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# PRESS RELEASE

## CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2024

**3Q24 NET PROFIT OF €412.9 MN (+6.3%[1] Q/Q)**

**9M24 ADJUSTED[2] CONSOLIDATED NET PROFIT OF €1,110.6 MN (+2.2% 9M/9M), NET OF OVER €0.5 BN IN INCOME TAXES**

**CORE REVENUES[3] OF €4,025.9 MN (+5.0% 9M/9M)**

**NET INTEREST INCOME AT €2,523.2 MN (+6.0% 9M/9M) AND NET COMMISSION INCOME AT €1,502.7 MN (+3.5% 9M/9M) MAINLY ON THE BACK OF ASSETS UNDER MANAGEMENT FEES (+13.7% 9M/9M)**

**OPERATIONAL EFFICIENCY CONFIRMED, WITH COST/INCOME RATIO[4] AT 49.5%**

**SOUND CREDIT QUALITY WITH GROSS NPE RATIO AT 2.8% AND NET NPE RATIO AT 1.3%**

**TOTAL NPE COVERAGE RATIO AT 54.4% (52.5% AT 31 DECEMBER 23), ONE OF THE HIGHEST IN ITALY**

**ANNUALISED COST OF RISK[5] AT 39 BPS (-15 BPS 9M/9M)**

**CET1 RATIO[6] AT 15.8% DRIVEN BY STRONG ORGANIC CAPITAL GENERATION**

**EPS[7] IN THE FIRST 9 MONTHS OF 2024 AT €0.804 (€0.512 AT 30 JUNE 24)**

**SOUND LIQUIDITY POSITION WITH LCR AT 169% (161% AT 31 DECEMBER 23) AND NSFR AT 136% (128% AT 31 DECEMBER 23)**

**ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING IN DECEMBER**

BPER Banca S.p.A., Head Office in Via San Carlo 8/20, Modena – Tax Code and Modena Companies Register No. 01153230360 – Company belonging to the BPER BANCA GROUP VAT, VAT No. 03830780361 – Share capital Euro 2,121,637,109.40 – ABI Code 5387.6 – Register of Banks No. 4932 – Member of the Interbank Deposit Guarantee Fund and of the National Guarantee Fund – Parent Company of the BPER Banca S.p.A. Banking Group – Register of Banking Groups No. 5387.6 – Tel. +39 059.2021111 – Telefax +39 059.2022033 – e-mail: servizio.clienti@bper.it – Certified e-mail (PEC): bper@pec.gruppobper.it – bper.it – group.bper.it

*Modena – 7 November 2024*. The Board of Directors of BPER Banca (the "**Bank**"), chaired by **Fabio Cerchiai**, at its meeting yesterday afternoon, 6 November 2024, examined and approved the Bank separate and Group consolidated results as at 30 September 2024.

The Bank has attained broadly positive results year to date, primarily on the back of the contribution from net interest income and net commissions. As at 30 September 2024, the adjusted consolidated net profit[8] amounted to €1,110.6 mn up 2.2% 9M/9M (€1,137.0 mn net profit for the period, up 4.6% 9M/9M), after having expensed €109.6 mn in contributions to the banking system funds in the first half of the year. BPER's credit quality was confirmed in the first 9M of the year, with the NPE ratio settling at 2.8% gross (1.3% net), which positions the Group as the among best in class in the Italian banking industry. The annualised cost of credit stands at 39 bps, down on year-end 2023 (48 bps), and NPL coverage is now at 54.4%, up on year-end 2023 (52.5%). The Bank's capital and liquidity profiles remain strong thanks to the organic generation of capital which drove the CET1 ratio[9] to 15.8%. The Bank's liquidity position shows regulatory ratios broadly in excess of the minimum thresholds required, even after the €1.7 bn repayment of the last TLTRO tranche in March 2024.
According to the most recent assessments[10], the macro-economic framework in the euro-area in the summer months was characterised by economic activity that continued to remain stagnant. At a global level, downward risks remain, on account of geopolitical and trade tensions, and risks related to greater-than-expected lagged effects of restrictive monetary policy. Growth in Italy was moderate and a new expansion in services was accompanied by persistent weakness in manufacturing. Against this backdrop, the business and organisational strategy deployed so far by the Bank has made it possible to deliver positive results.

**Gianni Franco Papa**, **Chief Executive Officer,** commented: "*Once again, the positive results of the first nine months of this year confirm the commitment of all colleagues towards our Group targets. Quarter by quarter, we demonstrate our ability to create new value, while keeping a robust capital and liquidity profile. Now we are completely committed to the execution of our new Business Plan 2024-2027 "B:Dynamic|Full Value 2027", which is focused on our commercial development, and accelerating our economies of scale. More than half of our Business Plan initiatives have already been launched, and we are already implementing important steps to streamline our organisational model in order to have a more effective set-up to support our growth".*

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## Consolidated income statement: key figures

*Since the first quarter of 2024, the Reclassified Income Statement has been affected by the following restatements: 1) Gains (losses) of equity investments measured under the equity method are presented as a separate line in Operating Income (former Gains (Losses) on investments), 2) Contributions to the SRF, DGS and FITD-SV funds are shown under Profit (Loss) from current operations, 3) Other minor reclassifications of individual cost/income items (as per the itemised description in the Notes). In the interest of comparability of results, similar reclassifications have been made for the comparative reporting periods.*

**Net Interest Income** totalled €2,523.2 mn (+6.0% 9M/9M) reflective of the contribution from volumes and the interest rate environment.

**Net commission income**[11] totalled €1,502.7 mn (+3.5% 9M/9M), with investment services at €625.7 mn (+6.8% 9M/9M), non-life insurance commissions at €71.1 mn (+28.4% 9M/9M) and fees and commissions on traditional banking at €805.9 mn (-0.6% 9M/9M).

**Dividends** at €40.4 mn (+34.9% 9M/9M), of which €11.1 mn from Bank of Italy stake and €11.8 mn from Arca Vita, both collected in 2Q24. **Net income from financial activities** amounted to a positive €3.4 mn; funding through certificates had a negative impact of €74.9 mn.

As a result of the dynamics described above, **operating income**[12] totalled €4,129.1 mn (+2.9% 9M/9M), driven by increased core revenues[13], amounting to €4,025.9 mn (+5.0% 9M/9M).

**Operating costs** amounted to €2,218.0 mn in 9M24 vs €1,966.3 mn in the same period of last year. More specifically:

- **staff costs**[14] amounted to €1,455.8 mn and include €173.8 mn in costs relating to the extension of the workforce optimisation manoeuvre with 615 additional early retirement applications accepted as a complement to the agreement signed on 23 December 2023;
- **other administrative expenses**[15] amounted to €556.3 mn as compared to €546.7 mn for the same period of last year;
- **net adjustments to property, plant, equipment and intangible assets** totalled €205.8 mn vs. €174.1 mn for the same period of last year.

The adjusted **cost/income ratio**[16] for 9M24 was 49.5%.

The annualised **cost of risk** stands at 39 bps, down from 48 bps in FY23; the loan book featured a low rate of net NPE inflows and high coverage levels. The overlays applied amounted to €221.8 mn. **Net impairment losses for credit risk** amounted to €254.2 mn (-29.7% 9M/9M).

**Gains on investments** amounted to €152.4 mn in 9M24, including the positive gross capital gain of €150.1 mn related to the disposal of the NPE servicing platform to the Gardant Group.

**Contributions to the Banking System funds** amount to €109.6 mn, reflecting the contribution to the Deposit Guarantee Scheme.

After deducting **income taxes**, totalling €502.7 mn, and **profit for the period pertaining to minority interests** amounting to €28.9 mn, **profit for the period pertaining to the Parent Company** totalled €1,137.0 mn.

## Consolidated balance sheet: key figures

*Unless otherwise specified, percentage changes refer to figures being compared with data as at 31/12/23.*

**Total Financial Assets** totalled €303.5 bn, up 4.6% on 31 December 2023.

**Direct deposits from customers**[17] totalled €116.6 bn (-€0.9 bn Q/Q mainly due to timing technicalities related to payments). The stock of certificates amounted to €2.5 bn, up 22.8% vs the end-2023 stock of €2.0 bn. As for bonds issued, the stock as at 30 September 2024 totalled €10.1 bn, down 9,6% vs end-2023 (€11.2 bn): in this regard, it is noted that in February the Bank 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, non-call 5, was placed for an amount of €500 mn. Moreover, in March, a fixed rate, 7-year maturity Covered Bond issuance was placed for an amount of €500 mn, targeting institutional investors. In May, BPER Banca successfully placed its second Senior Preferred Bond issuance qualifying as green, targeting institutional investors. The issuance, with 7-year maturity, non-call 6, was placed for an amount of €500 mn. In August, a Covered Bond issuance with 5-year maturity (July 2029) was placed for an amount of

€500 mn, which reopened the Italian banks' bond market after the summer break.

**Assets under Management**, totalling €70.8 bn, were up 8.6%. **Assets under Custody**, amounting to €95.0 bn, were up 11.5%, while **life insurance policies**, totalling €21.1 bn, were down 0.1%.

**Net loans to customers** amounted to €88.9 bn (€90.9 bn gross), up 0.7% since end-2023.

The **loan to deposit ratio** settled at 76.2% as at 30 September 2024 (74.3% at 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 2.8% (2.4% at the end of 2023), whereas the share of net non-performing loans to customers (**net NPE ratio**) is 1.3% (1.2% as at the end of 2023).

The **coverage ratio** for total non-performing loans rose to 54.4% (from 52.5% at the end of 2023); performing loan coverage landed at 0.73% (0.74% at the end of 2023) and Stage 2 loan coverage was 5.31% (up from 5.05% at the end of 2023).

**Financial assets** totalled € 27.7 bn (19.8% of total assets). Within the aggregate, debt securities amount to €25.8 bn (92.9% of the total portfolio) with a duration of 1.7 years, including hedging. These securities include €14.7 bn of bonds issued by governments and other supranational public entities, of which €10.0 bn of Italian government bonds (up 13.0% Q/Q).

**Total shareholders' equity** amounted to €10,801.4 mn, with minority interests accounting for €203.7 mn. **Group consolidated shareholders' equity**, including net profit for the period, amounts to €10,579.7 mn. It is noted that on 9 January 2024, the Bank successfully placed an Additional Tier 1 perpetual bond issuance, callable from year 5, for a total principal amount of €500 mn.

As regard the **liquidity position**, the Liquidity Coverage Ratio (LCR) as at 30 September 2024 was 168.7%, while the Net Stable Funding Ratio (NSFR) was 136.1%.

## Group structure highlights as at 30 September 2024

The BPER Banca Group is present in twenty regions of Italy with a network of 1,632 branches (in addition to the Luxembourg head office of BPER Bank Luxembourg S.A.).

Group employees total 20,043 as compared to a headcount of 20,224 at year-end 2023.

## Capital Ratios

Reported below are the capital ratios as at 30 September 2024:

- Common Equity Tier 1 (CET1) ratio[18] of 15.8% (14.5% as at 31 December 2023);
- Tier 1 ratio[19] of 16.9% (14.7% as at 31 December 2023);
- Total Capital Ratio[20] of 20.3% (18.1% as at 31 December 2023).

## 2024 KPI Guidance update

BPER Banca has updated its guidance for the financial year 2024 ("FY24 Guidance") settling its CET1 ratio at approximately 15% compared to the guidance disclosed during the Business Plan presentation (>14.5%).

### On track to achieve 2024 Guidance

| | 9M24 | FY24 Guidance | |
|---|---|---|---|
| Total Revenues | €4.1 bn | ~€5.4 bn | |
| *o.w. Net Inter. Income* | €2.5 bn | ~€3.3 bn | |
| *o.w. Net Comm. Income* | €1.5 bn | >€2.0 bn | |
| Operating Costs | €2.0 bn | >€2.8 bn | |
| Cost/Income | 49.5% | ~52% | |
| Cost of Risk | 39 bps(1) | <48 bps | |
| Net Profit | €1.1 bn | ~€1.3 bn | |
| RoTE(2) | 17.4% | >15.5% | |
| CET1 Ratio | 15.8% | ~15% | *Revised upwards vs FY24 Guidance BP* |

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(1) CoR annualised.
(2) Calculated as: Net Profit adjusted annualised / (Average Tangible Book Value - Minorities interests - AT1 - Dividends accrued).
Note: Operating Costs and Net Profit exclude extraordinary items (HR-related actions costs and net gain from the disposal to Gardant), accounted in 1H24.

## Outlook for operations

With reference to the global economic situation, following a better-than-expected second quarter, signs of a slowdown in the world economy emerged in July, owing to the continued weakness in manufacturing, while service activity remained positive. In September, the Federal Reserve lowered the benchmark rate by 50 basis points for the first time since March 2020 given the reduction in inflation and the slowdown in the labour market. The Bank of England, which had cut its rates in August, left them unchanged in September. In Japan, the central bank raised its reference rates at the end of July. Stagnation in euro-area GDP continued in the second quarter (+0.2% Q/Q), pointing to a fall in value added in manufacturing and construction; on the demand side, the slightly negative contribution of domestic demand and gross fixed investments was more than offset by the contribution from net foreign demand and the increase in government spending.

In September, inflation continued to decrease, as did its core component. The ECB[21] staff projections published in September indicate that consumer price inflation is expected to decrease gradually, from 2.5% in 2024 on average, to 2.2% in 2025 and to 1.9% in 2026. After a first cut in June, in its September meeting, the Governing Council of the European Central Bank further lowered its deposit facility rate by 25 basis points.

Italian GDP continued to grow moderately in the second quarter of 2024, still supported by the expansion in services, against a decline in value added in industry. Domestic demand increased, driven by household consumption and by investment in capital goods, on the back of a positive contribution from the change in inventories, while net exports declined. Based on estimates[22], economic activity increased slightly in the third quarter. The expansion in services appears to have continued, while value added seems to have remained essentially stable in construction and to have declined further in manufacturing. On the demand side, the further recovery in consumption appears to be linked to subdued investment and weak net external demand.

In this context, given its high capital strength, the Bank will be able to continue making prudent management choices with a view to achieving positive results during the entire period, in line with the updated guidance.

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In addition to the above, BPER Banca informs that, in line with the resolutions adopted by the Board of Directors, a Shareholders' Meeting will be held in the second half of December 2024 to resolve:

- in its ordinary session, upon replacement of the Chair of the Board of Statutory Auditors, Angelo Mario Giudici, who recently tendered his resignation effective from the appointment of his substitute by the Shareholders' Meeting and, in any case, no later than 1 January 2025;
- in its extraordinary session, upon: (i) a proposed amendment to the Bank's Articles of Association to provide for the possibility of distributing interim dividends under the circumstances, according to the procedures and within the limits set forth in the regulations in force, in line with the new Business Plan B: Dynamic Full Value 2027 and (ii) the partial non-proportional demerger of the e-money part of the assets of subsidiary Bibanca S.p.A. in favour of its Parent Company BPER, as part of the project aimed at re-insourcing into BPER the e-money activities currently carried out by its subsidiary.

The notice of call, the explanatory reports concerning the items on the agenda and other documents relating to the Shareholders' Meeting will be made available to the public according to the terms and deadlines set by the regulations in force.

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*With reference to the regulatory provisions that were introduced with the amendment to the Consolidated Law on Finance (Legislative Decree no. 25 of 15 February 2016, implementing European Directive 2013/50/EU (Transparency II) and subsequent Consob Resolution no. 19770 of 26 October 2016, it should be noted that BPER Banca voluntarily decided, as it did in the past, to publish the Group's consolidated interim report on operations as at 31 March and 30 September of each year.*
*The document will soon be available at the Bank's head office, on the websites of the Bank and of the Group (www.bper.it and group.bper.it), of Borsa Italiana S.p.A. and in the authorised storage system (www.1info.it).*

*As a complement to the information provided in this press release, attached please find the consolidated Balance Sheet and Income Statement (quarterly breakdown and reclassified) as at 30 September 2024, in addition to a summary of key financial indicators.*

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The Manager responsible for preparing the Company's financial reports, Marco Bonfatti, declares, pursuant to art. 154-bis, paragraph 2, of Legislative Decree no. 58/1998 (Consolidated Law on Finance), that the accounting information contained in this press release corresponds to the underlying documentary evidence, books and accounting records.

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A conference call to illustrate the consolidated results of the BPER Banca Group as at 30 September 2024 will be held today at 10 a.m. (CET).
The conference call will be hosted in English by the Chief Executive Officer, Gianni Franco Papa.

To participate in the conference call, please register here for access details. Registration will add the event to your calendar.
As an alternative, please use the dial-in numbers below according to your location:

**ITALY:** **+39 02 8020911**
**UK:** **+44 1 212818004**
**USA:** **+1 718 7058796**

The audio webcast will be available at the following link. A set of slides to support the presentation will be made available on the Bank's website group.bper.it in the Investor Relations section, shortly before the start of the conference call.

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This press release is also available in the 1INFO storage system.
This is a translation into English of the original in Italian. The Italian text shall prevail over the English version.

## Notes

[1] The percentage change expresses a Q/Q comparison between 3Q24 net profit and the 2Q24 adjusted net profit which does not include -€173.8 mn booked in the second quarter of 2024 under Staff costs, related to the integration of the workforce optimisation manoeuvre and its tax effect amounting to +€52.1 mn.

[2] The 9M24 adjusted net profit figure does not include €150.1 mn in gains from disposal of the equity investment in the servicing platform relating to the management and recovery of loans classified as unlikely to pay (UTP) and non-performing (NPL), and -€173.8 mn booked in the second quarter of 2024 under Staff costs, related to the integration of the workforce optimisation manoeuvre and its overall tax effect amounting to +€50.1 mn.

[3] Net interest income plus net commission income.

[4] The cost/income ratio is calculated on the basis of the reclassified income statement (operating costs/operating income), excluding €173.8 mn booked as a non-recurring item in the second quarter of 2024 under Staff costs in relation to the integration of the workforce optimisation manoeuvre with 615 additional early retirement applications accepted as a complement to the agreement signed on 23 December 2023.

[5] The cost of risk is calculated on an annualised basis for the reporting period.

[6] The capital ratios were calculated by including profit for the year for the portion not allocated to dividends, thus bringing forward the effects of the ECB's authorisation to include these profits in Own Funds pursuant to art. 26, para. 2 of the CRR.

[7] Basic EPS as at 30 September 2024 is €0.804 and Diluted EPS is €0.784. Basic EPS as at 30 June 2024 is €0.512 and Diluted EPS is €0.500.

[8] See Note 2.

[9] See Note 6.

[10] Bank of Italy, Economic Bulletin no. 4, 11 October 2024.

[11] Based on the same overall net profitability, the interim margins in the Income Statement as at 30 September 2024 were affected by the reclassification of some cost/income components. More specifically, in 9M24: i. Net commission income included €24.6 mn worth of charges for payment services provided (former Other administrative expenses); ii. Other administrative expenses were offset within the same item by €12.0 mn in recovery of costs for services ancillary to lending (former Commission income); iii. Staff costs included €12.2 mn in business trips and training charges (former Other administrative expenses); iv. 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.

[12] See Note 11.

[13] See Note 3.

[14] See Note 11.

[15] See Note 11.

[16] See Note 4.

[17] Includes amounts due to customers, debt securities issued and financial liabilities designated at fair value.

[18] See Note 6.

[19] See Note 6.

[20] See Note 6.

[21] ECB – ECB Eurosystem staff macroeconomic projections for the euro area countries, September 2024.

[22] See Note 10.

# Reclassified financial statements as at 30 September 2024

For greater clarity in the presentation of the results for the period, the accounting statements envisaged by the 8th update of Bank of Italy Circular no. 262/2005 have been reclassified as follows.

In the balance sheet:

- debt securities valued at amortised cost (item 40 *"Financial assets measured at amortised cost"*) have been reclassified under 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";
- the item "*Other assets"* includes items 110 *"Tax assets",* 120 *"Non-current assets and disposal groups classified as held for sale"* and 130 "*Other assets*";
- the item "*Other liabilities"* includes items 60 "*Tax liabilities*", 80 "*Other liabilities*", 90 "*Employee termination indemnities"* and 100 "*Provisions for risks and charges*".

In the income statement:

- the item *"Net commission income"* includes commission on placement of Certificates, allocated for accounting purposes to item 110 *"Net income on other financial assets and liabilities measured at fair value through profit or loss"* of the accounting statement (Euro 11.1 million at 30 September 2024 and Euro 20.3 million at 30 September 2023);
- the item *"Net income from financial activities"* includes items 80, 90, 100 and 110 of the accounting statement, net of commission on placement of Certificates mentioned 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 227.3 million at 30 September 2024 and Euro 204.6 million at 30 September 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 related costs under "Other administrative expenses" (Euro 12 million at 30 September 2024 and Euro 10.2 million at 30 September 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 12.2 million at 30 September 2024 and Euro 14.1 million at 30 September 2023);
- the item *"Net adjustments to property, plant, equipment and intangible assets"* includes items 210 and 220 of the accounting statement;
- gross effects from the use of provisions for risks and charges set aside in prior periods (former *Other operating expense/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;
- the item *"Contributions to the DGS, SRF and IDPF-VS funds"* has been shown separately from the specific accounting technical forms to give a better and clearer representation, as well as to have the *"Other administrative expenses"* better reflect the trend in the Group's operating costs. In particular, at 30 September 2024, this item represents the component allocated for accounting purposes to administrative expenses in relation to the 2024 contribution to the DGS (Deposit Guarantee Fund) for an amount of Euro 109.6 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 commissions*" (Euro 24.6 million at 30 September 2024, Euro 19.1 million at 30 September 2023).

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# Reclassified consolidated balance sheet as at 30 September 2024

(in thousands)

| Assets | 30.09.2024 | 31.12.2023 | Change | % Change |
|---|---|---|---|---|
| Cash and cash equivalents | 8,912,266 | 10,085,595 | (1,173,329) | -11.63 |
| Financial assets | 27,742,706 | 28,600,425 | (857,719) | -3.00 |
| a) Financial assets held for trading | 677,317 | 672,598 | 4,719 | 0.70 |
| b) Financial assets designated at fair value | - | 1,991 | (1,991) | -100.00 |
| c) Other financial assets mandatorily measured at fair value | 785,219 | 762,059 | 23,160 | 3.04 |
| d) Financial assets measured at fair value through other comprehensive income | 5,648,152 | 6,859,241 | (1,211,089) | -17.66 |
| e) Debt securities measured at amortised cost | 20,632,018 | 20,304,536 | 327,482 | 1.61 |
| - banks | 6,158,702 | 6,721,529 | (562,827) | -8.37 |
| - customers | 14,473,316 | 13,583,007 | 890,309 | 6.55 |
| Loans | 90,586,732 | 89,993,197 | 593,535 | 0.66 |
| a) Loans to banks | 1,536,717 | 1,661,081 | (124,364) | -7.49 |
| b) Loans to customers | 88,877,975 | 88,224,354 | 653,621 | 0.74 |
| c) Loans mandatorily measured at fair value | 172,040 | 107,762 | 64,278 | 59.65 |
| Hedging derivatives | 796,448 | 1,122,566 | (326,118) | -29.05 |
| Equity investments | 460,455 | 422,046 | 38,409 | 9.10 |
| Property, plant and equipment | 2,513,148 | 2,456,850 | 56,298 | 2.29 |
| Intangible assets | 683,486 | 648,981 | 34,505 | 5.32 |
| - of which: goodwill | 170,018 | 170,018 | - | - |
| Other assets | 8,240,259 | 8,798,699 | (558,440) | -6.35 |
| **Total assets** | **139,935,500** | **142,128,359** | **(2,192,859)** | **-1.54** |

(in thousands)

| Liabilities and shareholders' equity | 30.09.2024 | 31.12.2023 | Change | % Change |
|---|---|---|---|---|
| Due to banks | 5,001,753 | 7,754,450 | (2,752,697) | -35.50 |
| Direct deposits | 116,626,903 | 118,766,662 | (2,139,759) | -1.80 |
| a) Due to customers | 102,711,043 | 104,854,552 | (2,143,509) | -2.04 |
| b) Debt securities issued | 11,448,926 | 11,902,469 | (453,543) | -3.81 |
| c) Financial liabilities designated at fair value | 2,466,934 | 2,009,641 | 457,293 | 22.75 |
| Financial liabilities held for trading | 246,948 | 300,955 | (54,007) | -17.95 |
| Hedging | 151,697 | 111,374 | 40,323 | 36.21 |
| a) Hedging derivatives | 247,941 | 266,558 | (18,617) | -6.98 |
| b) Change in value of macro-hedged financial liabilities (+/-) | (96,244) | (155,184) | 58,940 | -37.98 |
| Other liabilities | 7,106,818 | 5,629,441 | 1,477,377 | 26.24 |
| Minority interests | 203,706 | 199,328 | 4,378 | 2.20 |
| Shareholders' equity pertaining to the Parent Company | 10,597,675 | 9,366,149 | 1,231,526 | 13.15 |
| a) Valuation reserves | 207,559 | 151,396 | 56,163 | 37.10 |
| b) Reserves | 5,273,811 | 4,206,666 | 1,067,145 | 25.37 |
| c) Equity instruments | 620,999 | 150,000 | 470,999 | 314.00 |
| d) Share premium reserve | 1,244,557 | 1,236,525 | 8,032 | 0.65 |
| e) Share capital | 2,121,637 | 2,104,316 | 17,321 | 0.82 |
| f) Treasury shares | (7,923) | (2,250) | (5,673) | 252.13 |
| g) Profit (Loss) for the period | 1,137,035 | 1,519,496 | (382,461) | -25.17 |
| **Total liabilities and shareholders' equity** | **139,935,500** | **142,128,359** | **(2,192,859)** | **-1.54** |

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# Reclassified consolidated income statement as at 30 September 2024

(in thousands)

| Items | | 30.09.2024 | 30. 09.2023 | Change | % Change |
|---|---|---|---|---|---|
| 10+20 | Net interest income | 2,523,225 | 2,381,517 | 141,708 | 5.95 |
| 40+50 | Net commission income | 1,502,680 | 1,452,108 | 50,572 | 3.48 |
| 70 | Dividends | 40,396 | 29,945 | 10,451 | 34.90 |
| ### | Gains (losses) of equity investments measured under the equity method | 2,726 | 17,103 | (14,377) | -84.06 |
| 80+90+100+110 | Net income from financial activities | 3,447 | 95,575 | (92,128) | -96.39 |
| 230 | Other operating expense/income | 56,596 | 37,623 | 18,973 | 50.43 |
| | **Operating income** | **4,129,070** | **4,013,871** | **115,199** | **2.87** |
| 190 a) | Staff costs | (1,455,831) | (1,245,518) | (210,313) | 16.89 |
| 190 b) | Other administrative expenses | (556,327) | (546,682) | (9,645) | 1.76 |
| 210+220 | Net adjustments to property, plant and equipment and intangible assets | (205,819) | (174,056) | (31,763) | 18.25 |
| | **Operating costs** | **(2,217,977)** | **(1,966,256)** | **(251,721)** | **12.80** |
| | **Net operating income** | **1,911,093** | **2,047,615** | **(136,522)** | **-6.67** |
| 130 a) | Net impairment losses to financial assets at amortised cost | (252,825) | (364,681) | 111,856 | -30.67 |
| | *- loans to customers* | *(259,672)* | *(353,802)* | *94,130* | *-26.61* |
| | *- other financial assets* | *6,847* | *(10,879)* | *17,726* | *-162.94* |
| 130 b) | Net impairment losses to financial assets at fair value | (368) | (319) | (49) | 15.36 |
| 140 | Gains (Losses) from contractual modifications without derecognition | (1,052) | 3,320 | (4,372) | -131.69 |
| | **Net impairment losses for credit risk** | **(254,245)** | **(361,680)** | **107,435** | **-29.70** |
| 200 | Net provisions for risks and charges | (31,008) | (69,479) | 38,471 | -55.37 |
| 250+260+270+280 | Gains (Losses) on investments | 152,386 | 15,955 | 136,431 | 855.10 |
| | **Profit (Loss) from current operations** | **1,778,226** | **1,632,411** | **145,815** | **8.93** |
| ### | Contributions to SRF, DGS, IDPF - VS | (109,574) | (175,237) | 65,663 | -37.47 |
| **290** | **Profit (Loss) before tax** | **1,668,652** | **1,457,174** | **211,478** | **14.51** |
| 300 | Income taxes for the period | (502,704) | (347,364) | (155,340) | 44.72 |
| 330 | Profit (Loss) for the period | **1,165,948** | **1,109,810** | **56,138** | **5.06** |
| 340 | Profit (Loss) for the period pertaining to minority interests | (28,913) | (22,740) | (6,173) | 27.15 |
| 350 | **Profit (Loss) for the period pertaining to the Parent Company** | **1,137,035** | **1,087,070** | **49,965** | **4.60** |

Income Statement figures as at 30 September 2023 have been restated as a result of the reclassification of some cost/income components.

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# Reclassified consolidated income statement by quarter as at 30 September 2024

(in thousands)

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

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# Consolidated balance sheet as at 30 September 2024

(in thousands)

| | Assets | 30.09.2024 | 31.12.2023 |
|---|---|---|---|
| 10. | Cash and cash equivalents | 8,912,266 | 10,085,595 |
| 20. | Financial assets measured at fair value through profit or loss | 1,634,576 | 1,544,410 |
| | a) financial assets held for trading | 677,317 | 672,598 |
| | b) financial assets designated at fair value | - | 1,991 |
| | c) other financial assets mandatorily measured at fair value | 957,259 | 869,821 |
| 30. | Financial assets measured at fair value through other comprehensive income | 5,648,152 | 6,859,241 |
| 40. | Financial assets measured at amortised cost | 111,046,710 | 110,189,971 |
| | a) loans to banks | 7,695,419 | 8,382,610 |
| | b) loans to customers | 103,351,291 | 101,807,361 |
| 50. | Hedging derivatives | 796,448 | 1,122,566 |
| 70. | Equity investments | 460,455 | 422,046 |
| 90. | Property, plant and equipment | 2,513,148 | 2,456,850 |
| 100. | Intangible assets | 683,486 | 648,981 |
| | of which: - goodwill | *170,018* | *170,018* |
| 110. | Tax assets | 2,150,244 | 2,711,737 |
| | a) current | 692,835 | 877,248 |
| | b) deferred | 1,457,409 | 1,834,489 |
| 120. | Non-current assets and disposal groups classified as held for sale | 19,750 | 13,969 |
| 130. | Other assets | 6,070,265 | 6,072,993 |
| | **Total assets** | **139,935,500** | **142,128,359** |

(in thousands)

| | Liabilities and shareholders' equity | 30.09.2024 | 31.12.2023 |
|---|---|---|---|
| 10. | Financial liabilities measured at amortised cost | 119,161,722 | 124,511,471 |
| | a) due to banks | 5,001,753 | 7,754,450 |
| | b) due to customers | 102,711,043 | 104,854,552 |
| | c) debt securities issued | 11,448,926 | 11,902,469 |
| 20. | Financial liabilities held for trading | 246,948 | 300,955 |
| 30. | Financial liabilities designated at fair value | 2,466,934 | 2,009,641 |
| 40. | Hedging derivatives | 247,941 | 266,558 |
| 50. | Change in value of macro-hedged financial liabilities (+/-) | (96,244) | (155,184) |
| 60. | Tax liabilities | 169,340 | 67,412 |
| | a) current | 110,999 | 10,641 |
| | b) deferred | 58,341 | 56,771 |
| 80. | Other liabilities | 5,336,449 | 3,993,288 |
| 90. | Employee termination indemnities | 133,833 | 149,492 |
| 100. | Provisions for risks and charges | 1,467,196 | 1,419,249 |
| | a) commitments and guarantees granted | 107,018 | 123,323 |
| | b) pension and similar obligations | 115,936 | 120,401 |
| | c) other provisions for risks and charges | 1,244,242 | 1,175,525 |
| 120. | Valuation reserves | 207,559 | 151,396 |
| 140. | Equity instruments | 620,999 | 150,000 |
| 150. | Reserves | 5,273,811 | 4,206,666 |
| 160. | Share premium reserve | 1,244,557 | 1,236,525 |
| 170. | Share capital | 2,121,637 | 2,104,316 |
| 180. | Treasury shares (-) | (7,923) | (2,250) |
| 190. | Minority interests (+/-) | 203,706 | 199,328 |
| 200. | Profit (Loss) for the period (+/-) | 1,137,035 | 1,519,496 |
| | **Total liabilities and shareholders' equity** | **139,935,500** | **142,128,359** |

BPER:

# Consolidated income statement as at 30 September 2024

(in thousands)

| Items | | 30.09.2024 | 30.09.2023 |
|---|---|---|---|
| 10. | Interest and similar income | 3,802,882 | 3,465,644 |
| | of which: interest income calculated using the effective interest method | 3,590,260 | 3,337,799 |
| 20. | Interest and similar expense | (1,279,657) | (1,084,127) |
| **30.** | **Net interest income** | **2,523,225** | **2,381,517** |
| 40. | Commission income | 1,667,446 | 1,583,208 |
| 50. | Commission expense | (175,820) | (151,444) |
| **60.** | **Net commission income** | **1,491,626** | **1,431,764** |
| 70. | Dividends and similar income | 40,396 | 29,945 |
| 80. | Net income from trading activities | 91,161 | 45,700 |
| 90. | Net income from hedging activities | 515 | 26,523 |
| 100. | Gains (Losses) on disposal or repurchase of: | 35,291 | 53,935 |
| | a) financial assets measured at amortised cost | 28,882 | 41,353 |
| | b) financial assets measured at fair value through other comprehensive income | 6,395 | 12,580 |
| | c) financial liabilities | 14 | 2 |
| 110. | Net income on other financial assets and liabilities measured at fair value through profit or loss | (112,466) | (10,239) |
| | a) financial assets and liabilities designated at fair value | (125,063) | (28,284) |
| | b) other financial assets mandatorily measured at fair value | 12,597 | 18,045 |
| **120.** | **Net interest and other banking income** | **4,069,748** | **3,959,145** |
| 130. | Net impairment losses for credit risk relating to: | (253,193) | (365,000) |
| | a) financial assets measured at amortised cost | (252,825) | (364,681) |
| | b) financial assets measured at fair value through other comprehensive income | (368) | (319) |
| 140. | Gains (Losses) from contractual modifications without derecognition | (1,052) | 3,320 |
| **150.** | **Net income from financial activities** | **3,815,503** | **3,597,465** |
| **180.** | **Net income from financial and insurance activities** | **3,815,503** | **3,597,465** |
| 190. | Administrative expenses: | (2,361,029) | (2,182,262) |
| | a) staff costs | (1,443,625) | (1,231,426) |
| | b) other administrative expenses | (917,404) | (950,836) |
| 200. | Net provisions for risks and charges | (14,008) | (69,479) |
| | a) commitments and guarantees granted | 16,305 | 12,262 |
| | b) other net provisions | (30,313) | (81,741) |
| 210. | Net adjustments to property, plant and equipment | (123,355) | (116,596) |
| 220. | Net adjustments to intangible assets | (82,464) | (57,460) |
| 230. | Other operating expense/income | 278,893 | 252,448 |
| **240.** | **Operating costs** | **(2,301,963)** | **(2,173,349)** |
| 250. | Gains (Losses) of equity investments | 153,015 | 39,959 |
| 260. | Valuation differences on property, plant and equipment and intangible assets measured at fair value | 1,512 | (738) |
| 270. | Impairment losses on goodwill | - | (6,768) |
| 280. | Gains (Losses) on disposal of investments | 585 | 605 |
| **290.** | **Profit (Loss) from current operations before tax** | **1,668,652** | **1,457,174** |
| 300. | Income taxes on current operations for the period | (502,704) | (347,364) |
| **310.** | **Profit (Loss) from current operations after tax** | **1,165,948** | **1,109,810** |
| **330.** | **Profit (Loss) for the period** | **1,165,948** | **1,109,810** |
| 340. | Profit (Loss) for the period pertaining to minority interests | (28,913) | (22,740) |
| **350.** | **Profit (Loss) for the period pertaining to the Parent Company** | **1,137,035** | **1,087,070** |

Income Statement figures as at 30 September 2023 have been restated as a result of the reclassification of some cost/income components. More specifically, following the reclassification carried out, Commission expense included Euro 19.1 million worth of charges for payment services (previously classified under Other Administrative Expenses) and Other operating income included Euro 10.2 million in recovery of costs for services ancillary to lending (previously classified under Commission income).

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# Performance ratios [1]

| Financial ratios | 30.09.2024 | 2023 (*) |
|---|---|---|
| ***Structural ratios*** | | |
| Net loans to customers/total assets | 63.51% | 62.07% |
| Net loans to customers/direct deposits from customers | 76.21% | 74.28% |
| Financial assets/total assets | 19.83% | 20.12% |
| Gross non-performing loans/gross loans to customers | 2.78% | 2.44% |
| Net non-performing loans/net loans to customers | 1.29% | 1.18% |
| Texas ratio | 21.97% | 21.82% |
| ***Profitability ratios*** | | |
| ROE | 17.14% | 24.15% |
| ROTE | 17.41% | 23.94% |
| ROA | 1.09% | 1.24% |
| Cost/income ratio | 53.72% | 48.99% |
| Cost of credit | 0.29% | 0.41% |

(*) The comparative balance sheet ratios, together with ROE, ROTE and ROA, have been calculated on figures at 31 December 2023 as per the Integrated report and Consolidated financial report as at 31 December 2023, while income statement ratios have been calculated on figures at 30 September 2023.

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

ROE has been calculated as annualised net profit for the period (only recurring component of Euro 1,483.5 million) on average shareholders' equity of Group not including net profit.

ROTE is calculated as the ratio between the annualised net profit for the period (solely the recurring component amounting to Euro 1,483.5 million) and the Group's average shareholders' equity i) including net profit for the period (solely the recurring component amounting to Euro 1,483.5 million) stripped of the portion allocated to dividends then annualised and ii) excluding intangible assets and equity instruments

ROA has been calculated as annualised net profit for the period including net profit pertaining to minority interests (only recurring component of Euro 1,522.2 million) on total assets.

The Cost/income ratio is calculated on the basis of the reclassified income statement (operating costs/operating income); when calculated considering solely the recurring component (operating costs of Euro 2,044.2 million), the Cost/Income ratio is 49.51%; when calculated on the basis of the schedules provided by the 8th update of Bank of Italy Circular no. 262, the Cost/Income ratio is 56.56% (54.89% at 30 September 2023).

Cost of credit is calculated as net impairment losses to loans to customers on net loans to customers at 30 September 2024. The annualized Cost of credit at 30 September 2024 is 39 bps, down from 48 bps in FY2023.

| Prudential supervision ratios | 30.09.2024 | 2023 (*) |
|---|---|---|
| ***Own Funds (Fully Phased)*** (in thousands of Euro) | | |
| Common Equity Tier 1 (CET1) | 8,400,602 | 7,736,303 |
| Own Funds | 10,797,975 | 9,663,855 |
| Risk-weighted assets (RWA) | 53,241,113 | 53,501,799 |
| ***Fully Phased capital ratios and liquidity ratios*** | | |
| Common Equity Tier 1 Ratio (CET1 Ratio) | 15.78% | 14.46% |
| Tier 1 Ratio (T1 Ratio) | 16.95% | 14.74% |
| Total Capital Ratio (TC Ratio) | 20.28% | 18.06% |
| Leverage Ratio | 6.2% | 5.5% |
| Liquidity Coverage Ratio (LCR) | 168.7% | 160.9% |
| Net Stable Funding Ratio (NSFR) | 136.1% | 128.4% |

(*) The comparative balance sheet ratios have been calculated on figures at 31 December 2023 as per the Integrated report and Consolidated financial report as at 31 December 2023.

The capital ratios were calculated by including profit for the period for the portion not allocated to dividends, thus bringing forward the effects of the ECB's authorisation to include these profits in Own Funds pursuant to art. 26, para 2 of the CRR.

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.

[1] *To construct ratios, reference was made to the balance sheet and income statement items of the reclassified statements providing an operational management view as per the present Press Release.*