Customer deposits

Direct deposits

The item financial liabilities measured at amortised cost, within the Balance Sheet liabilities, includes Due to customers, for € 614 million, up by € 18 million with respect to the previous year, or 3.16%.

These figures, as shown in the table below, include the aggregate for customer deposits, which represents the main source of funds for the Bank from its intermediation activities, which total € 611 million, up by € 60 million, or 10.99%.

The table below shows the details of the trends recorded by technical type (in Euro units).

Item	2024	2023	Change	
			Absolute	%
Savings deposits	32,155,770	35,063,573	-2,907,803	-8.29
Current accounts	577,521,134	513,808,412	63,712,722/360,17	12.40
Other technical types	893,716	1,253,888	2	-28.72
Customer deposits	**610,570,620**	**550,125,873**	**60,444,747**	**10.99**
Repurchase agreements	2,939,978	41,563,067	-41,563,067	-100.00
IFRS 16 Financial liabilities		3,051,625	-111,647	-3.66
Grand total	**613,510,598**	**594,740,565**	**18,770,033**	**3.16**

Treasury transactions reported in the table referred to repurchase agreements operations, with the objective of optimising cash flows, in the context of the Group's treasury management.

In compliance with the IFRS 16 accounting standard, due to customers also includes discounted debt for future rent against leasing contracts for capital assets. The amount of the relative liability at the end of 2024 was € 3 million, substantially stable with respect to the previous year (-3.66%).

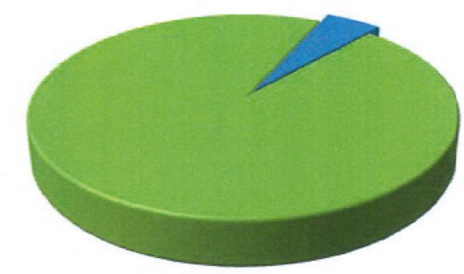
The analysis of the trend below refers to **customer deposits**, which total € 611 million, increasing by € 60.4 million or 10.99%. This growth, also considering the current socio-economic context, demonstrates a solid level of investor trust in the Bank, also when considering the solidity of its assets, which has always been one of its main strengths. The details indicate the following trends:

- savings deposits amount to € 32 million, a decrease of € 2.9 million or 8.29%, confirming the decline seen in previous years, demonstrating that this form is now limited in use. Specifically, ordinary deposits amount to € 30.5 million, a decrease of almost € 2.6 million, whereas time deposits came to € 1.6 million, down by € 330 thousand (-16.33%);
- current accounts amount to € 578 million, showing growth of € 64 million or 12.40%. These represent the largest part of the customer deposit segment;
- the other technical types for the most part refer to deposits made using cards with IBANs and prepaid cards, which came to a total of € 894, down by € 360 thousand.

Total direct deposits represent over 35% (2023: 37%) of balance sheet liabilities.

Breakdown of direct deposits from customers

2024 Balance



The average rate of remuneration for total deposits was 1.14%, up significantly with respect to the 0.49% recorded the previous year. This trend, associated with the strong growth in interest rates seen in 2023, was maintained in 2024, despite the four reduction seen in during the year, totalling 100 basis points.
The breakdown by investor category shows that consumer households remain predominant, contributing 44.79% of total funding (2023: 45,51%), followed by the non-financial companies' category at 23% (2023: 23.45%), whereas producer households contributed 8.37% (2023: 8,04%).
The contribution from public administrations was 21.76%, showing an increase with respect to the 13.76% in 2023. Finally, residual operators represented 2.08%, compared to 9.24% the previous year. All of this is presented analytically in the schedule below:

Direct deposits broken down by investor category (*in thousands of euro, excluding IFRS16 liabilities*)

Type	Amounts 2024	Proportion % 2024	Amounts 2023	Proportion % 2023
Consumer households	273,435,141	44.79%	269,232,500	45.51%
Non-financial companies	140,431,263	23.00%	138,779,034	23.45%
Public administrations	132,873,012	21.76%	81,388,013	13.76%
Producer households	51,128,023	8.37%	47,578,902	8.04%
Non-profit institutions	10,034,404	1.64%	10,378,553	1.75%
Financial companies	2,137,476	0.35%	43,931,891	7.42%
Other	531,301	0.09%	400,048	0.07%
Total	**610,570,620**	**100.00%**	**591,688,941**	**100.00%**

Customer deposits were distributed among 29,556 accounts (2023: 30,479), with an average unit amount of € 20,658, while in relation to the average number of employees the productivity indicator is € 4 million, up with respect to the € 3.8 million the previous year.

Indirect deposits

Indirect deposits in financial instruments amounted to € 538 million at the end of the year, recording an increase of € 94 million compared with the previous year, or 21.29%. The same aggregate inclusive of insurance deposits came out at € 593 million, confirming an increase of € 94 million, or 18.75%, compared with the end of 2023.

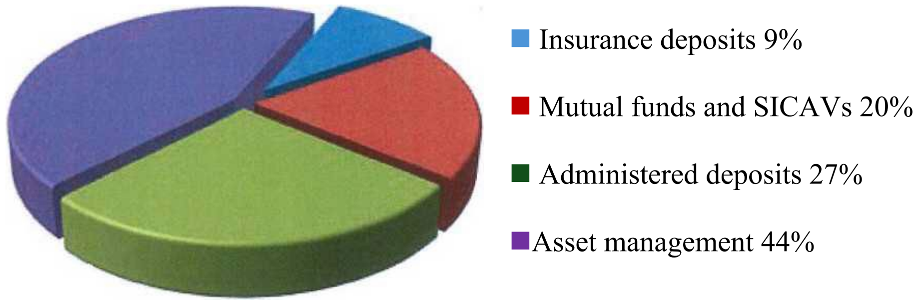
The table below shows the changes recorded in the segment in detail (in euro thousands).

Item	2024	2023	Change	
			Absolute	%
Administered deposits	162,715	110,323	52,392	47.49
Mutual funds and SICAVs	115,814	93,953	21,861	23.27
Asset management	259,739	239,512	20,227	8.45
Total indirect deposits in financial instruments	**538,268**	**443,788**	**94,480**	**21.29**
Insurance deposits	55,053	55,865	-812	-1.45
Grand total	**593,321**	**499,653**	**93,668**	**18.75**

Specifically, indirect deposits managed stood at € 375 million, increasing by € 42 million compared to the previous year, at 12.62%, while the administered component increased by € 52 million, or 47.49%, coming in at € 163 million. Indirect managed deposits relative to asset management increased by € 20 million (8.45%), amounting to € 260 million, while the component represented by units of mutual funds and SICAVs came to € 116 million, up by € 22 million (+23.26%). The figures demonstrate the decisions made by investors who, following the increase in interest rates during the year, were guided towards investments in public debt, held to be safe and remunerative. However, the higher level of trust in Bank customers can also be seen, demonstrated by the increase in the managed component, both with respect to mutual funds and SICAVs.

Life insurance deposits reached € 55 million at the end of 2024, recording a new decrease of € 812 thousand over the previous year.

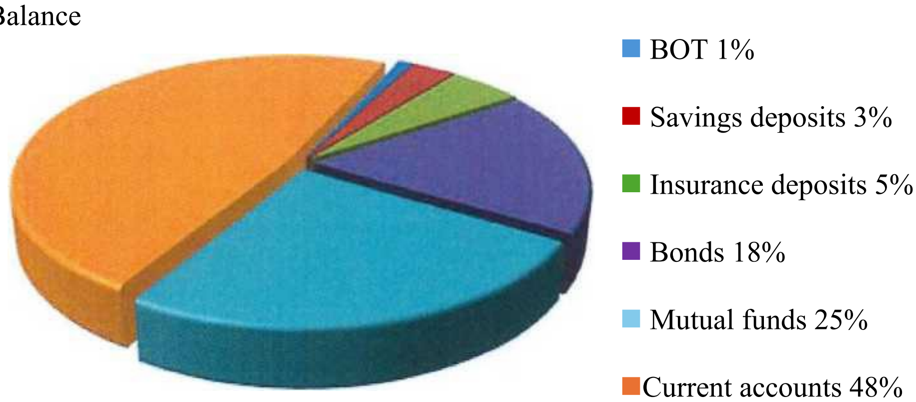
Breakdown of indirect and insurance deposits from customers
2024 Balance



Total customer deposits reached € 1.2 million, an increase of € 113 million, equal to 10.31%, and equally distributed among direct and indirect deposits, as can be seen in the schedule below (in thousands of euro).

Item	2024	2023	Change	
			Absolute	%
Direct deposits	610,571	591,689	18,882	3.19
Indirect deposits in finan. instrum.	538,268	443,788	94,480	21.29
Insurance deposits	55,053	55,865	-812	-1.45
Grand total	**1,203,892**	**1,091,34**	**112,550**	**10.31**

Breakdown of direct, indirect and insurance deposits from customers
2024 Balance



Administered assets

Total administered assets (direct deposits, deposits by banks, other liabilities, share capital, reserves and profits) reached € 1,725 million, an increase of € 156 million, or 9.97%.
Adding indirect and insurance deposits to the above aggregate gives the Bank's total intermediation capacity, which came out at € 2,318 million, as illustrated in detail in the table below.

Potential intermediation (in thousands of euro)

Item	2024	2023	Change	
			Absolute	%
Direct customer deposits	610,571	591,689	18,882	3.19
Bank deposits	821,805	702,297	119,508	17.02
Other liabilities	27,408	13,504	13,904	102.96
Share capital, reserves and	265,275	261,202	4,073	1.56
Indirect customer deposits	538,268	443,788	94,480	21.29
Insurance deposits	55,053	55,865	-812	-1.45
Grand total	**2,318,380**	**2,068,345**	**250,035**	**12.09**

Due from customers

The gross figure for due from customers amounts to € 465.7 million, down by -8.22% with respect to the previous year, while the net book value is 450.4 million, with the same downward trend.

The table below provides the breakdown by technical type and the changes recorded during the year (in euro units):

Item	2024	2023	Change	
			Absolute	%
Portfolios	2,999,130	1,964,081	1,035,049	52.70
Current accounts	58,286,252	31,772,017	26,514,235	83.45
Salary-backed loans	132,678,470	192,066,315	-59,387,845	-30.92
Advances	27,969,156	32,657,406	-4,688,250	-14.36
Sundry loans	723,513	826,963	-103,450	-12.51
Loans and other financing	224,817,556	224,087,757	729,799	0.33
Bad loans	11,339,254	14,240,785	-2,901,531	-20.37
Other loans	50,359	21,942	28,417	129.51
Gross lending	**458,863,690**	**497,637,266**	**-38,773,576**	**-7.79**
Operating loans	574,419	476,061	98,358	20.66
Other receivables	6,294,276	9,324,434	-3,030,158	-32.50
Total gross loans	**465,732,385**	**507,437,761**	**-41,705,376**	**-8.22**
Write-downs	15,311,178	15,571,399	-260,221	-1.67
Total net loans	**450,421,207**	**491,866,362**	**-41,445,155**	**-8.43**
Proprietary securities	84,365,020	210,805,701	-126,440,681	-59.98
Net book value	**534,786,227**	**702,672,063**	**-167,885,836**	**-23.89**

In terms of total volumes, gross economic loans confirmed a predominance in relation to medium/long-term operations (76.1%), represented in particular by the technical types of salary-backed loans, mortgages and financing, with a lower impact for shorter-term exposures (21.2%), in particular current accounts and advances. The remaining portion (2.7%) is represented by loans without fixed maturity dates, in particular non-performing loans.

Trends by technical types shows an increase in short-term loans (+27.59%), mainly thanks to the increase in current account loans (+83.45%) and the decrease in advances (-14.36%), with all remaining other technical types of little significance.

The long-term maturity component fell (-14.04%), with loans and other funding substantially stable, while indirect salary-backed loans saw a significant reduction (-30.92%), also in consideration of the change in the Bank’s operating model which prioritises direct forms, with respect to indirect production achieved through third party networks.

Operating loans can be attributed to loans deriving from provision of financial services and refer to commissions earned due to accruals that have not yet been collected by our partners.
The item Other receivables refers primarily to loans provided in favour of the investee BPL Sistemi e Servizi Srl and the treasury deposit for management of the public entities' single treasury. Loans to the subsidiary provided the liquidity needed to partake in auction sales based on court orders, in order to be awarded the relevant properties.

From the perspective of risk mitigation, an aspect that is especially sensitive in the difficult economic context over recent years, the loan portfolio holds a balanced level of guarantees. At 31 December, 32.1% of the portfolio was supported by mortgage loans, 14.82% by public guarantees (MCC, ISMEA, SACE and CONSAP), while 26.4% were salary-backed loans.
More specifically, during 2024, 135 loans were activated by MCC (instalment-based and non instalment-based), with a total of around € 28 million provided.

In terms of portfolio distribution by rating class, note that around 33% of the portfolio has a level A rating, 51% is level B, just over 10% is level C and the remaining 6% is in the NPL (D) category. As in the previous year, in order to continue to maintain the high quality of the loan portfolio, the monitoring system was made stronger through automation to ensure prompt identification of possible issues. Additionally, the portfolio continues to be monitored in terms of ESG, through the CRIF score.

On the other hand, for the private sector, digitalisation of the retail credit process continued, expanding the number of products placed using the PIU'CREDIX platform (current accounts, personal loans, mortgages, credit cards). This a BPL Group proprietary product which allows full automation of all stages, from granting through disbursement, with significant returns in terms of decision-making time, cost/benefit, and the Group's image.

The following table illustrates the breakdown of the portfolio by category of borrower:

Borrower category	Proportion 2024	Proportion 2023
Households	52.12%	58.97%
Non-financial companies	39.17%	36.86%
Financial companies	5.19%	1.53%
State and other entities	2.78%	2.29%
Other	0.74%	0.35%
Total	**100.00%**	**100.00%**

The breakdown by customer category shows the household sector predominates (52.12%), although its overall impact decreased with respect to 2023 due to the decrease in salary-backed loans, which involve private consumers, while the non-financial company sector saw a small increase (39.17%), in general confirming the Bank's retail nature, with the other sectors only residual.

The table below shows the classification of customers on the basis of segmentation for the purposes of attributing the *Internal Counterparty Rating*:

Borrower category	Proportion	Definition
Corporate	**37.09%**	Businesses with turnover of > € 2.5 million, or with credit agreed/used for cash of > € 1 million
Small Business	**18.20%**	Businesses with turnover of < € 2.5 million, or with credit agreed/used for cash of < € 1 million
Retail	**44.71%**	Private consumers

The portfolio continues to be granular, with the top ten clients representing 12.98% of the total.

The distribution of lending among the various classes of borrower was substantially similar to that of the previous year, with small and medium-sized enterprises, self-employed professionals and private consumers prevailing.

The unit amount of cash per loan was € 26,083, whereas productivity per individual employee was down slightly with respect to the previous year, at € 3.1 million (2023: € 3.2 million).

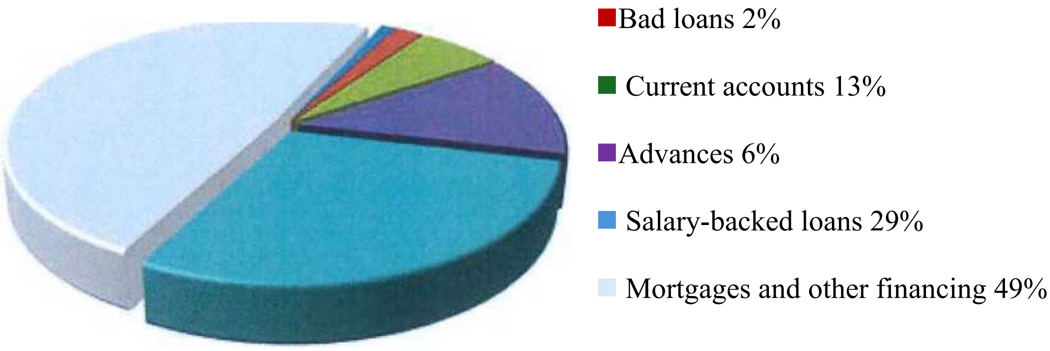
The ratio between loans and direct deposits was at 75.31%, down with respect to the 90.82% recorded the previous year.

The average rate of return of loans was 2.93%, substantially stable with respect to the 2.97% seen the previous year.

Solutions offered in cooperation with commercial partners continued to demonstrate their importance, aimed at enriching the array of products available. For personal loans, with the products created by the Cofidis partner, disbursements totalled around € 3.9 million. Salary-backed loan transactions through Blu Banca in the first part of the year and, subsequently, with Istituto Finanziario Europeo S.p.A., a new subsidiary of the BPL Group, saw disbursements of € 3.5 million. From the product offerings for companies in the leasing segment, contracts totalling around € 0.7 million were signed through the partner Alba Leasing Spa, while transactions in the factoring segment through the partner IFIS came to € 0.7 million.

Breakdown of customer loans

2024 Balance



Financial assets

Securities portfolio

The securities portfolio for the Bank amounted to € 439 million, with a decrease of € 218.2 million, or -33.21%, over the previous year. This represents over 25.13% of assets, showing a greater impact with respect to the previous year (2023:41%). More specifically, 38.36% consists of government bonds (€ 168.4 million), 38.59% of securities issued by banks (€ 169.4 million), while the remaining 23.05% is spread among financial issuers and other issuers (€ 101.1 million).

The breakdown by security type is as follows: 34.96% (€ 153.5 million) is represented by BTPs and BOTs; 3.40% (€ 15 million) is represented by other government securities; 51.37% (€ 225.5 million) is represented by other bonds; and 10.27% is represented by shares and UCITS units (€ 45 million).

Below is a breakdown of portfolio securities by business model, based on their economic, equity and financial function:

- the portfolio measured at fair value through profit and loss totalled € 17 million, substantially stable with respect to the previous year (-0.46%), representing 3.87% of the total amount (2023: 2,6%). This item contains, among other things, € 14.4 million in securities obligatorily measured at fair value through profit and loss, mainly represented by UCITS units;
- the portfolio measured at fair value through other comprehensive income (HTC&S) amounted to € 287.9 million, a decrease of € 69.9 million (-19.53%) compared with the previous year and represented 65.59% of the total amount (2023: 54.44%);
- the amortised cost value (HTC) portfolio totalled € 134 million, decreasing by € 148.2 million, which represented 30.53% of the total amount (2023: 42,96%). The decrease in this portfolio was due to five government securities reaching maturity during 2024, as well as the disposal of securities in line with the Bank's internal policy.

The trends outlined above were the result of the need to utilise available resources, generated by the natural maturity of securities, to repay the final tranche of the ECB TLTRO3 loan which was coming due.

Further quantitative information on financial assets and on the specific portfolios in which they are classified is provided in the relevant sections of the Notes to the Statements.

The initial part of 2024 received a number of pushes from the prior year, which then guided the entire year (with alternating phases), both in terms of the economic data (growth and inflation) and the consequent actions taken by the central banks, with their reflections on global asset classes.

Share Capital and Reserves

Shareholders' Equity amounted to € 259.4 million, up by € 1.7 million (+0.65%) with respect to the figure for the previous year. The trend is mainly due to the contribution of shareholders, the allocation of a portion of the profit for the year to reserves, changes in the valuation reserves for financial assets measured at fair value through other comprehensive income, and actuarial gains and losses associated with provisions for employee severance indemnities and the additional pension fund. Allocations to reserves of part of the profit forms a significant source of self-funding and represents our intention to reinvest part of the income generated in corporate operations.

Valuation reserves for financial assets measured at fair value through other comprehensive income show a positive balance of € 5.8 million, with a recovery of € 4.5 million with respect to the previous year. This trend can mainly be traced to the recovery of the securities portfolio as maturities drew near, and the decrease in interest rates seen during the year. The reserve for defined benefit plans shows a negative balance, substantially stable at € 1.3 million.

The table below provides an analysis of the balances of the individual components (in thousands of euro) and the respective changes that occurred.

Items	2024	2023	Change	
			Absolute	%
Share Capital (6,771,476 shares with a nominal value of € 3.00)	**20,314**	**20,314**	-	-
Treasury shares (-)	**-1,048**	**-1,167**	**119**	**-10.20%**
Reserves:	**137,47**	**140,422**	**-2,948**	**-2.10%**
- Legal Reserve	34,395	34,043	352	1.03%
- Statutory Reserve	93,049	96,652	-3,603	-3.73%
- Merger Reserve (pursuant to art.7 Law 218/90)	3,658	3,658	-	-
- Treasury share purchase reserve - available -	4,488	4,369	119	2.72%
- Treasury share purchase reserve - unavailable -	1,048	1,167	-119	-10.20%
- Other reserves	836	533	303	0.57
Share premium reserve	**81,793**	**81,793**	-	-
Valuation reserves:	**20,832**	**16,319**	**4,513**	**27.65%**
- Special revaluation law reserves	13,329	13,329	-	-
- Property, plant and equipment (deemed cost) reserve	3,007	3,007	-	-
- Financial assets measured at fair value through other comprehensive income	5,841	1,301	4,540	348.96%
- Defined-benefit plans (actuarial gains/losses) reserve	-1,345	-1,318	-27	2.05%
Grand total	**259,36**	**257,681**	**1,684**	**0.65%**

The Equity, as well as being an expression of the Bank's book value, performs the fundamental function of providing support for corporate expansion and is a primary guarantee against the various operating risks intrinsic to the business.

The portion of profits destined for the reserves, based on the proposed division of profits for 2024, amounts to € 1.5 million. Therefore, considering the proposal to add to the dividend for the year with the distribution of € 2.4 million to be taken from the statutory reserve, after approval of the division, assets will amount to € 258.5 million, up with respect to the figure the previous year (+1.60%).

The entire asset aggregate represents 42.48% of direct customer deposits and 57.58% of net loans provided to customers. These indicators confirm the principle of prudence on which the Bank has always developed its business.

The aggregate for own funds at the end of the year was € 265 million, with an increase of € 12.5 million over the previous year (+4.9%). Within this can be seen the effects of the sterilisation of unrealised profits and losses accumulated on debt instruments measured at fair value through other comprehensive income (fair value through other comprehensive income), issued by central governments, regional governments, local authorities and public sector entities, if treated as central governments. This norm, reintroduced through Regulation (EU) 1623/2024 through 31 December 2025, made it possible to sterilise € 8.1 million from the calculation of own funds.

Capital ratios, represented by the ratio between Common Equity Tier 1 (CET1) and risk-weighted assets (CET 1 capital ratio), between Tier 1 assets and risk-weighted assets (Tier 1 capital ratio) and between all own funds and risk-weighted assets (Total capital ratio) were recognised as 51.81% for the three indicators (2023: 45,03 %), as capital is solely represented by primary elements. Net of the aforementioned regulatory changes, these prudential ratios would have been 50.23% (-158 basis points), in any case showing values well above that required under the Supervisory Body's prudential regulations.

For additional information, reference is made to "Part F" in the Explanatory notes.

Share Capital and Reserves
2024 Balance