Customer deposits

Direct deposits

Within the item financial liabilities measured at amortised cost under Balance Sheet liabilities, Due to customers and Securities in issue represent the aggregate of direct deposits from customers, which came to € 2,044 million in total, recording an increase of € 133 million with respect to the figure the previous year (+ 6,94%).
The table below shows the details of the trends recorded by technical type (in Euro units).

Item	2024	2023	Change	
			Absolute	%
Savings deposits	90,624,383	96,444,188	-5,819,805	-6.03
Current accounts	1,938,938,414	1,800,780,368	138,158,046	7.67
Other technical types	652,217	233,578	418,046	179.23
Certificates of deposit	15,406	15,406		
Customer deposits	**2,030,230,420**	**1,897,473,540**	**132,756,880**	**7.00**
IFRS 16 financial liabilities	13,892,064	14,050,344	-158,280	-1.13
Total	**2,044,122,484**	**1,911,523,885**	**132,598,600**	**6.94**

In compliance with the IFRS 16 accounting standard, due to customers also includes discounted debt for future rent against leasing contracts signed for capital assets. The amount of the relative liability at the end of 2024 was € 13.9 million, down by € 158 thousand or 1.13%.

The following analysis refers to the customer deposits segment, which totals € 2,030 million, indicating a decrease of € 133 million (+7.00%).

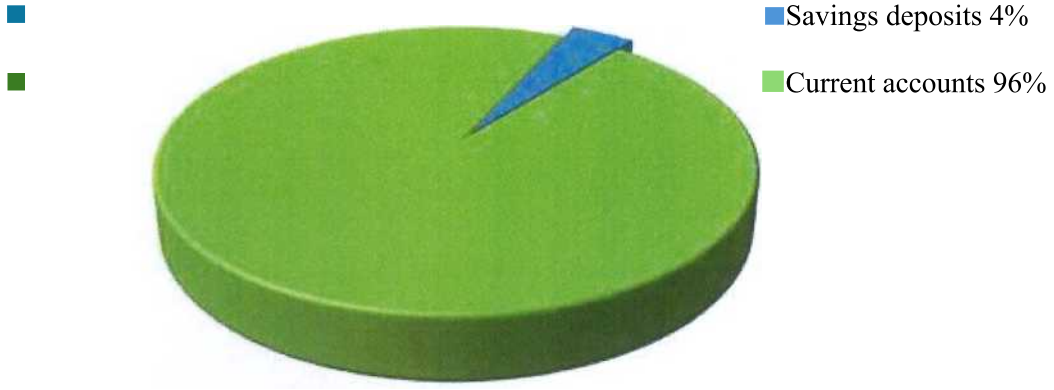
The details indicate the following trends:

- savings deposits amount to € 90.6 million, down by € 5.28 million, or 6.03%. Specifically, ordinary deposits amount to € 87.1 million, whereas time deposits were at € 3.5 million;
- Current accounts came to € 1,939 million, with an increase of € 138 million, or 7.67%, representing the largest part of the customer deposits segment.
- other technical types refers for the most part to deposits made through cards with IBANs;
- certificates of deposit totalled € 15 thousand at the end of the year, representing a residual component of deposits.

Customer deposits represented 83.96% of Balance Sheet liabilities, and are made up almost entirely by due to customers, represented by deposits and current accounts.

Breakdown of direct deposits from customers

2024 Balance



The average remuneration rate for total deposits was 1.28%, up by 45 basis points with respect to the end of 2023.

The breakdown by investor category shows that the non-financial companies segment predominates, with a contribution of € 1,023 million, or 50.38% (2023: 49.40%) in line with the consumer household sector which contributed € 705 million, or 34.74% (2023: 36,69%). Producer households contributed € 175 million, or 8.61% of the aggregate (2023: 8.57%), while public administrations contributed € 28 million, or 1.38% of the total. The remaining contributions come from non-profit institutions for € 57.5 million, financial companies for € 36.9 million and other residual categories for € 4.9 million.

Geographical distribution confirms the predominance of the province of Rome with 62.60% of the total, followed by the province of Latina with 30.70%, the province of Frosinone with 3.85% and the province of Viterbo with 2.55%. The province of Rieti, newly established, contributed 0.30%. Geographical data is substantially in line with the previous year.

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

Type	Amounts 2024	Proportion % 2024
Non-financial companies	1,022,801,437	50.38%
Consumer households	705,344,325	34.74%
Producer households	174,710,086	8.61%
Public administrations	28,029,830	1.38%
Non-profit institutions	57,505,557	2.83%
Financial companies	36,936,500	1.82%
Other	4,902,684	0.24%
Total	**2,030,230,419**	100.00%

Customer deposits were distributed over 61,257 accounts with an average unit amount of € 33,143, whereas in relation to the average number of employees the productivity indicator is € 6.7 million (2023: € 6.2 million).

Indirect deposits

Indirect deposits in financial instruments amounted to € 802 million at the end of the year and increased by € 98 million compared with the previous year, or 13.84%. The same aggregate inclusive of insurance deposits came out at € 950.2 million, an increase of € 103 million, or 12.22%, 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	318,751	300,904	17,847	5.93
Mutual funds and SICAVs	483,599	403,875	79,724	19.74
Total indirect deposits in financial instruments	**802,350**	**704,779**	**97,571**	**-13.84**
Insurance deposits	147,872	141,947	5,925	4.17
Grand total	**950,222**	**846,726**	**103,496**	**12.22**

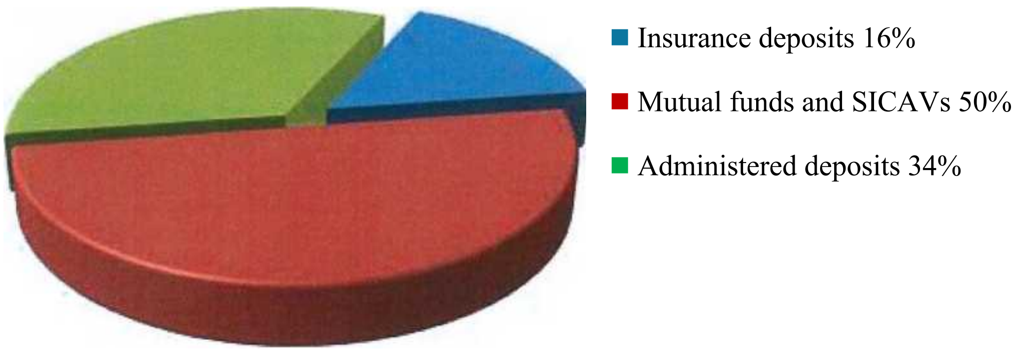
The increase in managed deposits can be partially attributed to the repositioning of customer portfolios, as a consequence of the changes in the interest rate situation.

The ratio between managed and administered funds at the end of 2024 was 152% (2022: 134%), showing growth in both the administered component and the managed component, which benefited from the recovery of the stock markets.

More specifically, indirectly administered deposits increased by € 17.8 million or 5.93% in their various components, whereas the managed component, comprising mutual funds and SICAVs increased by € 79.7 million compared to the end of 2023 (+19.74%).

Life insurance deposits, reached € 147.9 million at the end of 2024, recording an increase of € 6 million over the previous year, or 4.17%.

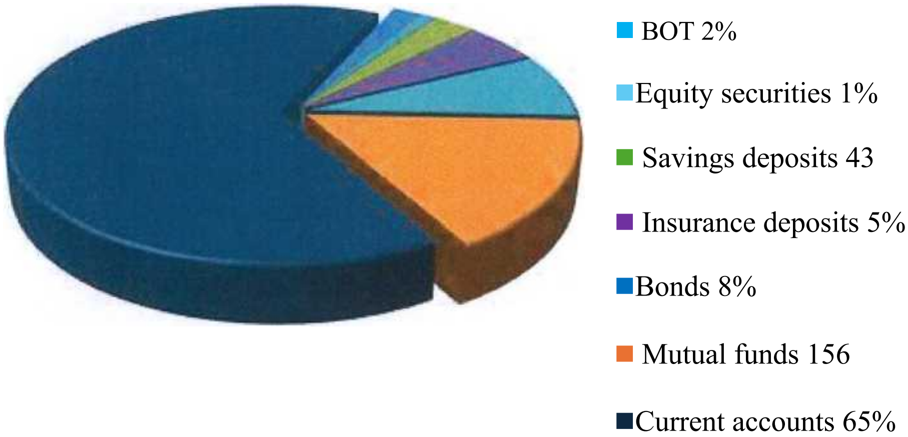
Breakdown of indirect and insurance deposits from customers
2024 Balance



Total customer deposits amounted to € 2,980 million, an increase of € 236.3 million (+8.61%), with direct deposits representing around 68% direct deposits and indirect deposits the remaining 32%, as can be seen from the table below (in thousands of euro).

Item	2024	2023	Change	
			Absolute	%
Direct deposits	2,030,230	1,897,474	132,756	7.00
Indirect deposits in finan.	802,350	704,779	97,571	13.84
Insurance deposits	147,872	141,947	5,925	4.17
Grand total	**2,980,452**	**2,744,200**	**236,252**	**8.61**

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 € 2,397 million.

Adding indirect and insurance deposits to the above aggregate gives the Bank's total intermediation capacity, which came out at € 3,347 million, as illustrated in detail in the table below.

Potential intermediation (in thousands of euro)

Item	2024	2023	Change	
			Absolute	%
Direct customer deposits	2,030,230	1,897,474	132,756	7.00
Bank deposits	37,957	36,059	1,898	5.26
Other liabilities	77,654	50,347	27,307	54.24
Share capital, reserves and profit for the period	250,674	234,280	16,394	7.00
Indirect customer deposits	802,350	704,779	97,571	13.84
Insurance deposits	147,872	141,947	5,925	4.17
Grand total	**3,346,737**	**3,064,886**	**281,851**	**9.20**

Due from customers

Lending in 2024 saw a slight decrease, in line with the system, suffering from persistent weak demand and even more restrictive offer criteria.
Gross due from customers amounts to € 1,565 million, decreasing in relation to the previous year by € 28 million (-1.76%). The net amount for the same aggregate is € 1,506.2 million, recording a decrease of € 25.1 million (-1.64%).

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	8,687,793	9,257,801	-570,008	-6.16
Current accounts	135,575,306	141,578,277	-6,002,671	-4.24
Direct salary-backed loans	329,633	18,126,925	-17,797,292	-98.18
Advances	176,277,547	178,423,453	-2,145,906	-1.20
Sundry loans	203,471	589,697	-386,226	-65.50
Loans and other financing	1,204,460,150	1,199,508,746	4,951,404	0.41
Bad loans	35,127,207	42,675,891	-7,548,684	-17.69
Other loans	1,112,219	76,003	1,036,216	1,363.39
Gross lending	**1,561,773,326**	**1,590,236,793**	**-28,463,467**	**-1.79**
Operating loans	3,202,242	2,765,630	436,612	15.79
Total gross loans	**1,564,975,568**	**1,593,002,423**	**-28,026,855**	**-1.76**
Write-downs	58,748,894	61,630,985	-2,882,091	-4.68
Total net loans	**1,506,226,674**	**1,531,371,438**	**-25,144,764**	**-1.64**
Proprietary securities	166,628,198	273,019,456	-106,391,258	-38.97
Net book value	**1,672,854,872**	**1,804,390,894**	**-131,536,022**	**-7.29**

In terms of total volumes, gross economic loans confirmed a predominance in relation to medium/long-term operations (76%), consisting mainly of the technical types of mortgages and financing, with a lower impact for shorter-term exposures (22.1%). The remaining portion is represented by loans without fixed maturity dates, relative to bad loans.

The trend by technical form shows a decrease in short-term lending (-2.17%), due to the decrease in current accounts (-4.24%), in advances subject to collection (-3.20%) and import/export (-8.00%), while an increase was seen in sundry advances (+5.83).
The longer-term component also fell slightly (-1.11%), caused by the decline in Covid-19 loans (-37.01%) and unsecured loans (-1.08%). Direct salary-backed loans saw a significant reduction (-98.18%), in consideration of the change in the Bank's operating model, which ceded these loans to the new Group company (LEE Spa). On the other hand mortgage loans rose (€ 12.9 million) as did medium-term personal loans (+10.58%).

Loans with no fixed maturity, represented by non-performing loans, fell by € 8.7 million (-18.89%).
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.

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 2024, 41.4% of the portfolio was supported by mortgage loans and 31.63% by public guarantees (MCC, ISMEA, SACE and CONSAP).
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 56% of the portfolio has a level A rating, 33% is level B, just over 5% is level C, and the remaining 5.9% 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.

Signs of concern have been noted in Stage 2, or underperforming loans, exposures which have demonstrated a significant increase in credit risk but without any objective evidence of impairment. In essence, this category includes the forborne, overdue not impaired and downgraded portfolios and totalled € 208.3 million at 31/12 (€ 202.3 million at 12/2023). For this segment, which has the potential of being transferred to Stage 3, the Bank has implemented targeted activities to limit the volumes, promptly assessing the ability of loan recipients to continue to operate as going concerns. In this view, the long-term business relationship with CRIF continued, which guarantees the Bank specific forward looking sector risk scores, which are combined with the traditional assessment system utilised.

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 table below illustrates the breakdown of the portfolio by category of borrower, which has not changed substantially from 2023:

Borrower category	Proportion 2024	Proportion 2023
Non-financial companies	67.01%	67.79%
Households	29.22%	28.15%
Financial companies	3.50%	3.74%
State and other entities	0.00%	0.00%
Other	0.27%	0.32%
Total	**100.00%**	**100.00%**

The breakdown by customer category shows a predominance by the non-financial companies (67.01%) and households (29.22%) sectors, with the other sectors remaining 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	**56.78%**	Businesses with turnover of > € 2.5 million, or with credit agreed/used for cash of > € 1 million
Small Business	**23.79%**	Businesses with turnover of > € 2.5 million, or with credit agreed/used for cash of > € 1 million
Retail	**19.43%**	Private consumers

The portfolio continues to be granular, with total credit spread over more than 25,100 thousand customers: the top ten customers represent 8.26% 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 amount of cash per loan was distributed among 25,100 customers, with an average unit amount disbursed of € 62,222, whereas productivity per individual employee was € 5.17 million, down slightly over the previous year (2023: 5.21 million).

The ratio between loans and direct deposits was 76.93%. Using the average values, this ratio was 81.68% (2023: 82,83%).

The average rate of return on loans was 5.36%, increasing from the previous year by 42 basis points (2023: 4,94%).

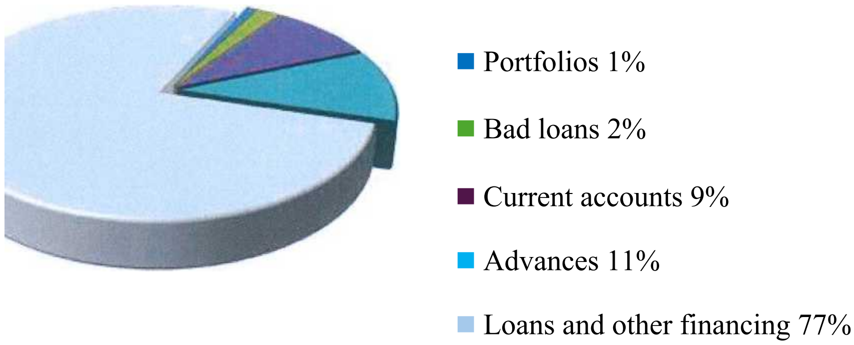
Solutions offered in cooperation with commercial partners continued to demonstrate their importance, aimed at enriching the array of products available.

In the personal loan sector, with products offered by the partners Compass and Cofidis, disbursements totalled around € 11.7 million, while salary-backed loans came to € 10.7 million, of which € 10.1 million directly through LEE Spa, a new Group company, and € 0.6 million through the partner Pitagora.

Among the product offering to companies in the leasing segment, contracts totalling around € 4.4 million were signed through the partner Alba Leasing Spa. In addition, factoring agreements were signed for a total of € 131.3 million through our partners Factorit Spa (€ 104.8 million) and Banca IFIS Spa (€ 26.5 million).

Breakdown of customer loans

2024 Balance



Financial assets

Securities portfolio

The securities portfolio for the Bank amounted to € 308 million, with a decrease of € 115.3 million, or -27.27%, over the previous year. This represents 12.7% of assets (2023: 18,9%). More specifically, 54.23% consists of government bonds (€ 166.8 million), 28.55% of securities issued by banks (€ 87.8 million), while the remaining 17.22% is spread among financial issuers and other issuers (€ 52.9 million).

The breakdown by security type is as follows: 54.23% (€ 166.8 million) is represented by BTPs, 44.43% (€ 136.6 million) is represented by other bonds and, finally, 1.34% is represented by shares and UCITS units (€ 4.1 million).

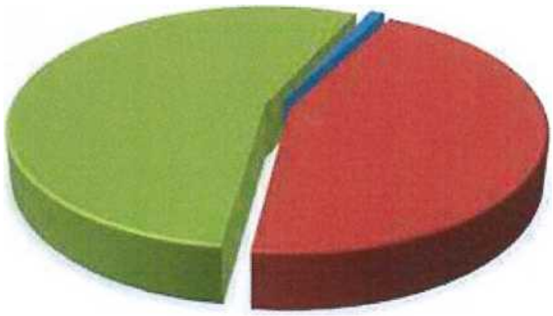
Below is a breakdown of portfolio securities by business model, based on their economic, equity and financial function:

- the portfolio measured at fair value through profit and loss came to € 4 million (2023: € 3.9 million), representing 1.30% of the total amount;
- the portfolio measured at fair value through other comprehensive income (HTC&S-OCI) amounted to € 108.3 million (2023: € 106.4 million), and represents 35.22% of the total amount (2023: 25.16%);
- the portfolio measured at amortised cost amounted to € 195.2 million, down by € 117.4 million compared with the previous year (-37.56%), representing 63.48% of the total amount (2023:73.93%). The decrease in this portfolio was due to nine securities reaching maturity during 2024, as well as the disposal of securities in line with the Bank's internal policy.

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.

Breakdown of the securities portfolio

2024 Balance



Shares and mutual funds 1%
Other bonds 44%
Government securities: BOT and BTP 54%

Share Capital and Reserves

The Bank's shareholders' equity amounted to € 225.2 million, an increase of € 10.611 million (4.94%) over the figure for the previous year. The trend is due to 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 profit or loss deriving from actuarial hypotheses associated with provisions for employee severance indemnities and the additional pension fund. Additionally, a new equity reserve was established, pursuant to article 26 of Italian Decree Law 104 of 10 August 2023. Allocations to reserves of part of the profit form a relevant source of self-funding and represent our intention to reinvest part of the income generated in corporate operations.

The valuation reserve from financial assets measured at fair value through other comprehensive income showed a negative balance of € 4.2 million with a positive change of € 2.9 million on the previous year, whereas reserves for defined benefit plans show a positive balance of € 172 thousand.

The table below shows the balances for the individual components.

Items (in € thousand)	2024	2023	Change	
			Absolute	%
Share Capital (498,531 shares)	**34,372**	**34,372**		
Reserves:	**14,900**	**7,191**	**7,709**	**107.20%**
- Legal Reserve	1,846	863	983	113.81%
- Statutory Reserve	6,334	6,029	305	5.06%
- Reserve pursuant to art. 26, par. 5-bis, Decree Law 104/2023	6,421		6,421	100%
- Other reserves	299	299		
Share premium reserve	**180,001**	**180,001**		
Valuation reserves:	**-4,056**	**-6,958**	**2,902**	**-41.71%**
- Financial assets measured at fair value through other comprehensive income	-4,228	-7,147	2,919	-40.84%
- Defined-benefit plans (actuarial gains/losses) reserve	172	189	-17	-8.74%
Grand total	**225,217**	**214,606**	**10,611**	**4.94%**

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 € 2.5 million. Therefore, after approval of the division, assets will amount to € 227.4 million, up with respect to the figure the previous year (+2.44%). The increase is attributable to the valuation effects of financial assets measured at fair value through other comprehensive income, which caused a contraction in the negative valuation reserves, as well as the allocation of profit to equity.

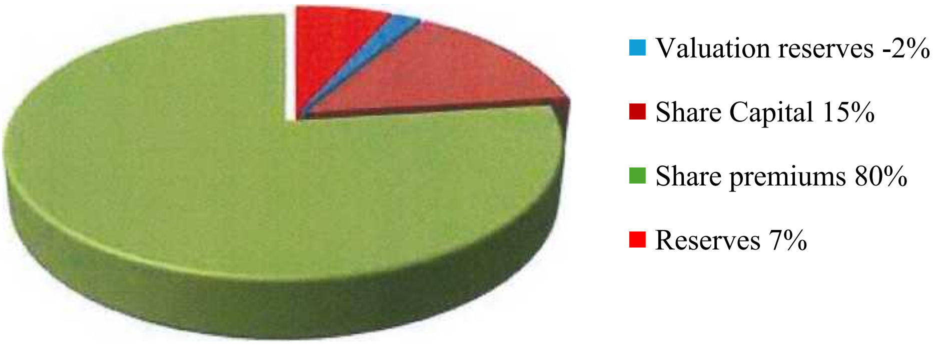
At year end, the own funds aggregate rose from € 221.4 the previous year to € 227.4 million, an increase of € 6 million (+2.71%). The aggregate is considerably higher than what is required by the Supervisory Authority's prudential regulation.

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 22.17% for the three indicators (2023: 21,93 %), as capital is solely represented by primary elements.

The entire asset aggregate represents 11.20% of direct customer deposits (2023: 11.67%) and 15.10% of net loans provided to customers (2023: 14,46%). These indicators confirm the principle of prudence applied by the Bank in developing its business.

Share Capital and Reserves

2024 Balance



Shareholders and own shares

Share capital consists of 498,531 shares, held at 31/12/2024 by 200 shareholders (157 natural persons and 43 legal persons). Of these, Banca Popolare del Lazio is the majority shareholder, accounting for 99.25% of equity (equivalent to 494,791 shares). The other shareholders do not hold significant equity investments.