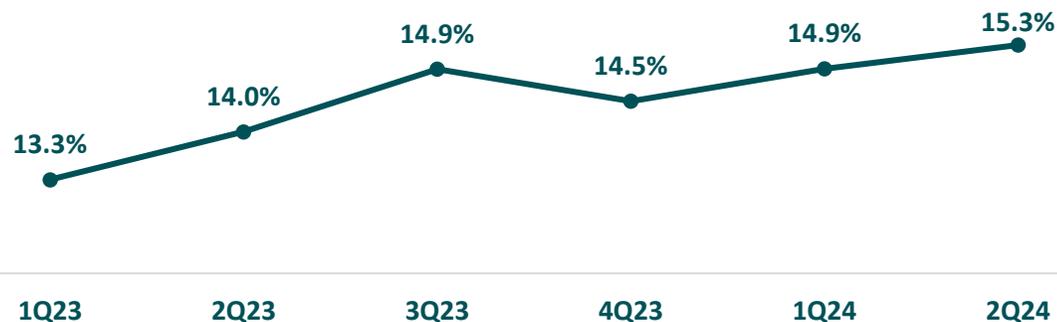
### RWA

- In 2Q24 Total RWA remain flat Q/Q thanks to improved risk profile on the back of our prudent credit policy
- Credit RWA increased from €44.1 billion to €45.3 billion up by €1.2 billion Q/Q

# CET1 Ratio driven by strong organic capital generation

## Capital evolution

### CET1 ratio



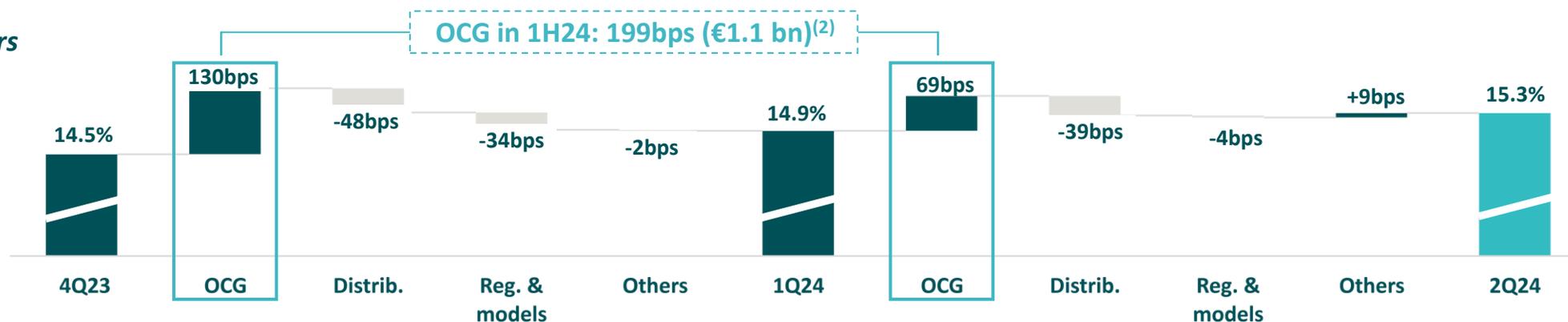
### MDA Buffer

315bps  
(€1.7 bn)

578bps  
(€3.1 bn)

612bps  
(€3.3 bn)

### Quarterly key drivers



## Key Highlights

### Organic capital generation (OCG)<sup>(1)</sup>

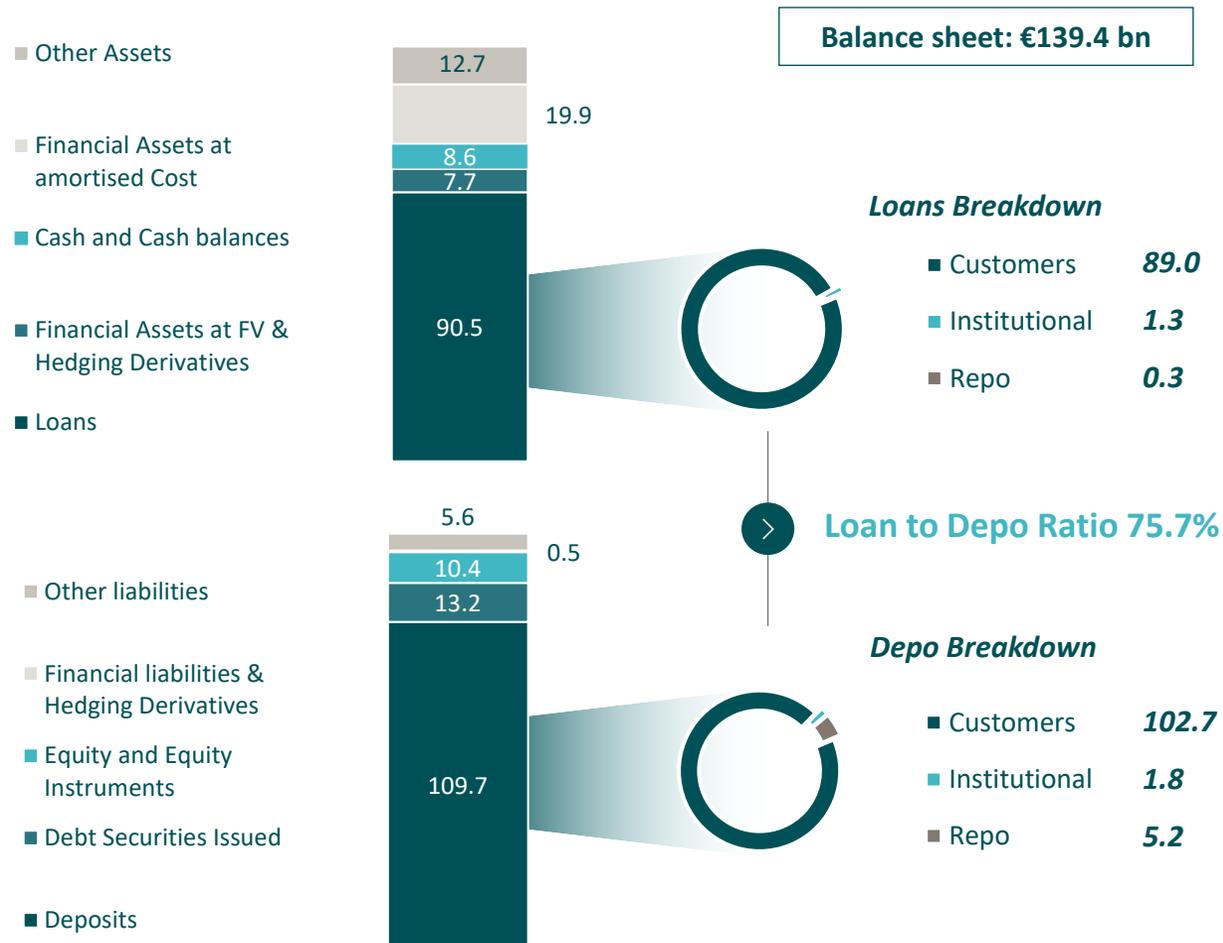
- Significant OCG of 199bps in 1H24 reinforcing capital strength

### Quarterly key drivers

- In 2Q24 the impact of regulatory models amounted to only -4bps
- In 1H24 EPS of €0.512 (€0.5 fully diluted)

# Robust balance sheet with a sound liquidity profile

## Balance sheet (€bn)



## Key Highlights

### LCR and NSFR

- LCR reached 161.4% at the end of June 2024 vs 160.9% at end of December 2023, even after the €1.7 bn repayment of the last TLTRO tranche at the end of March 2024
- NSFR increased to 134.6% at the end of June 2024 from 128.4% at the end of December 2023

### Balance Sheet dynamics

- At the end of June, Loan to Deposit Ratio at 75.7% improved from 74.3% at the end of March 2024 thanks to the positive commercial efforts on new loan production

# Bond Portfolio

## Portfolio

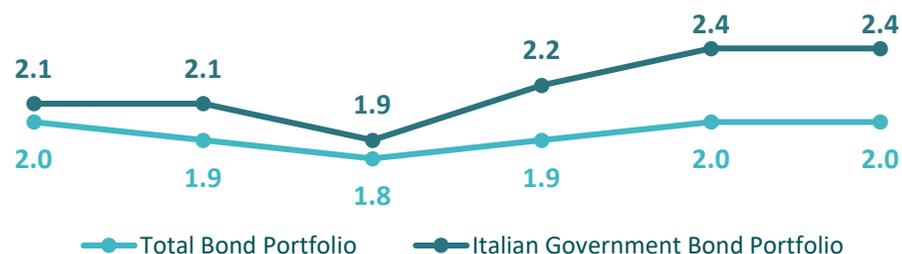
### Italian Government Bond (€bn)



### Italian Gov. / Total Bonds (%)



### Duration<sup>(1)</sup> (years)



## Key Highlights

### Italian Govies

- Italian Govies at €8.9 bn, down by 13.0% Y/Y and up by 2.0% Q/Q
- This portfolio is 36.1% of the Total Bond portfolio outstanding

### Duration

- Total Bond portfolio has a duration of 2 years at the end of June 2024, flat compared to end of March 2024

### Yield

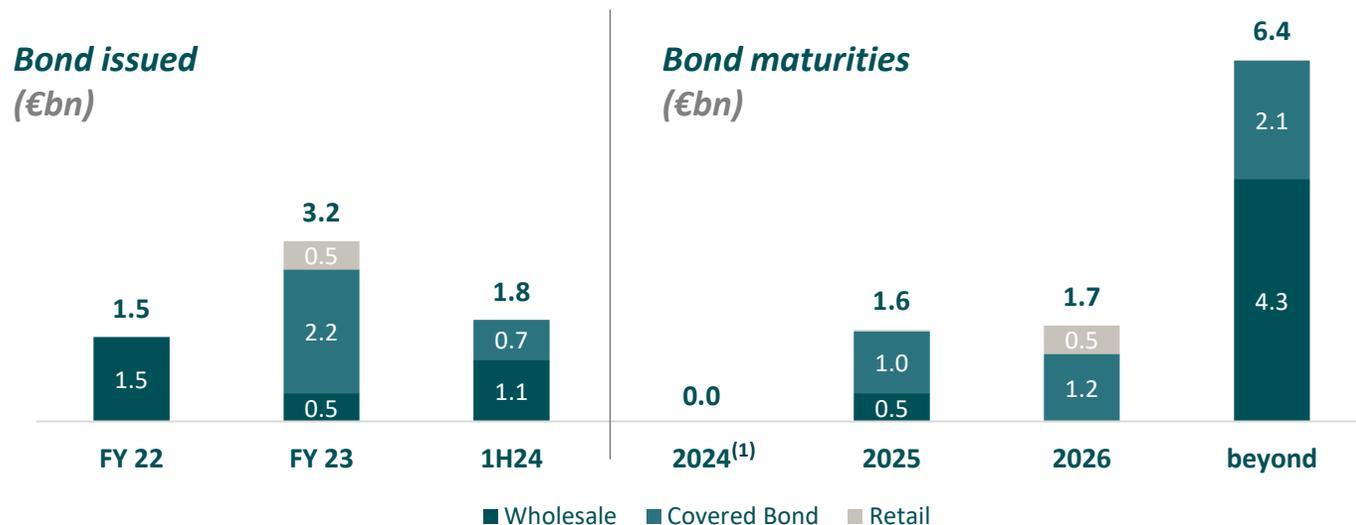
- The total financial portfolio has an average yield of 2.7% (annualised) in 2Q24, flat compared to end of March 2024

Source: managerial figures.

(1) Duration in years, hedging included.

# Bond Issuances & Maturities

## Bond Maturities & Issuances



## Key Highlights

### Bond issued

- Main issuance in the first half: in Feb-24, the first Senior Preferred Bond qualifying as “Green” for €0.5 bn; in March a 7-year maturity Covered Bond for €0.5 bn; in May, the second Senior Preferred Bond qualifying as “Green” for €0.5 bn

### Rating agency

- All key ratings assigned to the Bank by the various ratings agencies are now Investment Grade

Rating Agency	LT Issuer	LT Deposits	Outlook
MORNINGSTAR   DBRS	BBB	BBB (high)	Positive (upgraded) ↑
FitchRatings	BBB-	BBB	Stable
MOODY'S	Baa3 (upgraded) ↑	Baa1 (upgraded) ↑	Stable
S&P Global	BBB-		Positive

# Agenda

- Executive summary
- Group results
- **Final remarks**
- Annexes

# Final Remarks

---

Growth supported by "Core" Revenues and operational efficiency

Asset quality remains very strong

Strong capital supported by solid Organic Generation of 199bps

On track to achieve 2024 Guidance

**Capital Markets Day confirmed on 10 October 2024**

# Agenda

- Executive summary
- Group results
- Final remarks
- **Annexes**

# Group P&L

P&L - (€mn)	1H24 Stated	1H23 Stated	Delta H/H	Delta H/H %	2Q24 Stated	Delta Q/Q %	Delta Y/Y %
Net interest income	1,682.5	1,545.0	137.5	8.9%	838.9	-0.6%	2.4%
Net commission income	1,014.7	975.9	38.9	4.0%	516.0	3.5%	7.6%
<b>Core Income</b>	<b>2,697.2</b>	<b>2,520.8</b>	<b>176.4</b>	<b>7.0%</b>	<b>1,354.9</b>	<b>0.9%</b>	<b>4.3%</b>
Dividends	37.1	25.1	12.0	47.6%	32.2	559.8%	40.6%
Gains on equity investments measured under the equity method	-1.3	16.7	-17.9	-107.6%	2.8	-169.1%	-44.5%
Net income from financial activities	10.3	53.9	-43.7	-80.9%	-3.7	-126.3%	-219.9%
Other operating expenses/income	14.7	32.6	-17.9	-54.9%	10.6	159.2%	--
<b>Operating Income</b>	<b>2,758.1</b>	<b>2,649.2</b>	<b>108.8</b>	<b>4.1%</b>	<b>1,396.9</b>	<b>2.6%</b>	<b>5.1%</b>
Staff costs	-1,060.2	-860.0	-200.1	23.3%	-622.5	42.2%	44.5%
Other administrative expenses	-377.3	-365.1	-12.2	3.3%	-188.7	0.1%	1.7%
Depreciations & Amortizations	-132.3	-115.0	-17.2	15.0%	-69.2	9.8%	19.6%
<b>Operating costs</b>	<b>-1,569.7</b>	<b>-1,340.2</b>	<b>-229.5</b>	<b>17.1%</b>	<b>-880.4</b>	<b>27.7%</b>	<b>30.6%</b>
<b>Net Operating Income</b>	<b>1,188.4</b>	<b>1,309.1</b>	<b>-120.7</b>	<b>-9.2%</b>	<b>516.5</b>	<b>-23.1%</b>	<b>-21.1%</b>
Net impairment losses for credit risk	-175.1	-265.9	90.8	-34.1%	-81.7	-12.6%	-34.9%
<b>Operating Income net of LLPs</b>	<b>1,013.2</b>	<b>1,043.1</b>	<b>-29.9</b>	<b>-2.9%</b>	<b>434.8</b>	<b>-24.8%</b>	<b>-17.9%</b>
Net provisions for risks and charges	-11.0	-65.4	54.4	-83.2%	-6.3	36.2%	-23.5%
Gain (Losses) on Investments	151.3	-7.3	158.7	--	2.0	-98.7%	-125.0%
<b>Result from current operations</b>	<b>1,153.6</b>	<b>970.4</b>	<b>183.2</b>	<b>18.9%</b>	<b>430.5</b>	<b>-40.5%</b>	<b>-16.1%</b>
Contributions to SRF, DGS, FITD-SV	-109.6	-49.5	-60.1	121.4%	2.3	n.s.	-88.7%
<b>Profit (Loss) before taxes</b>	<b>1,044.0</b>	<b>920.9</b>	<b>123.1</b>	<b>13.4%</b>	<b>432.7</b>	<b>-29.2%</b>	<b>-18.9%</b>
Taxes	-302.8	-201.4	-101.4	50.4%	-157.8	8.8%	39.4%
<b>Profit (Loss) for the period</b>	<b>741.2</b>	<b>719.5</b>	<b>21.7</b>	<b>3.0%</b>	<b>274.9</b>	<b>-41.0%</b>	<b>-34.6%</b>
Minority Interests	-17.0	-15.0	-2.0	13.7%	-8.0	-10.6%	27.6%
<b>Profit (loss) for the period pertaining to the parent company</b>	<b>724.2</b>	<b>704.6</b>	<b>19.6</b>	<b>2.8%</b>	<b>266.9</b>	<b>-41.6%</b>	<b>-35.5%</b>

In the present document, Operating Income and Total Revenues are synonyms, as well as Core Revenues and Core Income.



# Group Reclassified Balance Sheet

ASSETS (€bn)								
	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	Chg Q/Q	Chg Y/Y
Customer Loans	89.4	89.1	86.7	88.2	87.7	89.0	+1.4%	-0.1%
Securities Portfolio	30.7	30.5	30.0	28.6	26.5	26.5	+0.3%	-12.9%
Interbank Assets <sup>1</sup>	18.5	10.3	13.4	11.7	12.6	10.1	-19.4%	-1.7%
PPE & Intangible Assets	3.1	3.0	3.1	3.1	3.2	3.2	+0.2%	+5.6%
Other Assets <sup>2</sup>	9.5	10.2	10.4	10.5	10.1	10.6	+4.3%	+3.6%
<b>Total Assets</b>	<b>151.1</b>	<b>143.1</b>	<b>143.5</b>	<b>142.1</b>	<b>140.1</b>	<b>139.4</b>	<b>-0.5%</b>	<b>-2.6%</b>

LIABILITIES AND SHAREHOLDERS' EQUITY (€bn)								
	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	Chg Q/Q	Chg Y/Y
Direct Deposits	113.5	113.7	120.1	118.8	118.1	117.6	-0.4%	+3.4%
Interbank Liabilities	22.3	12.5	9.0	7.8	5.6	5.3	-5.5%	-57.3%
Shareholders' Equity	8.4	8.7	9.1	9.6	10.5	10.4	-1.5%	+19.5%
Other Liabilities <sup>3</sup>	6.9	8.2	5.2	6.0	5.8	6.1	+5.5%	-25.6%
<b>Total Liabilities and Shareholders' Equity</b>	<b>151.1</b>	<b>143.1</b>	<b>143.5</b>	<b>142.1</b>	<b>140.1</b>	<b>139.4</b>	<b>-0.5%</b>	<b>-2.6%</b>

(1) Interbank Assets include Cash and cash equivalents and Loans to banks.

(2) Other Assets include Macro-hedging activity, Equity investments, Loans mandatorily measured at fair value and Other assets.

(3) Other Liabilities include Financial liabilities held for trading, Macro-hedging activity and Other liabilities.

# Asset Quality Breakdown

Gross exposures (€mn)	1Q23		2Q23		3Q23		4Q23		1Q24		2Q24		Chg YTD		Chg Y/Y		Chg Q/Q	
	comp. %		comp. %		comp. %		comp. %		comp. %		comp. %		Abs.	Chg (%)	Abs.	Chg (%)	Abs.	Chg (%)
Non Performing Exposures (NPEs)	3,022	3.3%	2,504	2.7%	2,530	2.8%	2,197	2.4%	2,336	2.6%	2,513	2.8%	316	14.4%	9	0.4%	177	7.6%
Bad loans	989	1.1%	1020	1.1%	953	1.1%	632	0.7%	661	0.7%	710	0.8%	78	12.4%	-310	-30.4%	49	7.5%
Unlikely to pay loans	1,872	2.0%	1,277	1.4%	1,337	1.5%	1,354	1.5%	1,463	1.6%	1,653	1.8%	300	22.1%	376	29.5%	190	13.0%
Past due loans	161	0.2%	207	0.2%	240	0.3%	212	0.2%	213	0.2%	150	0.2%	-62	-28.9%	-57	-27.3%	-63	-29.4%
Gross performing loans	88,884	96.7%	88,801	97.3%	86,326	97.2%	87,834	97.6%	87,272	97.4%	88,427	97.2%	593	0.7%	-374	-0.4%	1,155	1.3%
<b>Total gross exposures</b>	<b>91,906</b>	<b>100.0%</b>	<b>91,305</b>	<b>100.0%</b>	<b>88,856</b>	<b>100.0%</b>	<b>90,031</b>	<b>100.0%</b>	<b>89,609</b>	<b>100.0%</b>	<b>90,940</b>	<b>100.0%</b>	<b>909</b>	<b>1.0%</b>	<b>-365</b>	<b>-0.4%</b>	<b>1,331</b>	<b>1.5%</b>

Adjustments to loans (€mn)	1Q23		2Q23		3Q23		4Q23		1Q24		2Q24		Chg YTD		Chg Y/Y		Chg Q/Q	
	coverage (%)		coverage (%)		coverage (%)		coverage (%)		coverage (%)		coverage (%)		Abs.	Chg (%)	Abs.	Chg (%)	Abs.	Chg (%)
Adjustments to NPEs	1,841	60.9%	1,491	59.6%	1,449	57.3%	1,154	52.5%	1,266	54.2%	1,339	53.3%	185	16.1%	-152	-10.2%	73	5.8%
Bad loans	795	80.4%	830	81.4%	753	79.1%	457	72.4%	478	72.3%	494	69.6%	37	8.0%	-336	-40.5%	16	3.4%
Unlikely to pay loans	997	53.3%	603	47.2%	628	46.9%	639	47.2%	724	49.5%	803	48.6%	164	25.7%	200	33.1%	79	10.9%
Past due loans	49	30.6%	58	28.0%	68	28.4%	58	27.3%	64	30.0%	42	28.1%	-16	-26.8%	-16	-26.9%	-22	-33.8%
Adjustments to performing loans	664	0.7%	719	0.8%	735	0.9%	653	0.7%	634	0.7%	638	0.7%	-15	-2.3%	-81	-11.3%	4	0.6%
<b>Total adjustments</b>	<b>2,505</b>	<b>2.7%</b>	<b>2,210</b>	<b>2.4%</b>	<b>2,184</b>	<b>2.5%</b>	<b>1,807</b>	<b>2.0%</b>	<b>1,900</b>	<b>2.1%</b>	<b>1,977</b>	<b>2.2%</b>	<b>170</b>	<b>9.4%</b>	<b>-233</b>	<b>-10.5%</b>	<b>77</b>	<b>4.1%</b>

Net exposures (€mn)	1Q23		2Q23		3Q23		4Q23		1Q24		2Q24		Chg YTD		Chg Y/Y		Chg Q/Q	
	comp. %		comp. %		comp. %		comp. %		comp. %		comp. %		Abs.	Chg (%)	Abs.	Chg (%)	Abs.	Chg (%)
Non Performing Exposures (NPEs)	1,181	1.3%	1,013	1.1%	1,080	1.2%	1,043	1.2%	1,071	1.2%	1,174	1.3%	131	12.5%	161	15.9%	103	9.7%
Bad loans	194	0.2%	190	0.2%	199	0.2%	175	0.2%	183	0.2%	216	0.2%	41	23.7%	26	13.7%	33	18.0%
Unlikely to pay loans	875	1.0%	674	0.8%	709	0.8%	715	0.8%	739	0.8%	850	1.0%	136	18.9%	176	26.2%	111	15.1%
Past due loans	112	0.1%	149	0.2%	172	0.2%	154	0.2%	149	0.2%	108	0.1%	-46	-29.7%	-41	-27.4%	-41	-27.4%
Net performing loans	88,220	98.7%	88,082	98.9%	85,592	98.8%	87,181	98.8%	86,638	98.8%	87,788	98.7%	607	0.7%	-294	-0.3%	1,150	1.3%
<b>Total net exposures</b>	<b>89,401</b>	<b>100.0%</b>	<b>89,095</b>	<b>100.0%</b>	<b>86,672</b>	<b>100.0%</b>	<b>88,224</b>	<b>100.0%</b>	<b>87,709</b>	<b>100.0%</b>	<b>88,962</b>	<b>100.0%</b>	<b>738</b>	<b>0.8%</b>	<b>-133</b>	<b>-0.1%</b>	<b>1,253</b>	<b>1.4%</b>

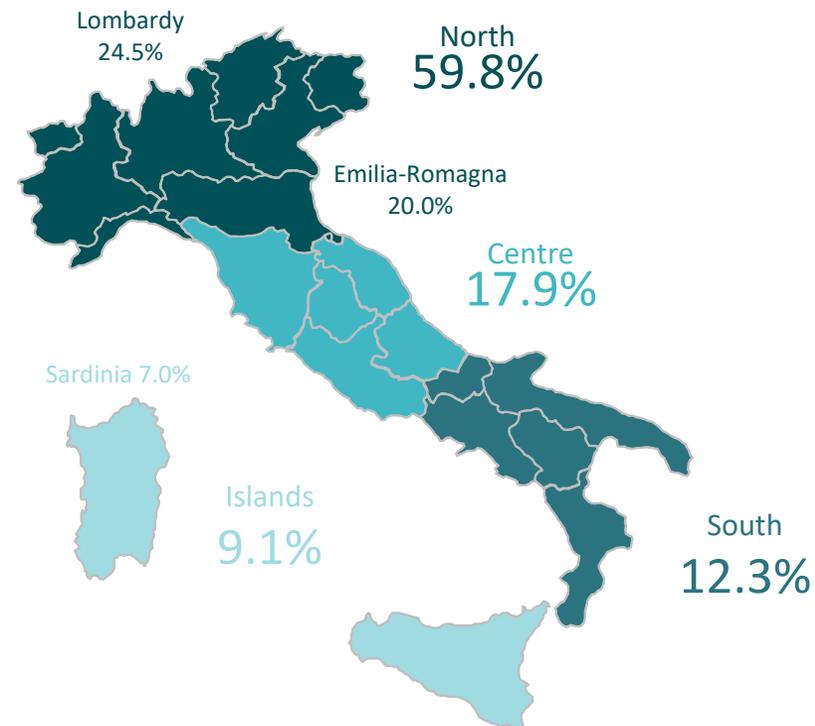
Note: customer loans excluding customer debt securities.

# Net Customer Loans: Loan Portfolio Composition

## Net Customer Loans Breakdown by Sector (€bn; %)

Business sector	2Q24	% on Total Customer Loans	Δ % vs 4Q23
Manufacturing	13.1	14.7%	-0.1%
Wholesale and retail services, recoveries and repairs	6.9	7.8%	-2.7%
Construction	2.8	3.1%	-7.3%
Real Estate	3.7	4.2%	-4.6%
HORECA	1.6	1.8%	-5.7%
Agriculture, forestry and fishing	1.0	1.1%	-0.1%
Other	10.3	11.5%	+0.9%
<b>Total loans to non-financial businesses</b>	<b>39.3</b>	<b>44.2%</b>	<b>-1.5%</b>
Households	42.0	47.3%	+1.4%
Total loans to financial businesses	7.6	8.5%	+11.2%
<b>Total Customer Loans</b>	<b>89.0</b>	<b>100.0%</b>	<b>+0.8%</b>
Debt Securities	13.9	15.6%	+2.2%

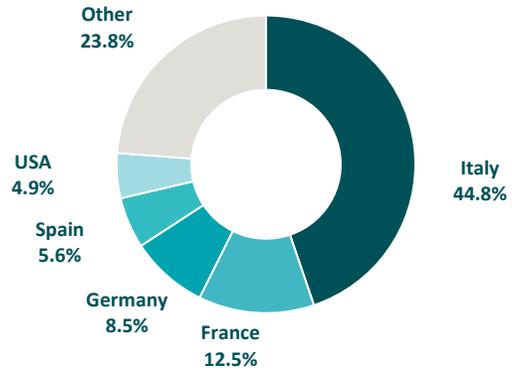
## Net Customer Loans Breakdown by Geographical Areas<sup>(1)</sup> (%)



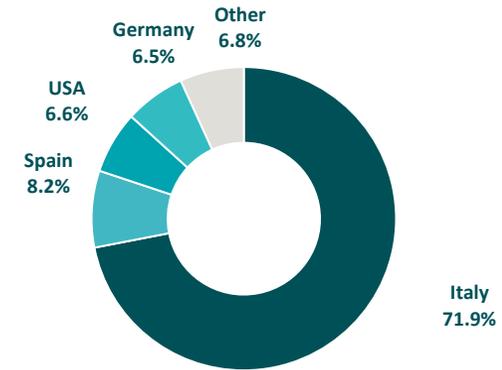
(1) Source: managerial figures.

# Financial Assets: Highlights

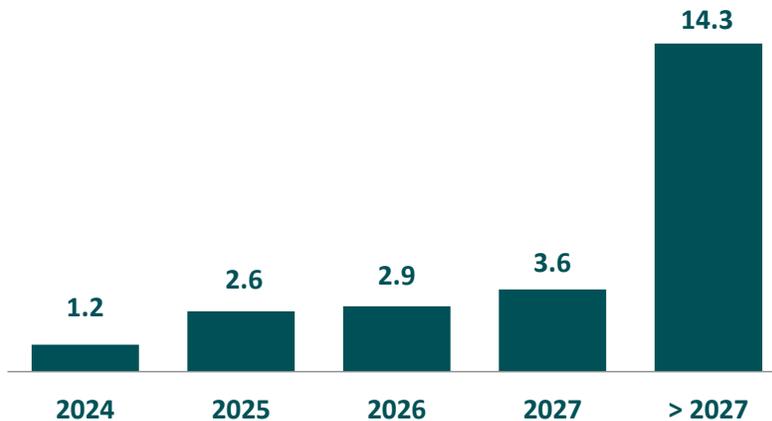
Bonds PTF Geographical Breakdown (%)



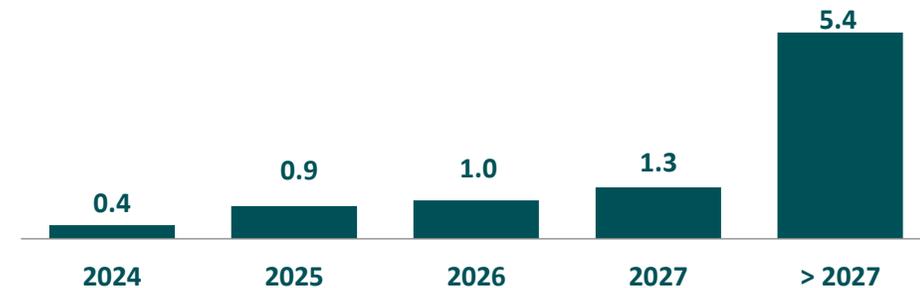
Govies Geographical Breakdown (%)



Bonds PTF Maturities<sup>1</sup> (€bn)



Italian Govies Maturities<sup>1</sup> (€bn)



# Commercial dynamics: loans and deposits evolution

## Commercial loans by geography (€bn; %)



## Commercial deposits by geography (€bn; %)



## Environmental

- Membership in the **Net Zero Banking Alliance**, publication of the first Net Zero targets and **decarbonisation plan**
- **100%** use of electricity from **renewable sources**
- **1.8 GWh** production from **14 photovoltaic plants** (FY23)
- **2 Green Bond** issuances for a total amount of **€1 bn**
- **€1 bn worth of loans** made available to corporate customers for their **ecological and digital transition** (Transition 5.0)
- **ESG induction and engagement** across the Company's entire population
- **CDP rating A- (Leadership)**

## Social

- Signatory of the **Principles for Responsible Banking** and definition of inclusion, digitalisation and financial education targets
- Member of the **Global Compact** since 2017
- Implementation of the **BPER Bene Comune (Common Good) Service** in support of **Third Sector** entities and **Impact lending**
- **Social bond** issuance for a total amount of **€0.5 bn**
- Over **100,000 young people** were involved in **Financial Education** projects (FY23)
- Over **1 mn hours of training** (FY23)
- **Top Employer** again in 2023

## Governance

- Presence of a **Board-internal Sustainability Committee** and a **Managerial ESG Committee**
- **Key ESG Ratings were up:** MSCI AA; Sustainalytics ratings 14.7 (Low risk); Standard Ethics Rating EE+ (Very strong); S&P Global 60; Moody's Analytics 63 (Advanced)
- Included by S&P Global in the **«Sustainability Yearbook 2024»**
- Included in the **MIB ESG Index**
- 20% weight of **ESG KPIs** in the **Remuneration policies**
- **D&I: 40%** women in the BoD
- **D&I:** implementation of a **three-year operational plan for the enhancement of D&I**
- **D&I: 27%** female executives; **33%** female managers

# BPER:

## Contacts for Investors and Financial Analysts

---

### **Nicola Sponghi**

Head of Investor Relations

✉ [nicola.sponghi@bper.it](mailto:nicola.sponghi@bper.it)

### **Chiara Leonelli**

Investor Relations

✉ [chiara.leonelli@bper.it](mailto:chiara.leonelli@bper.it)

### **Maria Accarrino**

Investor Relations

✉ [maria.accarrino@bper.it](mailto:maria.accarrino@bper.it)

### **Ilaria Picelli**

Investor Relations

✉ [ilaria.picelli@bper.it](mailto:ilaria.picelli@bper.it)

### **Federico Febbraro**

Investor Relations

✉ [federico.febbraro@bper.it](mailto:federico.febbraro@bper.it)

### **Sara Viglietti**

Investor Relations

✉ [sara.viglietti@bper.it](mailto:sara.viglietti@bper.it)

---

### **BPER**

Head Office: Via San Carlo 8/20, Modena

[Investor.relations@bper.it](mailto:Investor.relations@bper.it)  
[bper.it](http://bper.it) – [group.bper.it](http://group.bper.it)