

Q1 2024 CONSOLIDATED RESULTS



**Banca Popolare
di Sondrio**

FOUNDED IN 1871

May 7th, 2024



- ① **Q1 2024 MAIN TAKEAWAYS**
- ② **FINANCIAL RESULTS**
- ③ **FINAL REMARKS**
- ④ **ANNEXES**



1 Q1 2024 MAIN TAKEAWAYS

Q1 2024 MAIN TAKEAWAYS



KEY FIGURES

- BEST EVER QUARTERLY RESULT: NET PROFIT OF 145.2 €M (+53.8% Y/Y) - ROE EQUAL TO 15.3%
- CORE REVENUE UP 29.6% Y/Y; 267 €M OF NII UP (+39% Y/Y); 106.9 €M OF NET FEES & COMMISSIONS UP (+10.8% Y/Y)
- 1.7 €BN OF NEW DISBURSEMENTS TO HOUSEHOLDS AND BUSINESSES (vs 1.3 €BN IN Q1 2023)



ASSET QUALITY UNDER CONTROL

- GROSS AND NET NPE RATIO AT 3.8% AND 1.6% RESPECTIVELY
- NPE COVERAGE AT 60%
- ANNUALISED COST OF RISK AT 0.51%
- DEFAULT RATIO AT 1.1%
- STABLE OVERLAYS AT AROUND 200 €M



STRONG LIQUIDITY PROFILE AND FUNDING

- REGULATORY LIQUIDITY INDICATORS COMFORTABLY ABOVE REQUIREMENTS (LCR AT 171% AND NSFR AT 118%) DESPITE THE REPAYMENT OF THE TLTRO TRANCHE DUE IN MARCH
- COUNTERBALANCING CAPACITY AT AROUND 12 €BN
- EXECUTION OF THE 2024 MEDIUM-LONG TERM FUNDING PLAN WELL UNDER WAY
- DIRECT CUSTOMER FUNDING SLIGHTLY CONTRACTING YTD



OTHER BUSINESS HIGHLIGHTS

- INVESTMENT GRADE RATING ASSIGNED BY ALL RATING AGENCIES COVERING THE BANK
- STANDARD ETHICS SUSTAINABILITY CORPORATE RATING IMPROVED TO "EE+"
- CDP CLIMATE SCORE IMPROVED TO A-
- FORMAL APPROVAL BY UNEP FI OF APPLICATION TO THE NET-ZERO BANKING ALLIANCE AND PRINCIPLES OF RESPONSIBLE BANKING

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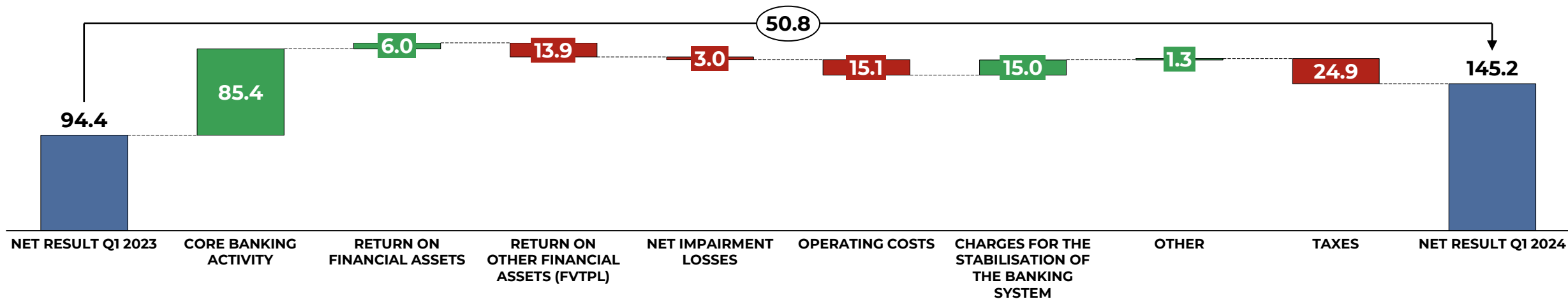
FINANCIAL RESULTS

- P&L ANALYSIS
- FUNDING STRUCTURE AND LIQUIDITY POSITION
- CUSTOMER LOANS AND ASSET QUALITY
- FINANCIAL PORTFOLIO
- INDIRECT FUNDING
- CAPITAL EVOLUTION AND POSITION

Q1 2024 P&L OVERVIEW

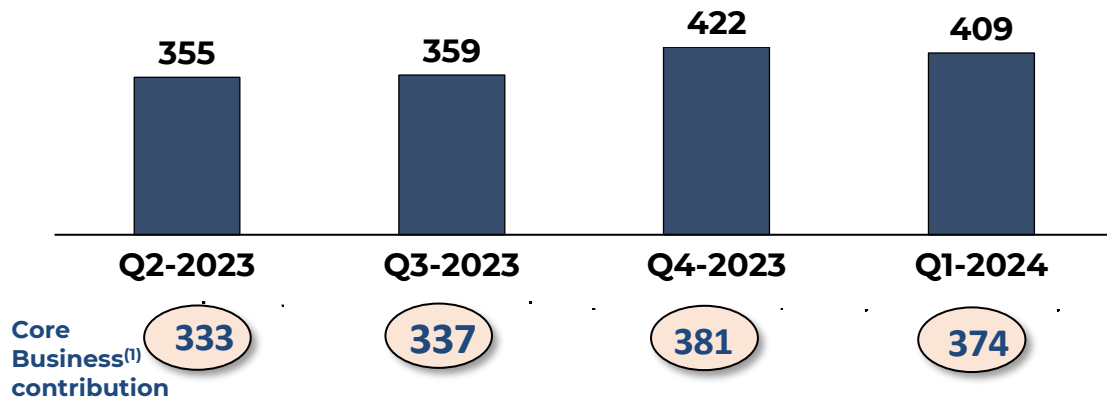
INCOME STATEMENT [1] € M	Q1 2023	Q1 2024	YoY	
	ACTUAL	ACTUAL	Δ € M	Δ%
CORE BANKING ACTIVITY	288.5	373.9	85.4	29.6%
ow Net interest income	192.0	267.0	75.0	39.0%
ow Net fee and commission income	96.5	106.9	10.4	10.8%
RETURN ON FINANCIAL ASSETS	30.5	36.5	6.0	19.7%
RETURN ON OTHER FINANCIAL ASSETS (FVTPL)	12.7	-1.2	-13.9	-
TOTAL INCOME	331.7	409.2	77.5	23.4%
NET IMPAIRMENT LOSSES	-39.8	-42.8	-3.0	7.5%
OPERATING COSTS	-135.7	-150.8	-15.1	11.1%
CHARGES FOR THE STABILISATION OF THE BANKING SYSTEM	-35.0	-20.0	15.0	-42.9%
GROSS RESULT	134.1	209.8	75.7	56.5%
NET RESULT	94.4	145.2	50.8	53.8%

- CORE BANKING ACTIVITY +373.9 €M (+29.6% YoY) DRIVEN BY NII INCREASE (+39% YoY) AND REMARKABLE FEES GROWTH (+10.8% YoY)
- TOTAL RETURN ON FINANCIAL ASSETS +36.5 €M (+19.7% YoY)
- TOTAL INCOME (+23.4% YoY) vs OPERATING COSTS (+11.1% YoY)

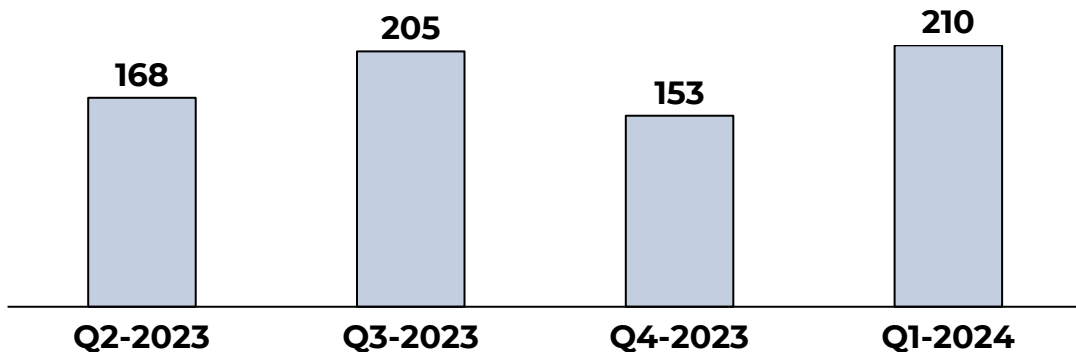


P&L QUARTERLY EVOLUTION

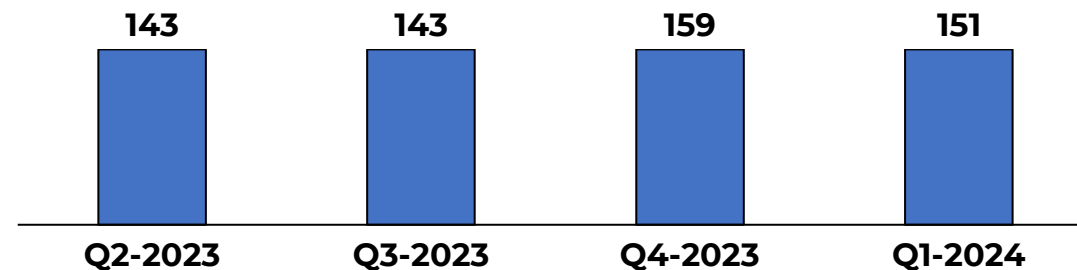
TOTAL INCOME (€M)



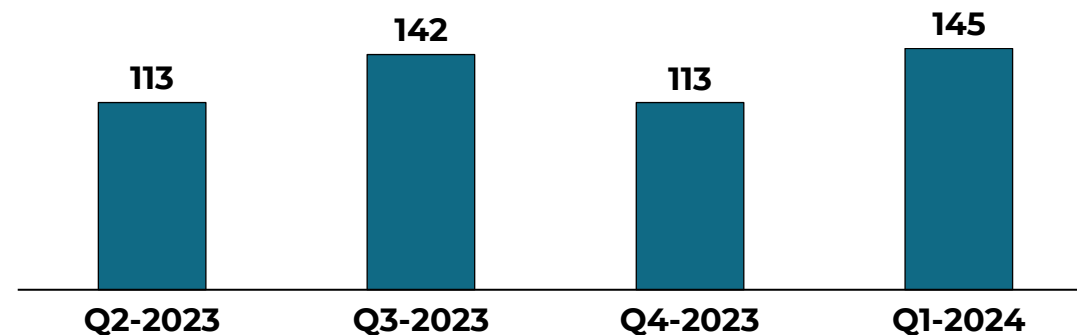
GROSS RESULT (€M)



OPERATING COSTS (€M)



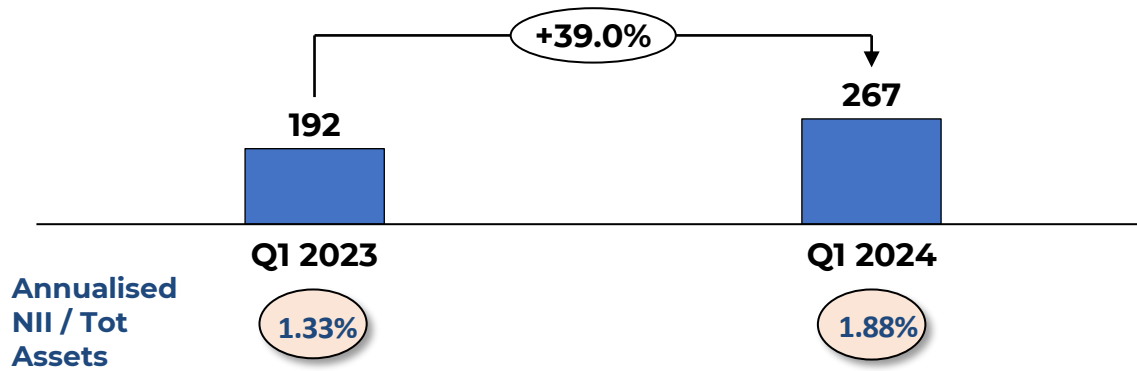
NET RESULT (€M)



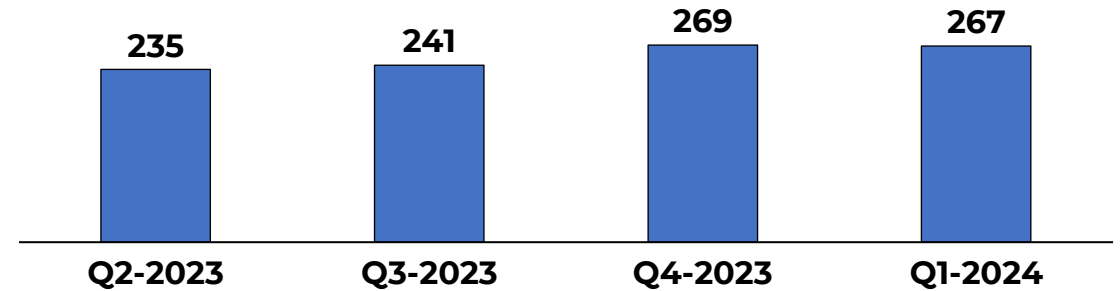
NET INTEREST INCOME [1/2]

NET INTEREST INCOME EVOLUTION (€M)

Yearly Evolution

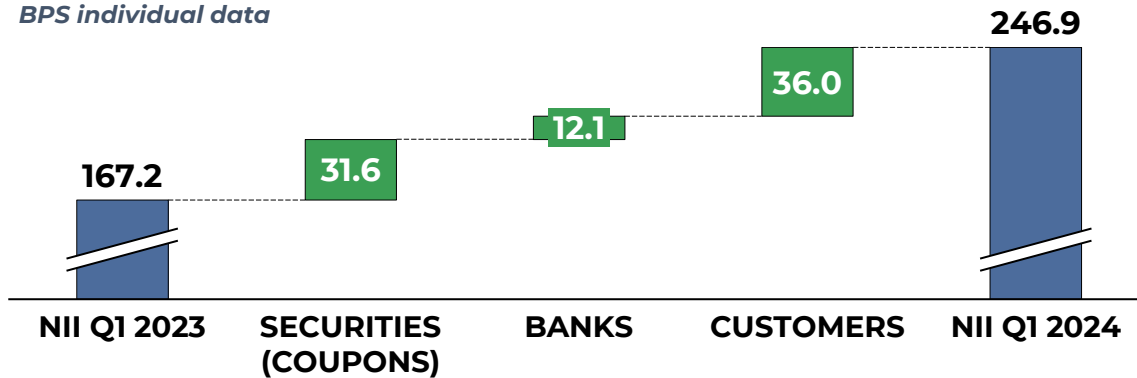


Quarterly Evolution



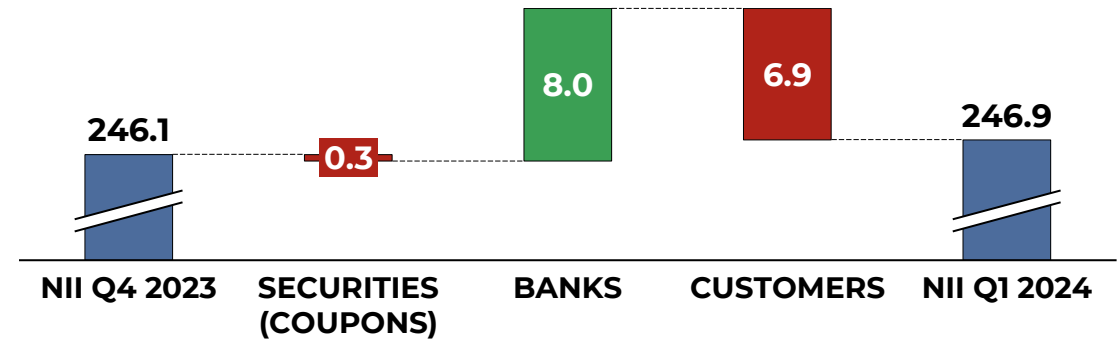
NII'S MOVING PARTS Y/Y (€M)

BPS individual data



NII'S MOVING PARTS Q/Q (€M)

BPS individual data



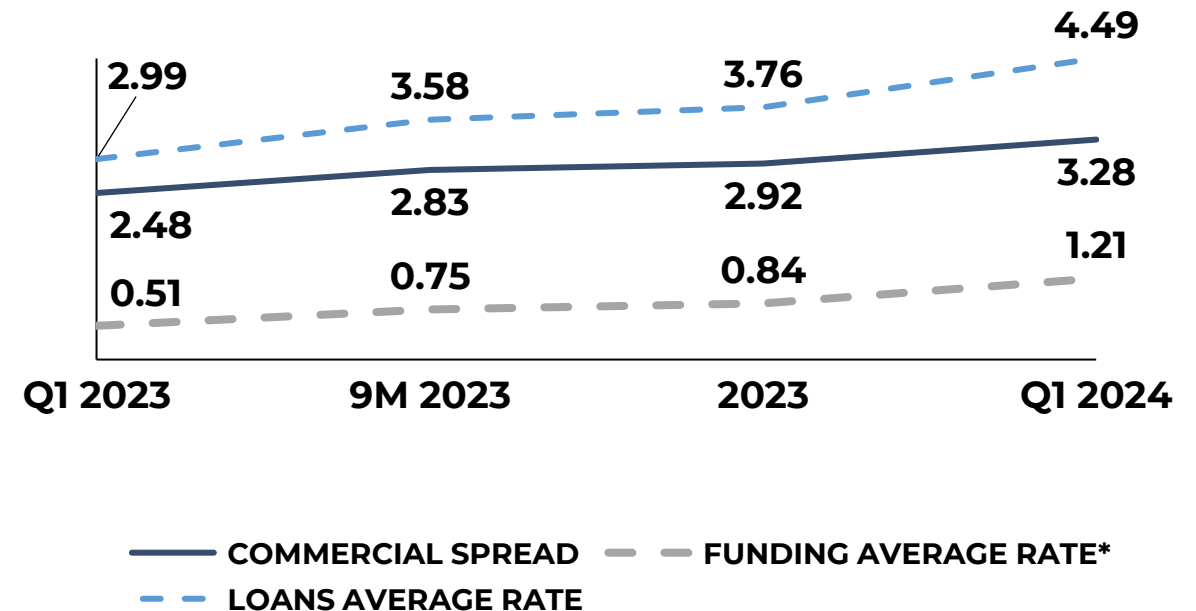
NET INTEREST INCOME [2/2]

Management data

Q1 2024 NII'S DRIVERS

- COMMERCIAL SPREAD OPENS UP FROM 2.48% AS OF 31 MARCH 2023 TO 3.28% AS OF 31 MARCH 2024 TOGETHER WITH A STILL POSITIVE YoY LOANS' AVERAGE VOLUME EFFECT
- COST OF SIGHT DEPOSIT REMAINS UNDER CONTROL SHOWING A MODEST YoY INCREASE
- SIGNIFICANT INCREASE IN COUPON FLOWS OF PROPRIETARY PORTFOLIO (91.3 €M FROM 59.7 €M IN Q1 2023)¹
- REDUCTION OF NET NEGATIVE IMPACT OF INTERBANK FUNDING, NOW EQUAL TO -16 €M (vs -28 €M Q1 2023)¹

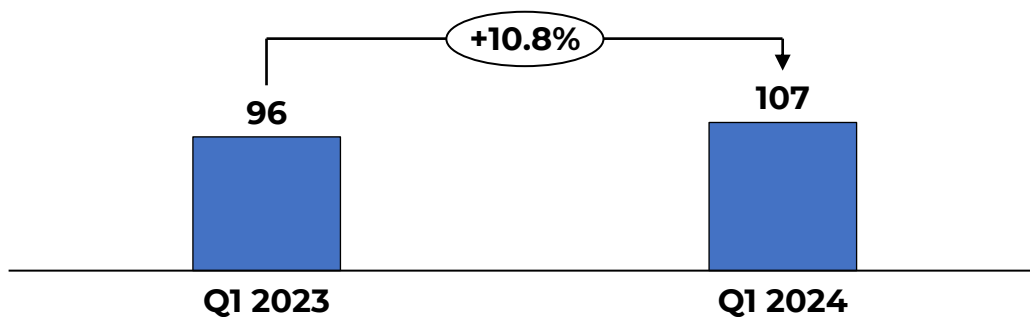
GROUP'S COMMERCIAL SPREAD EVOLUTION



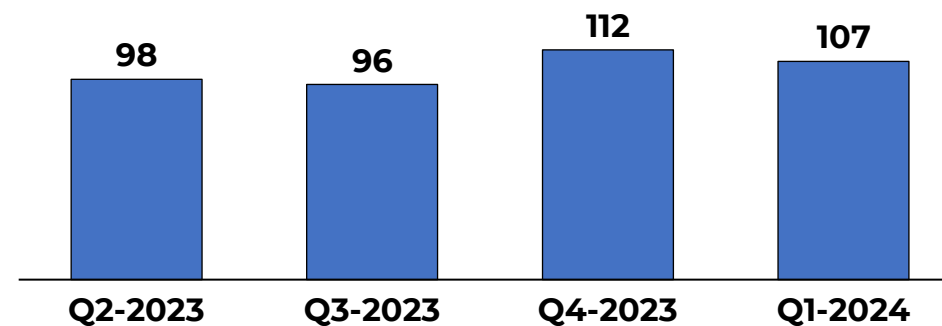
NET FEES AND COMMISSIONS

NET FEES (€M)

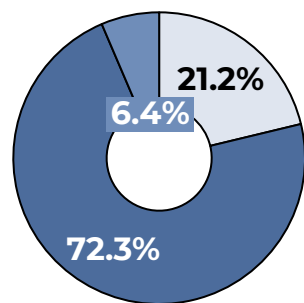
Yearly Evolution



Quarterly Evolution



Q1 2024 BREAKDOWN



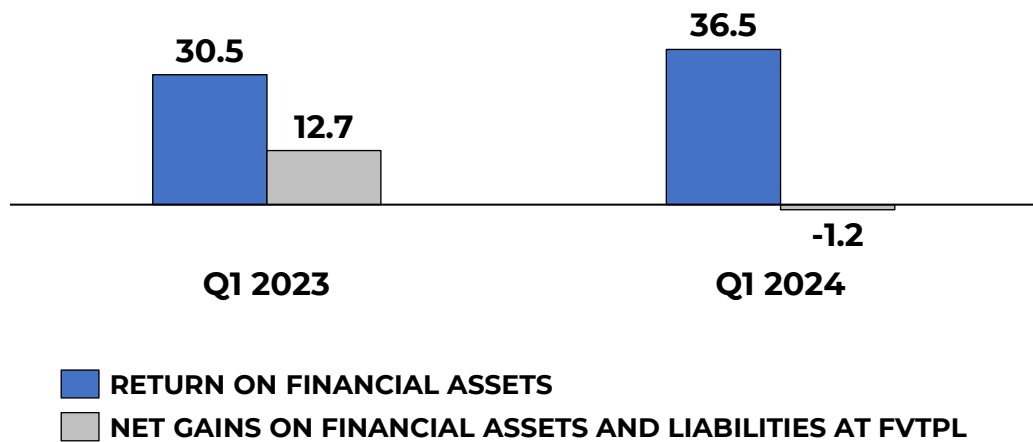
ASSET UNDER MANAGEMENT AND CUSTODY
 BANCASSURANCE
 BANKING SERVICES

- DOUBLE-DIGIT INCREASE OF COMMISSIONS CONFIRMS THE BANK'S STRONG COMMERCIAL POSITIONING
- REMARKABLE CONTRIBUTION (% Y/Y) FROM FEES RELATED TO:
 - LOANS (+8.6%)
 - PAYMENTS SERVICES WITH STRONG CONTRIBUTION FROM THE FOREIGN DEPARTMENT ACTIVITIES (+11.7%)
 - BANCASSURANCE (+18.2%)
 - ASSETS UNDER MANAGEMENT (+9.5%)

FINANCIAL ASSETS CONTRIBUTION

BREAKDOWN OF RETURN ON FINANCIAL ASSETS (€M)

Yearly Evolution



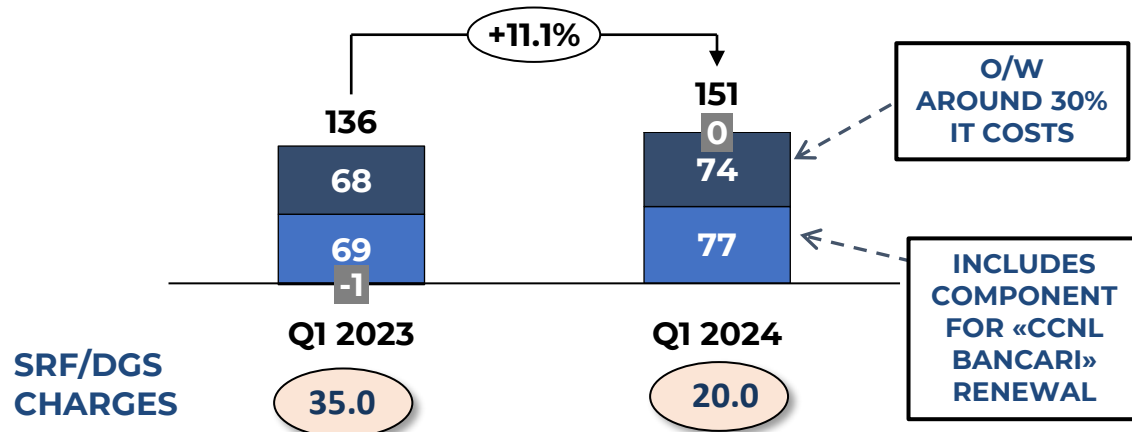
	Q1 2023	Q1 2024	YoY		Q4-2023	Q1-2024	QoQ	
			Δ € M	Δ%			Δ € M	Δ%
DIVIDENDS AND SIMILAR INCOME	0.7	1.0	0.3	48.3%	3.1	1.0	-2.1	-68.0%
NET TRADING INCOME	28.6	27.1	-1.6	-5.4%	36.6	27.1	-9.6	-26.2%
NET HEDGING INCOME	0.2	0.0	-0.2	-87.2%	-0.1	0.0	0.1	-
NET GAINS FROM SALES OR REPURCHASES	1.0	8.4	7.4	738.7%	-0.9	8.4	9.4	-
RETURN ON FINANCIAL ASSETS	30.5	36.5	6.0	19.7%	38.7	36.5	-2.2	-5.8%
NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL	12.7	-1.2	-13.9	-	2.4	-1.2	-3.6	-
O/W LOANS	2.9	-2.0	-4.9	-	-1.1	-2.0	-0.9	88.2%
O/W OTHER (MAINLY FUNDS AND SICAV)	9.8	0.8	-8.9	-91.6%	3.5	0.8	-2.7	-76.3%
TOTAL	43.2	35.3	-7.9	-18.2%	41.1	35.3	-5.8	-14.2%

- SOLID CONTRIBUTION OF FINANCIAL ASSETS (36.5 €M vs 30.5 €M Q1 2023)

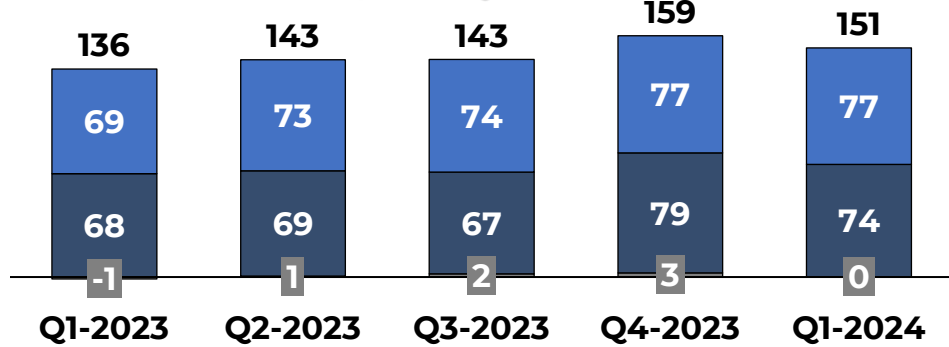
OPERATING COSTS

OPERATING COSTS¹ (€M)

Yearly Evolution

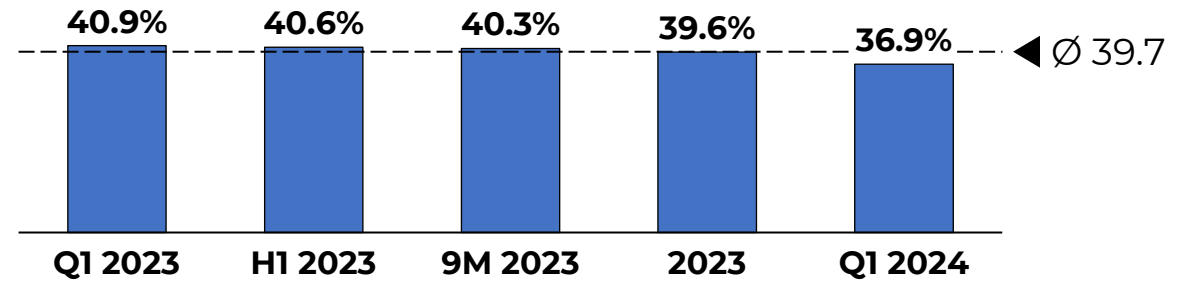


Quarterly Evolution

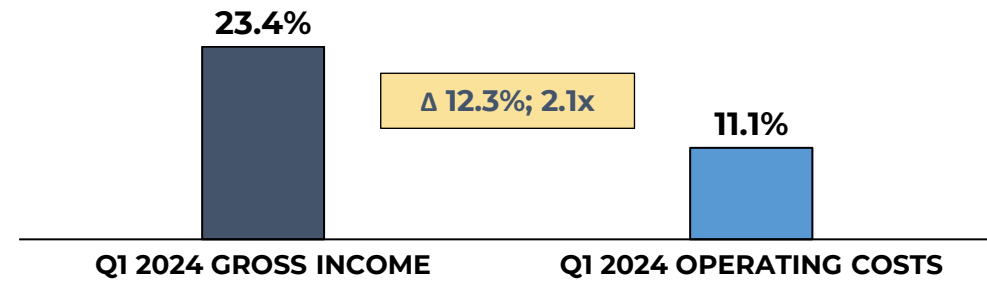


PERSONNEL EXPENSES OTHER ADMINISTRATIVE EXPENSES OTHER

COST / INCOME RATIO (%)



POSITIVE JAWS EVOLUTION (Δ% Y/Y)



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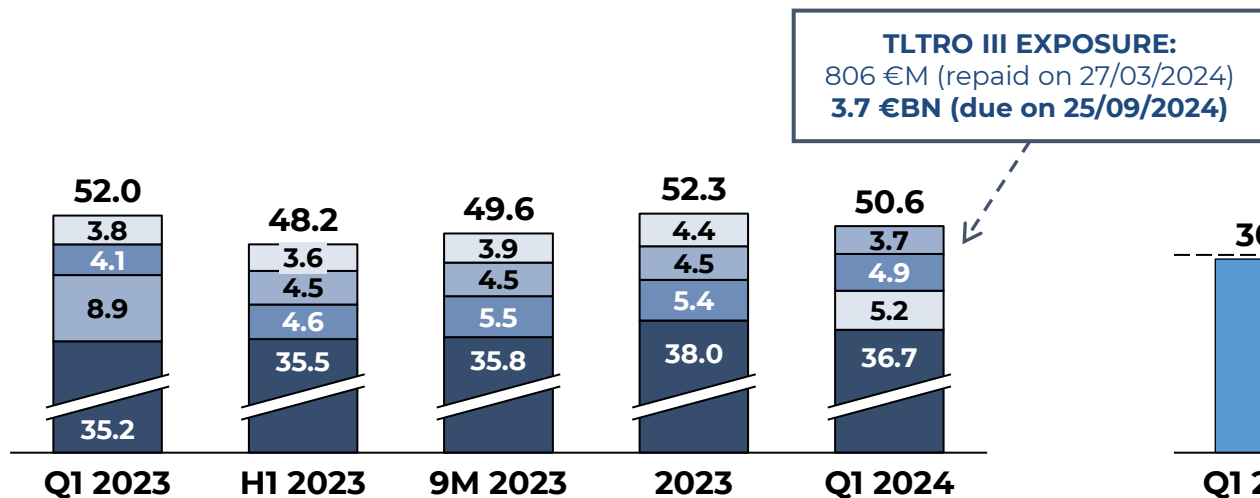
FINANCIAL RESULTS

- P&L ANALYSIS
- **FUNDING STRUCTURE AND LIQUIDITY POSITION**
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FUNDING STRUCTURE

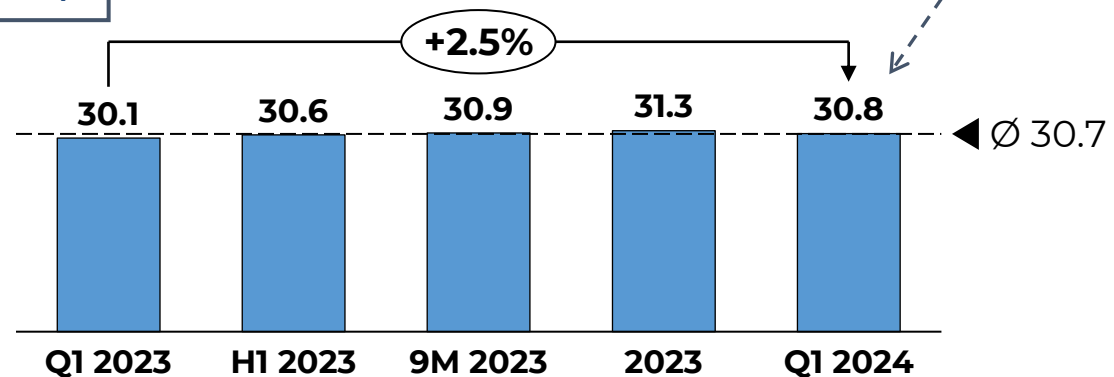
TOTAL FUNDING (€BN)

■ FUNDING FROM ECB ■ BONDS
■ FUNDING FROM BANKS ■ FUNDING FROM CUSTOMERS



"CORE" DIRECT CUSTOMER FUNDING¹ (€BN)

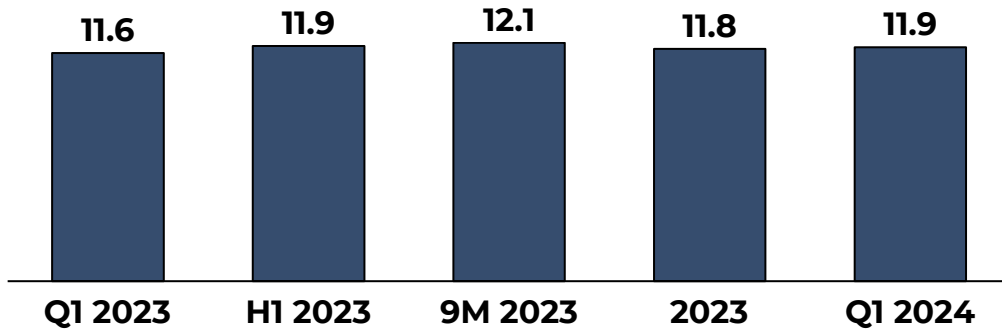
SOLID DEPOSITS BASE THANKS TO LONG-TERM RELATIONSHIPS WITH CUSTOMERS



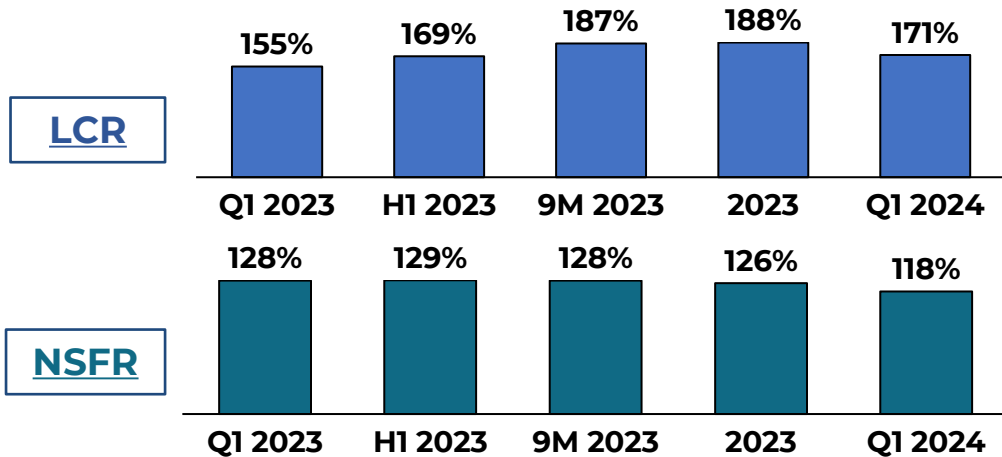
- **"CORE" DIRECT CUSTOMER FUNDING¹** EQUAL TO 30,836 €M UP COMPARED TO 30,097 €M AS OF Q1 2023 (+2.5% YoY) MAINLY THANKS TO A STRONG GROWTH OF TERM-DEPOSITS AND BONDS
- **EXECUTION OF THE 2024 MEDIUM-LONG TERM FUNDING PLAN WELL UNDER WAY:**
 - ❑ 175 €M SENIOR PREFERRED BOND ISSUED WITH RETAIL INVESTORS;
 - ❑ 800 €M PLACED WITH INSTITUTIONAL INVESTORS (O/W 500 €M COVERED BOND; 300 €M SUBORDINATED TIER 2 BOND)

LIQUIDITY POSITION

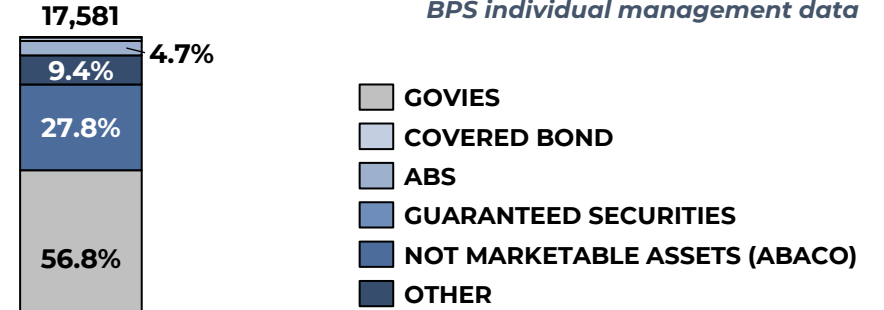
COUNTERBALANCING CAPACITY (€BN)



REGULATORY INDICATORS

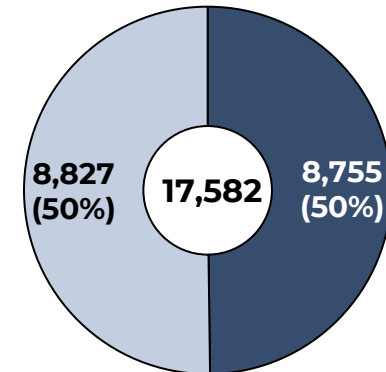


STOCK OF ELIGIBLE ASSETS (€M)



ELIGIBLE ASSETS AVAILABILITY (€M)

- UNENCUMBERED ELIGIBLE ASSETS
- ENCUMBERED ELIGIBLE ASSETS



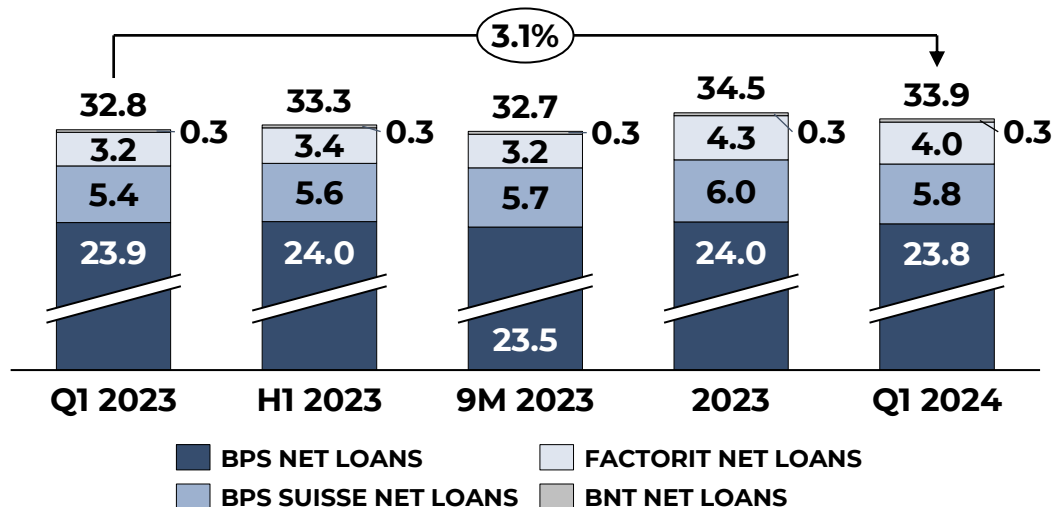
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FINANCIAL RESULTS

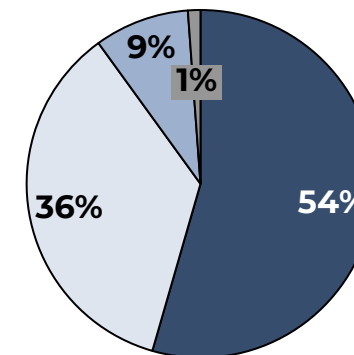
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- CAPITAL EVOLUTION AND POSITION

LENDING ACTIVITY [1/2]

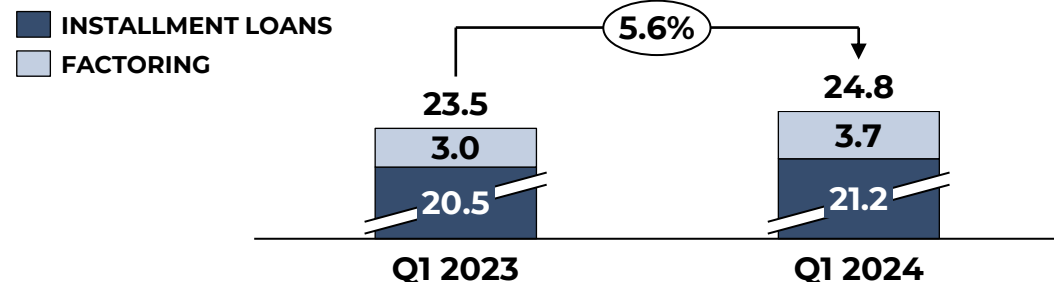
NET CUSTOMER LOANS (€BN)



NET LOANS BY TYPE OF CUSTOMER FY 2023

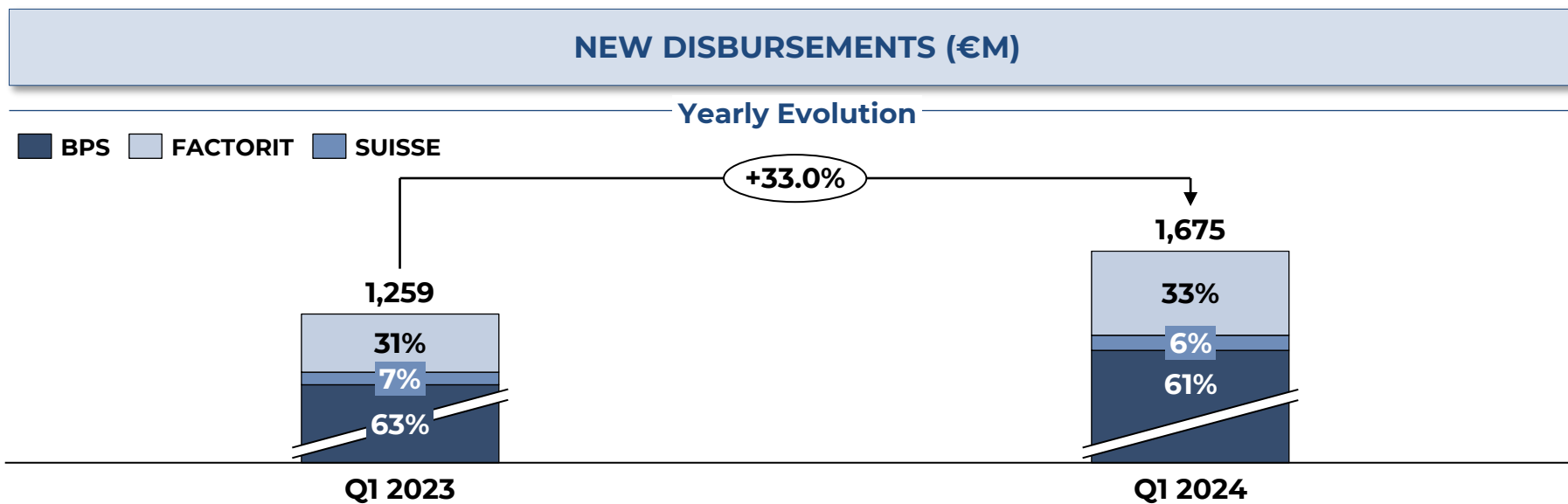


INSTALLMENT LOANS AND FACTORING (€BN)



- POSITIVE TREND OF INSTALLMENT LOANS AND FACTORING (+5.6% YoY)
- AROUND 30% OF LOANS ARE RELATED TO BPS SUISSE, FACTORIT AND BNT
- LOAN TO DEPOSIT RATIO EQUAL TO 92.4%

LENDING ACTIVITY [2/2]



FOCUS ON INSTALLMENT LOANS

BPS individual management data (million)

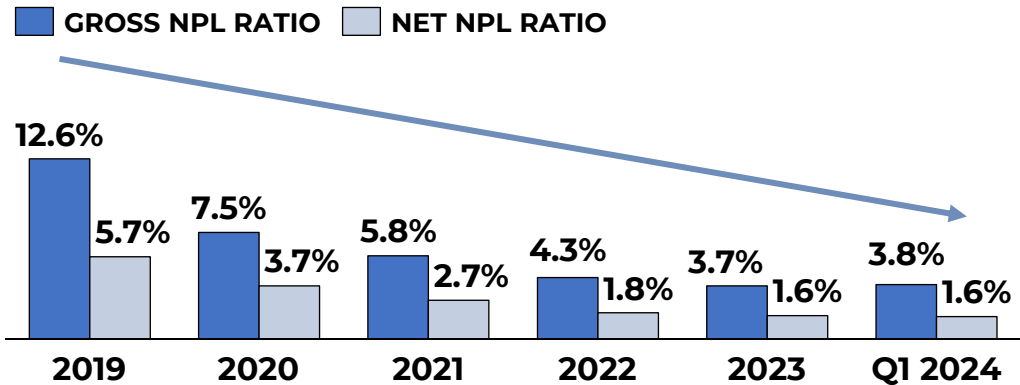
INSTALLMENT LOANS NEW DISBURSEMENTS (€ M)	Q1 2023	Q1 2024
TOTAL	751	791
of which MORTGAGE LOANS	282	255
of which OTHER UNSECURED LOANS	439	500
of which PERSONAL LOANS	31	36

NEW LENDING AT AVERAGE RATE OF 5.40% vs 4.33% Q1 2023;

FIXED LENDING RATE ON AVERAGE: FRONT BOOK 4.1% BACK BOOK 2.2%

ASSET QUALITY [1/2]

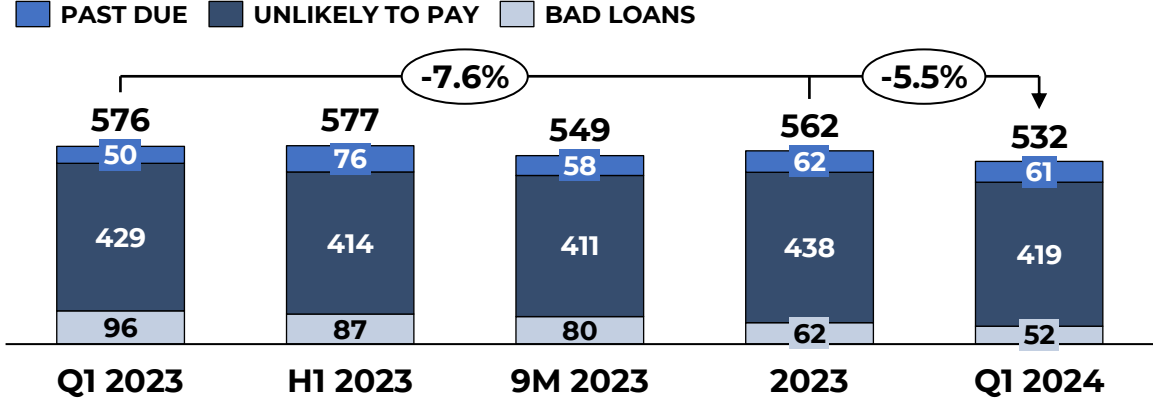
STRONG DERISKING EXECUTED



NPL COVERAGE (%)

	2023	Q1 2024
BAD LOANS	82.1%	84.8%
UTP	51.0%	54.2%
PAST DUE	15.6%	16.2%
TOTAL NPLs	57.3%	60.0%

QUARTERLY NET NPL STOCK EVOLUTION (€M)

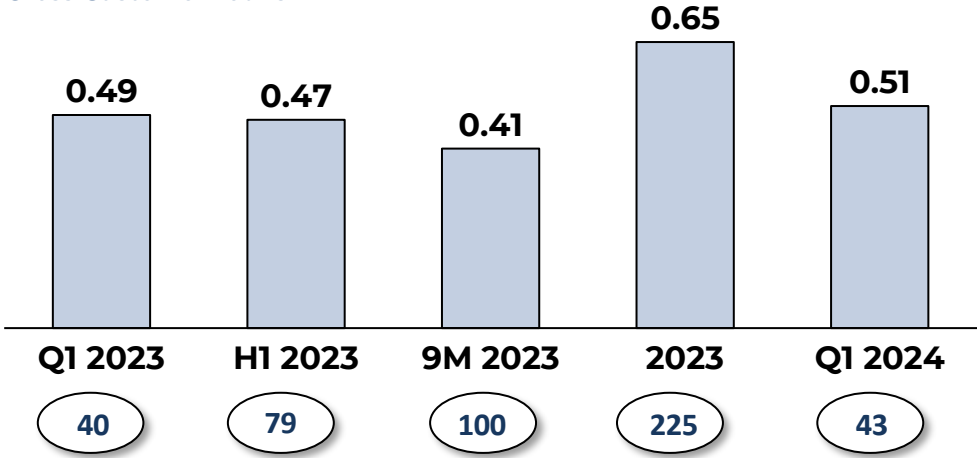


- NET NPL RATIO EQUAL TO 1.6% (i.e. NET EXPOSURE EQUAL TO 532 €M vs. 576 €M Q1 2023)
- VERY HIGH COVERAGE OF NON PERFORMING LOANS (60%; o/w UTP 54.2%)

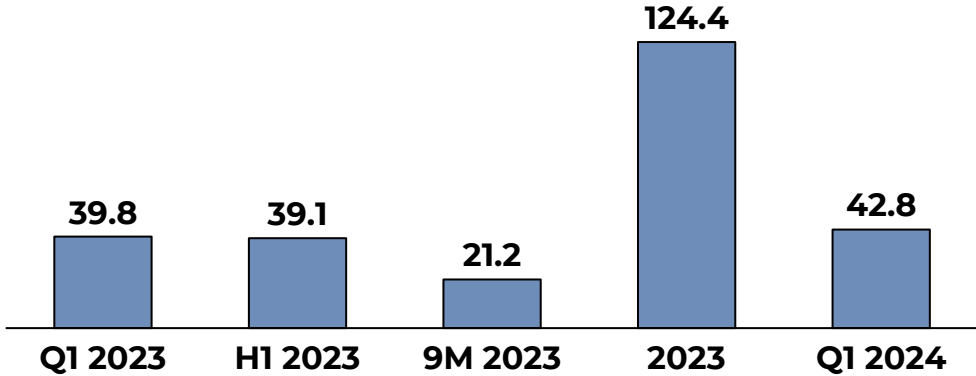
ASSET QUALITY [2/2]

EVOLUTION OF COST OF RISK (%)

Gross Customer Loans



QUARTERLY EVOLUTION OF LLPs (€M)



LLP (€M)

- CURRENT COST OF RISK ALIGNED WITH THE MEDIUM-LONG TERM GUIDANCE (55-60 BP)
- DEFAULT RATE MARGINALLY INCREASED AT 1.1%
- STAGE 2 NET LOANS EQUAL TO 4.6 €BN (13.8% OF TOTAL CUSTOMER LOANS; 4.14% COVERAGE)
- OVERALL PERFORMING LOANS COVERAGE UP TO 0.75% FROM 0.50% AS OF Q1 2023
- STABLE LEVEL OF MANAGEMENT OVERLAYS AT AROUND 200 €M

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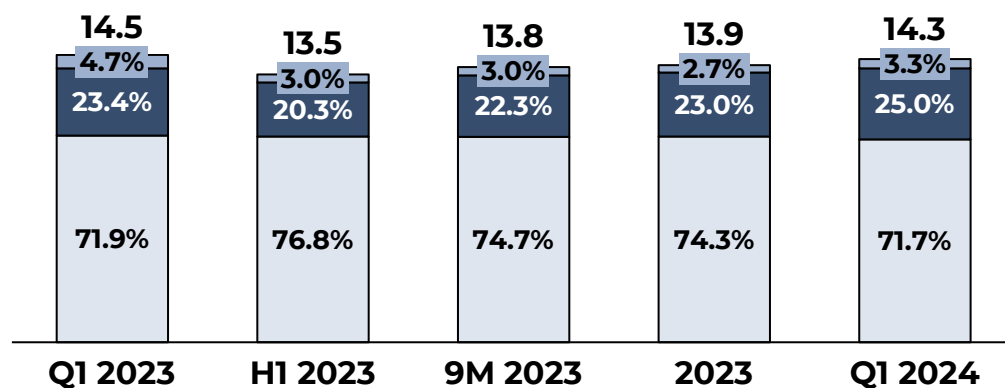
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PROPRIETARY PORTFOLIO OVERVIEW

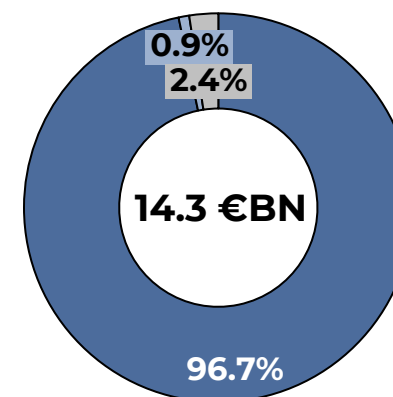
IFRS9 PORTFOLIO ALLOCATION (%)

■ Held to collect (HTC)
 ■ Held to collect and sell (HTCS)
 ■ FVTPL



BREAKDOWN BY TYPE OF ASSETS (%)

■ BONDS
 ■ EQUITY
 ■ OTHER (MAINLY FUNDS AND SICAV)



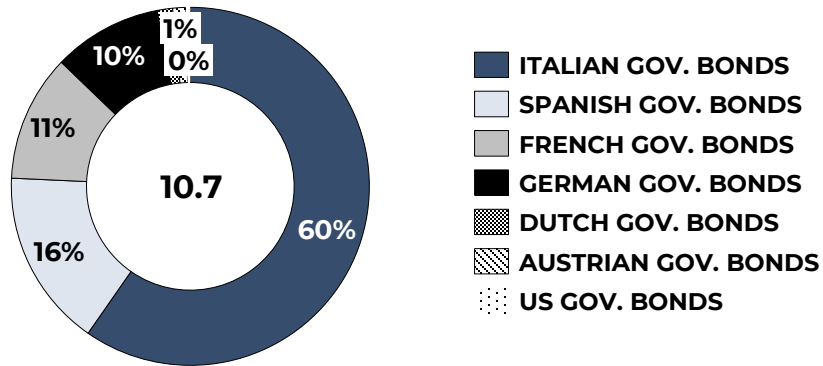
KEY MESSAGES

- PRUDENT AND INCREASINGLY DIVERSIFIED FIXED INCOME PORTFOLIO
- YIELD TO MATURITY AROUND 4%; DURATION 3.2 Y; VOLATILITY 1.8
- AROUND 1.8 €BN OF **ESG BONDS** IN THE PROPRIETARY PORTFOLIO AS OF 31/03/24 (vs 1.1 €BN IN Q1 2023)

FOCUS ON THE “GOVIES” COMPONENT

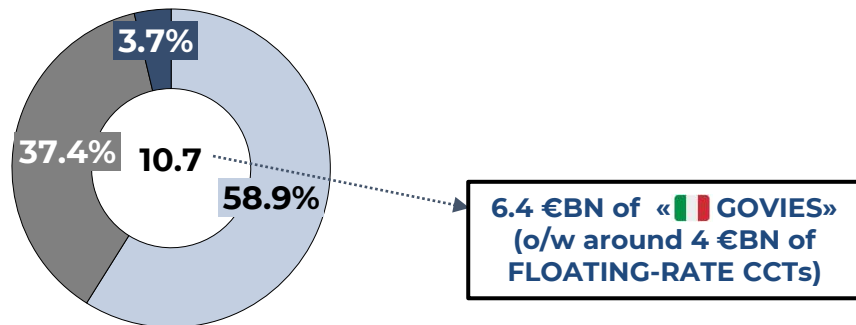
BPS individual management data as at 31/03/2024

“GOVIES” COMPONENT - BREAKDOWN BY COUNTRY

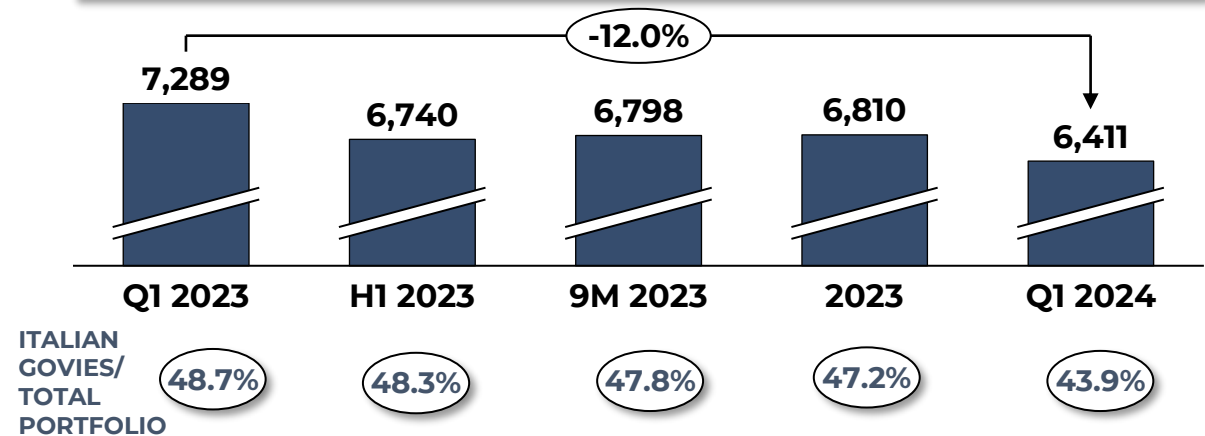


“GOVIES” COMPONENT - BREAKDOWN BY TYPE OF RATE

FIXED RATE FLOATING RATE INFLATION-LINKED

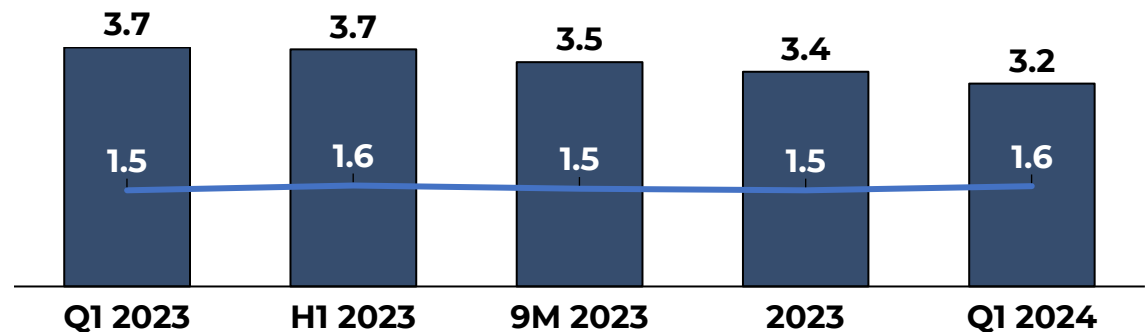


ITALIAN GOVERNMENT BONDS (€M)



“GOVIES” DURATION AND VOLATILITY

VOLATILITY DURATION



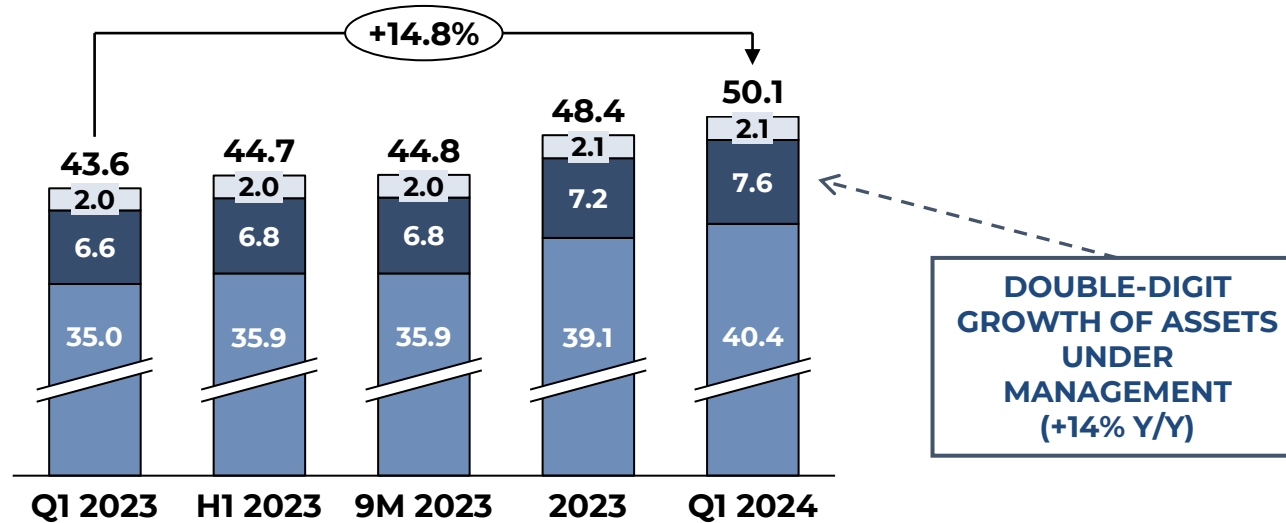
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FINANCIAL RESULTS

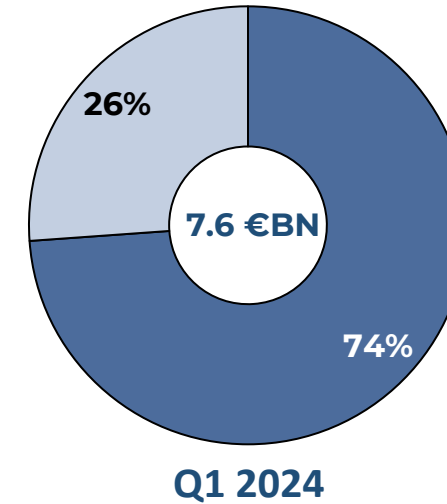
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- CAPITAL EVOLUTION AND POSITION

INDIRECT FUNDING

INDIRECT FUNDING (€BN)



AUM BREAKDOWN (€BN)



Q1 2024 POSITIVE NET NEW INFLOWS:

- AROUND 200 €M FROM ASSET UNDER MANAGEMENT PRODUCTS
- OVER 40 €M FROM BANCASSURANCE BUSINESS

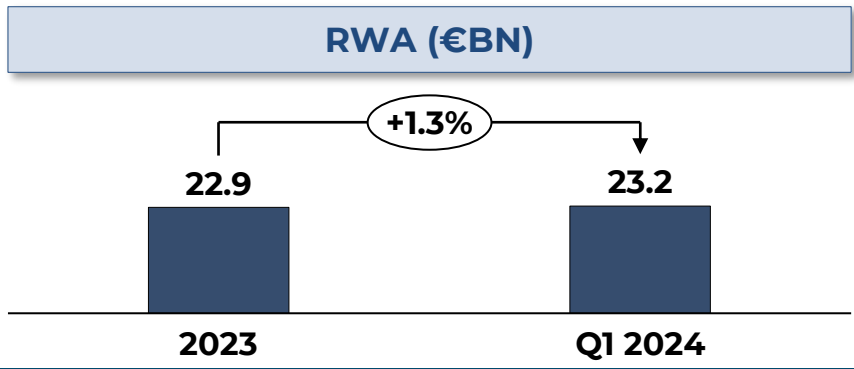
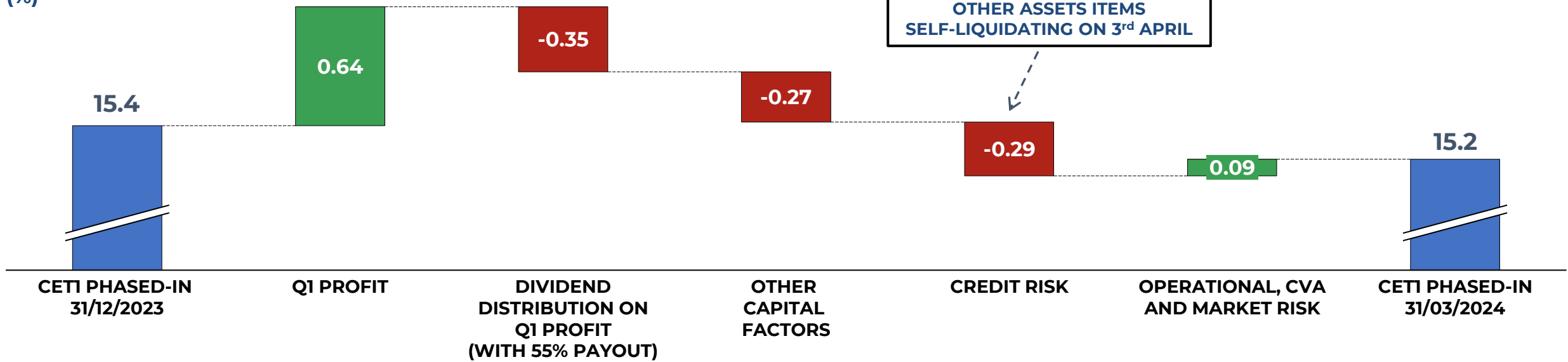
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CAPITAL WALK AND CAPITAL POSITION

CET1 RATIO Q/Q (%)



Q1 2024 CAPITAL RATIOS¹
[Fully-loaded]

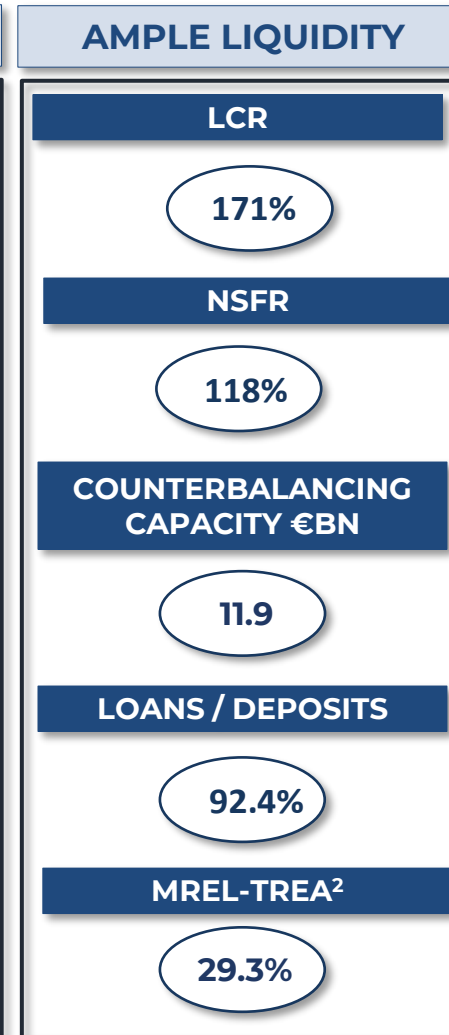
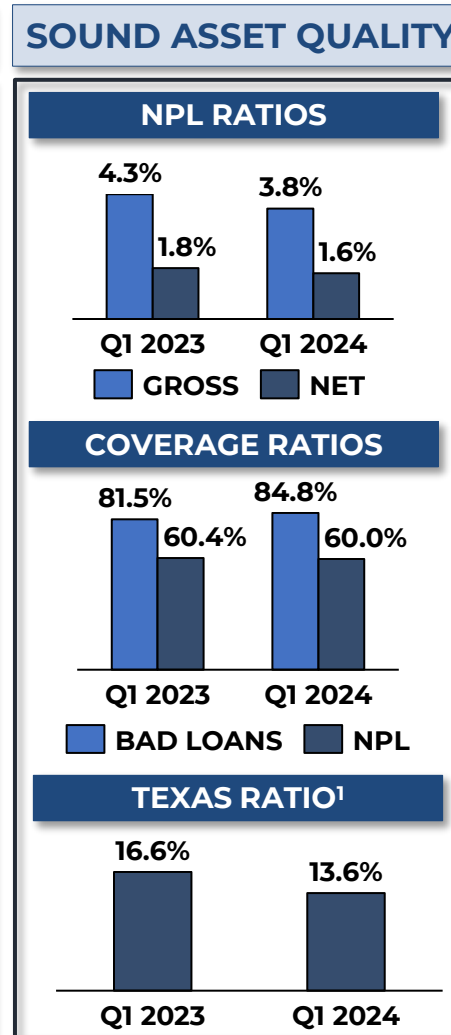
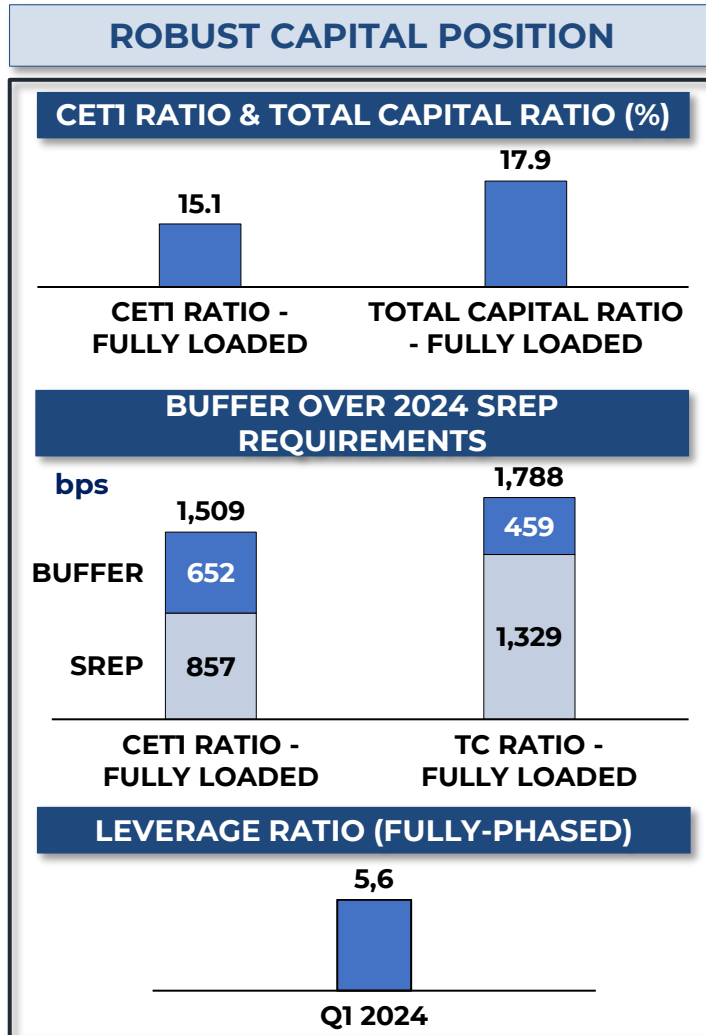
- ✓ CET1 RATIO 15.1%
- ✓ TOTAL CAPITAL RATIO 17.9%

2024 SREP REQUIREMENTS

- CET1 RATIO 8.57%
- TOTAL CAPITAL RATIO 13.29%

(1) Capital ratios take into account the portion of the profit for the period that can be used for self-financing, the inclusion of which in own funds is subject to approval by the Supervisor.

THE BANK IN A NUTSHELL





3 FINAL REMARKS

THE EXCELLENT START OF THE YEAR LAYS THE FOUNDATIONS FOR A 2024 SOLID OPERATING PERFORMANCE UNDERPINNED BY:

- ✓ NII SUBSTANTIALLY IN LINE WITH 2023
- ✓ NET FEES AND COMMISSION GROWTH BETWEEN 5% AND 10%
- ✓ OPERATING COSTS AND LLPs (CoR IN THE 55 bps AREA) UNDER CONTROL
- ✓ REDUCED CONTRIBUTION FOR THE STABILISATION OF THE BANKING SYSTEM

2024 RESULTS EXPECTED TO REPLICATE THE FY RECORD ACHIEVED IN 2023



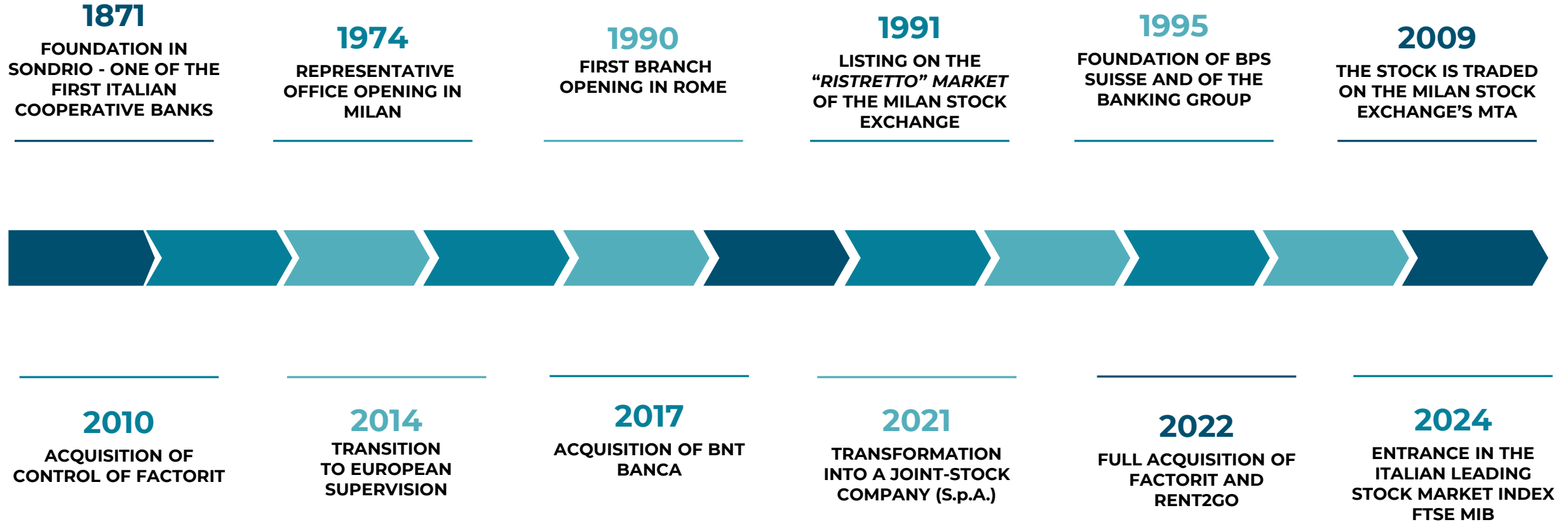


4

ANNEXES



KEY MILESTONES IN BPS HISTORY



ONGOING INTEGRATION OF SUSTAINABILITY INTO THE GROUP STRATEGY



ESG Governance

- ✓ STRENGTHENING OF **ESG GOVERNANCE**
- ✓ **ESG TRAINING** FOR ALL GROUP PERSONNEL
- ✓ **ESG COMPLIANCE PROGRAMME**
- ✓ INTEGRATION OF ESG FACTORS INTO **REMUNERATION POLICIES**
- ✓ **INTERNAL BEHAVIOURAL GUIDELINES** FOR THE REDUCTION OF **ENVIRONMENTAL IMPACTS**
- ✓ STRENGTHENING **ESG CONTROLS OF II AND III LEVEL**



International initiatives and ESG ratings

- ✓ INTENSIFICATION OF THE **DIALOGUE WITH PROVIDERS**
- ✓ IMPROVEMENT OF SOME **ESG RATINGS**
- ✓ SUPPORT TO **TCFD**
- ✓ JOINING **VALORE D**
- ✓ JOINING **UN PRB** AND **NET-ZERO BANKING ALLIANCE**



Business policies and strategies

- ✓ **ESG CREDIT POLICY**
- ✓ **INTEGRATED RISK MANAGEMENT**
- ✓ FIRST SET OF **PORTFOLIO CO2** REDUCTION TARGET
- ✓ DEFINITION OF **COUNTERPARTY C&E SCORES**
- ✓ OWN FUNDS: 10% **BOND SEGMENT IN ESG INSTRUMENTS**
- ✓ **ESG INVESTMENT POLICY** DEFINITION



Products and services

- ✓ EXPANSION OF **ESG ASSET MANAGEMENT LINES**
- ✓ INTEGRATION OF ESG TOPICS INTO **MIFID II QUESTIONNAIRE**
- ✓ NEW **GREEN BOND ISSUANCE**
- ✓ NEW **ESG BOND FRAMEWORK**
- ✓ DEVELOPMENT OF **NEW GREEN LOANS**



Reporting and communication

- ✓ IMPROVEMENT OF ANALYSES CONCERNING **INDIRECT EMISSIONS (SCOPE 3)**
- ✓ INTEGRATION OF THE NFS WITH THE **TCFD RECOMMENDATIONS**
- ✓ EVOLUTION OF DNF CONTENT UNDER THE **CSRD** AND **NEW REPORTING STANDARDS**



GEOGRAPHICAL FOOTPRINT



NOTE: Company's data as of 30/03/2024



488 POINTS OF SALES:

- 358 BRANCHES
- 130 «TESORERIE» (LIGHT BRANCHES)

WITH A PRESENCE IN:

- 37 PROVINCES
- 10 REGIONS

**BANKING GROUP'S
EMPLOYEES: 3,610**



Banca Popolare di Sondrio (SUISSE)

OPERATING IN THE SWISS TERRITORY
IT HAS 20 OFFICES IN 8 CANTONS,
AS WELL AS THE REPRESENTATIVE OFFICE IN VERBIER,
THE DIRECT BANKING VIRTUAL BRANCH IN LUGANO
AND THE MONACO BRANCH OUTSIDE SWITZERLAND
IN THE PRINCIPALITY OF THE SAME NAME



6 branches offices in • MILANO • TORINO • PADOVA
• BOLOGNA • ROMA • PALERMO

and a network of foreign correspondents in over 90 countries.
Operating at Banca Popolare di Sondrio's branches
and at its partner banks' counters.

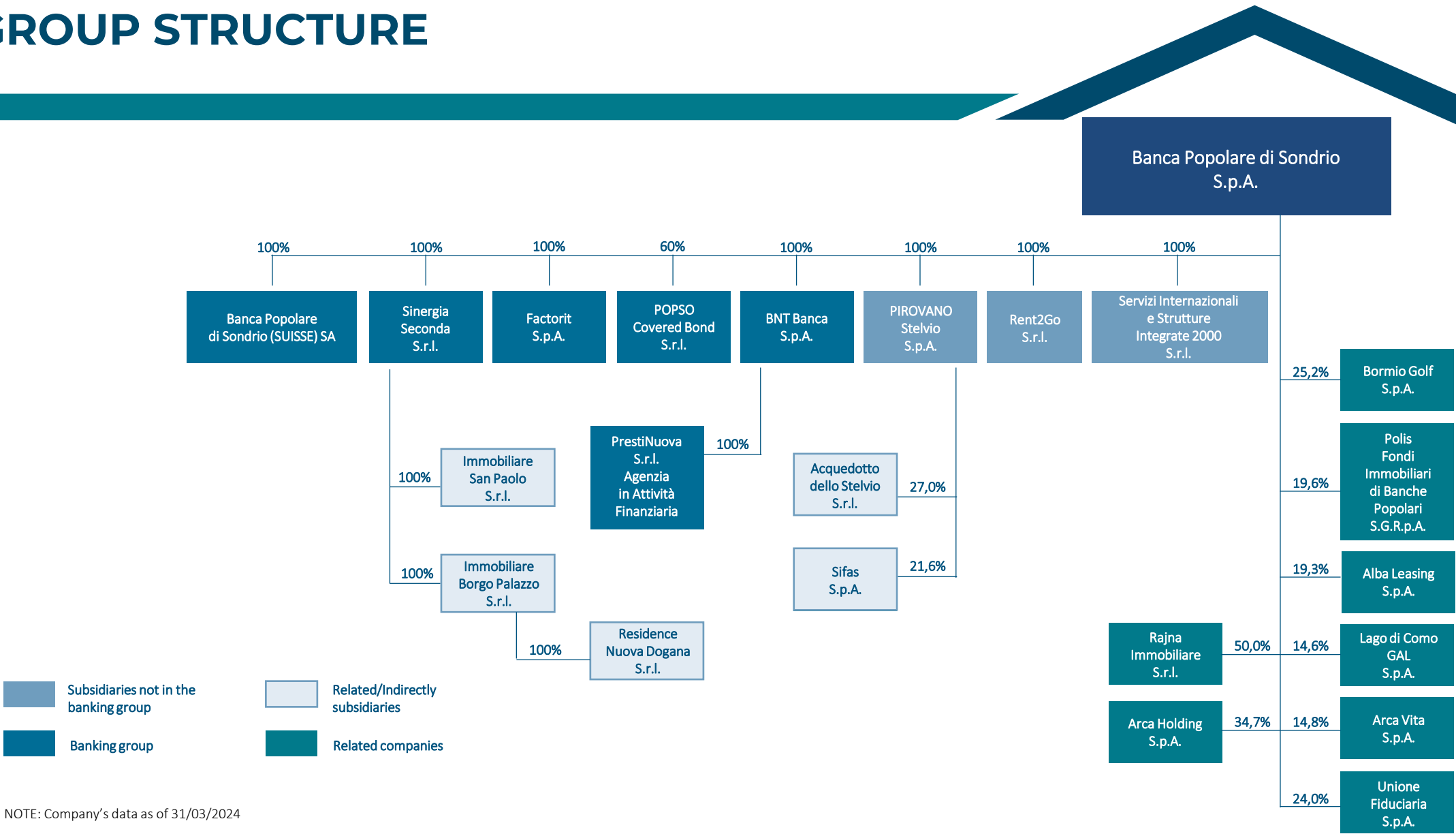


Offices in • MILANO • PALERMO

• CATANIA • CALTANISSETTA

Operating at Banca Popolare di Sondrio's branches
and at its partner banks' counters.

GROUP STRUCTURE



Subsidiaries not in the banking group
 Banking group
 Related/Indirectly subsidiaries
 Related companies

NOTE: Company's data as of 31/03/2024

FINANCIAL STATEMENT: BALANCE SHEET

THOUSANDS OF EUROS

ASSETS		31/03/2024	31/12/2023
10.	CASH AND CASH EQUIVALENTS	3,151,653	4,546,559
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	772,297	690,970
	a) financial assets held for trading	250,749	150,073
	c) financial assets mandatorily at fair value through profit or loss	521,548	540,897
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	3,564,590	3,212,616
40.	FINANCIAL ASSETS AT AMORTISED COST	44,859,242	45,530,807
	a) loans and receivables with banks	2,205,355	2,122,051
	b) loans and receivables with customers	42,653,887	43,408,756
50.	HEDGING DERIVATIVES	-	1
60.	FAIR VALUE CHANGE IN HEDGED FINANCIAL ASSETS (+/-)	1,274	1,775
70.	EQUITY INVESTMENTS	392,545	376,357
90.	PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	702,673	677,074
100.	INTANGIBLE ASSETS	38,039	37,756
	of which:		
	- goodwill	16,997	16,997
110.	TAX ASSETS	251,961	260,813
	a) current	1,230	1,375
	b) deferred	250,731	259,438
130.	OTHER ASSETS	3,007,578	2,387,037
TOTAL ASSETS		56,741,852	57,721,765

LIABILITY AND EQUITY		31/03/2024	31/12/2023
10.	FINANCIAL LIABILITIES AT AMORTISED COST	50,612,625	52,310,486
	a) due to banks	8,626,812	9,917,675
	b) due to customers	36,660,536	37,916,301
	c) securities issued	5,325,277	4,476,510
20.	FINANCIAL LIABILITIES HELD FOR TRADING	17,281	69,577
40.	HEDGING DERIVATIVES	1,400	1,924
60.	TAX LIABILITIES	120,167	71,354
	a) current	93,863	41,999
	b) deferred	26,304	29,355
80.	OTHER LIABILITIES	1,659,311	1,062,057
90.	PROVISION FOR POST-EMPLOYMENT BENEFITS	33,925	33,459
100.	PROVISIONS FOR RISKS AND CHARGES:	363,876	363,620
	a) loans commitments and	90,512	96,237
	b) pensions and similar	180,036	178,950
	c) other provisions	93,328	88,433
120.	VALUATION RESERVES	(12,854)	(16,222)
150.	RESERVES	2,387,202	1,950,646
160.	SHARE PREMIUM	78,949	78,949
170.	SHARE CAPITAL	1,360,157	1,360,157
180.	TREASURY SHARES (-)	(25,429)	(25,418)
190.	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	14	14
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)	145,228	461,162
TOTAL LIABILITIES AND EQUITY		56,741,852	57,721,765

FINANCIAL STATEMENT: INCOME STATEMENT

THOUSANDS OF EUROS

ITEMS	31/03/2024	31/03/2023
10. INTEREST AND SIMILAR INCOME	547,032	360,383
of which: interest calculated using the effective interest method	542,349	356,759
20. INTEREST AND SIMILAR EXPENSE	(280,017)	(168,336)
30. NET INTEREST INCOME	267,015	192,047
40. FEE AND COMMISSION INCOME	112,626	102,232
50. FEE AND COMMISSION EXPENSE	(5,757)	(5,750)
60. NET FEE AND COMMISSION INCOME	106,869	96,482
70. DIVIDENDS AND SIMILAR INCOME	983	663
80. NET TRADING INCOME	27,054	28,612
90. NET HEDGING INCOME	25	196
100. NET GAINS FROM SALES OR REPURCHASES OF:	8,412	909
a) financial assets at amortized cost	2,882	1,488
b) financial assets at fair value through other comprehensive income	4,905	(664)
c) financial liabilities	625	85
110. NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	(1,189)	12,677
b) other financial assets mandatorily measured at fair value	(1,189)	12,677
120. TOTAL INCOME	409,169	331,586
130. NET IMPAIRMENT LOSSES FOR CREDIT RISK RELATING TO:	(47,848)	(35,474)
a) financial assets at amortized cost	(47,916)	(35,032)
b) financial assets at fair value through other comprehensive income	68	(442)
140. NET GAINS FROM CONTRACTUAL CHANGES WITHOUT DERECOGNITION	(669)	2,585
150. NET FINANCIAL INCOME	360,652	298,697
180. NET FINANCIAL INCOME AND INSURANCE INCOME	360,652	298,697
190. ADMINISTRATIVE EXPENSES:	(173,057)	(174,562)
a) personnel expenses	(79,244)	(71,584)
b) other administrative expenses	(93,813)	(102,978)
200. NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES	4,620	(12,219)
a) commitments for guarantees given	5,703	(6,836)
b) other net provisions	(1,083)	(5,383)
210. DEPRECIATION AND NET IMPAIRMENT LOSSES ON PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	(13,061)	(11,900)
220. AMORTISATION AND NET IMPAIRMENT LOSSES ON INTANGIBLE ASSETS	(3,529)	(3,511)
230. OTHER NET OPERATING INCOME	19,939	24,630
240. OPERATING COSTS	(165,088)	(177,562)
250. SHARE OF PROFITS OF INVESTEEs	13,994	12,970
280. NET GAINS ON SALES OF INVESTMENTS	285	16
290. PRE-TAX PROFIT FROM CONTINUING OPERATIONS	209,843	134,121
300. TAXES ON INCOME FOR THE YEAR FOR CONTINUING OPERATIONS	(64,615)	(39,714)
310. POST-TAX PROFIT FROM CONTINUING OPERATIONS	145,228	94,407
330. NET PROFIT (LOSS) FOR THE PERIOD	145,228	94,407
340. NET (PROFIT) LOSS OF THE PERIOD ATTRIBUTABLE TO MINORITY INTERESTS	-	-
350. NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF PARENT BANK	145,228	94,407
EARNINGS (LOSS) PER SHARE	0.320	0.208
DILUTED EARNINGS (LOSSES) PER SHARE	0.320	0.208

FINANCIAL STATEMENT: RECLASSIFIED P&L

(in thousands of euro)	31/03/2024	31/03/2023	(+/-)	% Change
Net interest income	267,015	192,047	74,968	39.04
Dividends and similar income	983	663	320	48.27
Net fee and commission income	106,869	96,482	10,387	10.77
Net gains on financial assets [a]	35,491	29,811	5,680	19.05
Result of other financial assets at FVTPL [b]	-1,189	12,677	-13,866	n.s.
of which Loans	-2,011	2,918	-4,929	n.s.
of which Other	822	9,759	-8,937	n.s.
Total income	409,169	331,680	77,489	23.36
Net impairment losses [c]	-42,814	-39,819	-2,995	7.52
Net financial income	366,355	291,861	74,494	25.52
Personnel expenses [d]	-76,633	-68,954	-7,679	11.14
Other administrative expenses [e]	-73,812	-67,973	-5,839	8.59
Other net operating income [d]	17,328	22,000	-4,672	-21.24
Net accruals to provisions for risks and charges [f]	-1,083	-5,383	4,300	-79.88
Depreciation and amortisation on tangible and intangible assets	-16,590	-15,411	-1,179	7.65
Operating costs	-150,790	-135,721	-15,069	11.10
Operating result	215,565	156,140	59,425	38.06
Charges for the stabilization of the banking System [e]	-20,001	-35,005	15,004	-42.86
Share of profits of investees and net gains on sales of investmen	14,279	12,986	1,293	9.96
Pre-tax profit from continuing operations	209,843	134,121	75,722	56.46
Income taxes	-64,615	-39,714	-24,901	n.s.
Net profit (loss) for the period	145,228	94,407	50,821	53.83
Net (profit) loss of the period attributable to minority interests	0	0	0	n.s.
Net profit (loss) for the period attributable to the owners of Par	145,228	94,407	50,821	53.83

Notes:

[a] The result of financial activities is made up of the sum of items 80-90-100 in the income statement.

[b] The result of other financial assets at FVTPL consists of item 110 in the income statement.

[c] Net impairment losses is made up of the sum of items 130 - 140 - 200 a) in the income statement.

[d] Reclassified personnel expenses and other operating income by netting them off against the proceeds of the retirement employees fund for 2.611 € million;

[e] Charges for the stabilization of the banking Systems were separated from other administrative expenses;

[f] Net accruals to provisions for risks and charges consists of item 200 b) in the income statement.

(in million of euro)	Q1 - 2024	Q4 - 2023	Q3 - 2023	Q2 - 2023	Q1 - 2023
Net interest income	267.0	268.5	241.1	235.3	192.0
Dividends and similar income	1.0	3.1	2.3	1.6	0.7
Net fee and commission income	106.9	112.5	95.6	98.1	96.5
Net gains on financial assets [a]	35.5	35.6	21.6	28.3	29.8
Result of other financial assets at FVTPL [b]	-1.2	2.4	-1.1	-8.8	12.7
of which Loans	-2.0	-1.1	-0.7	-1.8	2.9
of which Other	0.8	3.5	-0.4	-7.0	9.8
Total income	409.2	422.1	359.4	354.5	331.7
Net impairment losses [c]	-42.8	-124.4	-21.2	-39.1	-39.8
Net financial income	366.4	297.7	338.2	315.4	291.9
Personnel expenses [d]	-76.7	-77.1	-74.1	-72.9	-69.0
Other administrative expenses [e]	-73.7	-78.9	-66.9	-69.2	-68.0
Other net operating income [d]	17.3	27.4	22.1	22.9	22.0
Net accruals to provisions for risks and charges [f]	-1.1	-7.5	-6.5	-7.2	-5.4
Depreciation and amortisation on tangible and intangible assets	-16.6	-22.8	-17.7	-16.5	-15.4
Operating costs	-150.8	-158.9	-143.2	-142.9	-135.7
Operating result	215.6	138.8	195.1	172.5	156.1
Charges for the stabilization of the banking System [e]	-20.0	2.0	0.0	-5.9	-35.0
Share of profits of investees and net gains on sales of investmen	14.2	12.5	10.0	1.2	13.0
Pre-tax profit from continuing operations	209.8	153.3	205.1	167.8	134.1
Income taxes	-64.6	-40.7	-63.6	-55.1	-39.7
Net profit (loss) for the period	145.2	112.6	141.5	112.7	94.4
Net (profit) loss of the period attributable to minority interests	0.0	0.0	0.0	0.0	0.0
Net profit (loss) for the period attributable to the owners of Par	145.2	112.6	141.5	112.7	94.4

Notes:

[a] The result of financial activities is made up of the sum of items 80-90-100 in the income statement.

[b] The result of other financial assets at FVTPL consists of item 110 in the income statement.

[c] Net impairment losses is made up of the sum of items 130 - 140 - 200 a) in the income statement.

[d], [e] and [f] The amounts are shown in accordance with the reclassifications shown in the reclassified consolidated summary of income statement.

LOANS TO CUSTOMERS

NON PERFORMING AND PERFORMING EXPOSURES

31-03-2024

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	(3,8%)	1,328,437	796,874	(1,57%)	531,563	59.99%
of which Bad loans	(0,98%)	340,868	289,084	(0,15%)	51,784	84.81%
of which Unlikely to pay	(2,62%)	914,936	496,034	(1,24%)	418,902	54.22%
of which Past due	(0,21%)	72,633	11,756	(0,18%)	60,877	16.19%
Performing exposures	(96,2%)	33,586,312	251,215	(98,43%)	33,335,097	0.75%
Total loans to customers	(100%)	34,914,749	1,048,089	(100%)	33,866,660	3.00%

31-12-2023

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	(3,71%)	1,316,481	754,173	(1,63%)	562,308	57.29%
of which Bad loans	(0,98%)	348,408	286,186	(0,18%)	62,222	82.14%
of which Unlikely to pay	(2,52%)	894,499	456,493	(1,27%)	438,006	51.03%
of which Past due	(0,21%)	73,574	11,494	(0,18%)	62,080	15.62%
Performing exposures	(96,29%)	34,167,755	249,871	(98,37%)	33,917,884	0.73%
Total loans to customers	(100%)	35,484,236	1,004,044	(100%)	34,480,192	2.83%

FINANCIAL RATINGS

SUSTAINABILITY RATING

S&P Global
Ratings

RATING RELEASED
ON
26 FEBRUARY 2024

LONG-TERM: **BBB-**

SHORT-TERM: A-3

OUTLOOK: **STABLE**

FitchRatings

RATING UPDATED
ON
24 APRIL 2024

LONG-TERM: **BBB-**

SHORT-TERM: F3

OUTLOOK: **STABLE**

DBRS

RATING UPDATED
ON
13 NOVEMBER 2023

LONG-TERM: **BBB
(LOW)**

SHORT-TERM: R-2
(MIDDLE)

OUTLOOK: **POSITIVE**

SCOPE Scope
Ratings

RATING UPDATED
ON
17 APRIL 2024

LONG-TERM: **BBB**

OUTLOOK: **STABLE**

standard
ethics

RATING UPDATED
ON
4 APRIL 2024

CORPORATE: **EE+**

LONG-TERM: **EE+**

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**Banca Popolare
di Sondrio**

FOUNDED IN 1871

THE BANKING GROUP IN THE HEART OF THE ALPS



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