



Banca Popolare di Sondrio

BOARD OF DIRECTORS APPROVES RESULTS AS AT 30 JUNE 2024

**NET PROFIT OF € 263.6 MILLION
BEST HALF-YEARLY RESULT IN THE BANK'S HISTORY
(+27.3% y/y)**

ROE AT 14.8%

**CET1 RATIO AT 15.8%¹ NET OF ACCRUED DIVIDENDS
AMOUNTING TO € 145 MILLION**

**PROFITABILITY OF CORE BANKING BUSINESS
IN STRONG INCREASE
(€ 751 million; +20.7% y/y)**

**SOLID CONTRIBUTION OF NET INTEREST INCOME
(€ 538 million; +25.9% y/y)**

**POSITIVE TREND IN NET COMMISSIONS
(€ 213 million; +9.3% y/y)**

**SUPPORT FOR THE REAL ECONOMY CONFIRMED
(€ 2.7 billion of new lending to households and businesses;
stock of net loans to customers +3.9% y/y)**

**HIGH OPERATIONAL EFFICIENCY
(Cost/Income ratio at 39.1%)**

**STRONG LIQUIDITY POSITION
(LCR 179%; NSFR 126%; Free refinanceable assets at € 10 billion)**

**RESULT 2024
EXPECTED TO BE AT LEAST IN LINE WITH THAT OF 2023**

*"The results achieved in the second quarter confirm the more than positive trend of growth observed since the beginning of the year, enabling us to present a half-yearly report projected upward once again, with net income standing at € 263.6 million, driven by the development of the core banking business which rose by more than 20% year-on-year. The ability to adapt the business to the evolving aspects of the economic system was remarkable, both in the territories where we have historical roots and in those where we are expanding, with a logic of growth and sustainability of results in the medium-long term. We remain at the side of families and businesses in tackling with determination the elements of uncertainty, still very significant, arising from the instability of the international geopolitical framework and the weakness of the economic expansion," said **Mario Alberto Pedranzini, Chief Executive Officer and General Manager of Banca Popolare di Sondrio.***

"We are confident that we can continue on this virtuous path of performance growth in the second half of 2024. The results are the fruit of a solid, balanced and appropriately diversified business model that aims to satisfy the needs and expectations of customers, fully remunerating the risk capital that Shareholders and Investors have given us. We will do this, as always, by focusing on the development and on the nurturing of long-term relationships, on investments to ensure an increasingly lean, flexible and resilient operating machine."

Sondrio, 6 August 2024 - The Board of Directors, which met today under the chairmanship of Prof. Francesco Venosta, examined and approved the consolidated half-year financial report as at 30 June 2024.

The most up-to-date macroeconomic data released by the National Institute of Statistics (ISTAT) corroborate the analyses of the main research centres that see the Italian economy remaining on a path of moderate expansion with estimates of gross domestic product growth in 2024 below 1%. Against the backdrop of this economic scenario, Banca Popolare di Sondrio Group confirmed its commercial strength and ability to face the challenges of the competitive environment in which it operates, achieving a net profit of 263.6 million euro, up 27.3% compared to the same period last year.

Below are some **details on the most important economic and financial indicators**:

- the **net result for the period**, a positive € 263.6 million, reflects the strong increase in **core banking business**, whose income amounted to € 750.7 million (+20.7% compared to 30 June 2023; **net interest income** +25.9% and **net commissions** +9.3%). This figure also benefited from the positive contribution of **financial assets** of € 69.5 million (+15.1%), while **operating expenses** rose to € 317.8 million (+14.1%), and **net value adjustments** amounted to € 103.3 million (+30.9%); the cost-income ratio improved further to 39.1% from 40.6%. **Charges for stabilisation of the banking system** amounted to € 21.3 million, down from € 40.9 million in the comparative period, due to the discontinuation of the ordinary contribution to the Single Resolution Fund, whose pre-established endowment, as communicated by the Single Resolution Board on 15 February 2024, has been reached;
- **capital ratios**¹ remained at particularly high levels, showing a large buffer against regulatory requirements. The fully phased-in ratios, net of a dividend accrued in the period for a total of € 145 million, corresponding to a 55% payout, were 15.8% for the CET1 ratio and 18.6% for the Total Capital ratio;
- as part of the Bank's effort to promote initiatives consistent with a sustainable and environmental-friendly economic development model, in line with the commitments made in the 2022-2025 'Next Step' Business Plan, a € 500 million **Senior Preferred Bond in green format** was issued in May, replicating similar transactions carried out in the recent past;
- the **gross impaired loans ratio**, summarised by the gross NPL ratio, decreased to 3.8% from 4.2% in June 2023 and is in line with 3.7% at the end of the year. By contrast, the net impaired loans ratio, reflecting high provisions, stood at 1.6% from 1.7% in June 2023;
- the **coverage ratios of impaired loans**, all of which have risen further since the beginning of the year, are confirmed particularly significant. In detail, the **coverage ratio of total non-performing loans** stands at 59% from 57.3%, that referring only to **positions classified as bad loans** increases to 83.5% from 82.1% and the coverage level of **unlikely-to-pay** increases to 54.1% from 51%. The coverage ratio for **performing loans** increased to 0.79% from 0.73%;
- the **cost of risk** stood at 60 basis points compared to 47 basis points in the reference period, down compared to 65 basis points at the end of the year. The **default rate** as at 30 June 2024 stood at 1.2% compared to 1.1% as at 31 December 2023;
- the **Texas ratio**, the ratio of total net impaired loans to tangible equity, decreased further to 14.7% from 14.9% in December 2023;
- **direct customer deposits** amounted to € 42,783 million (+0.9% compared to the end of 2023). The component from institutional investors has increased since the beginning of the year, mainly due to the placement of new bonds, in line with the funding plan; the remainder of direct funding remained stable, however, showing an increase in both the on-demand and time-bound components;
- **indirect deposits**, at € 48,430 million, increased from € 46,319 million at the end of 2023 (+4.6%), mainly due to the favourable performance of financial markets. Assets under administration totalled € 40,601 million, up from € 39,143 million as

at 31 December 2023 (+3.7%). Assets under management amounted to € 7,830 million compared to € 7,176 million at the end of 2023 (+9.1%). In this context, net inflows were positive for over € 400 million² confirming the trend observed last year;

- **insurance deposits** amounted to € 2,124 million compared to € 2,067 million as at 31 December 2023 (+2.8%), with net inflows also positive at around € 22 million²;
- **loans to customers** amounted to € 34,590 million, remaining at the same level as at the end of 2023 (€ 34,480 million; +0.3%). On the other hand, disbursements for the period showed a good increase, standing at around € 2.7 billion, compared to € 2.5 billion in the comparative period (+6.3%);
- the **liquidity indicators**, both short-term (Liquidity Coverage Ratio) and medium-term (Net Stable Funding Ratio), are well above the minimum regulatory requirements. The Liquidity Coverage Ratio stood at 179% (up from 171% at 31/03/2024) while the Net Stable Funding Ratio stood at 126%;
- the results of **subsidiaries and associates** remain positive.

Income results (million euro)	30/06/2024	30/06/2023	Change
Result from core banking activities	750.7	621.9	+20.7%
of which interest margin	538.1	427.3	+25.9%
of which net commissions	212.7	194.5	+9.3%
Result from financial activities	69.5	60.4	+15.1%
Result of other fin. activities at FVTPL	-7.4	3.9	n.s.
Intermediation margin	812.9	686.2	+18.5%
Net value adjustments (*)	103.3	78.9	+30.9%
Operating costs (*) (**)	317.8	278.7	+14.1%
System charges (**)	21.3	40.9	-47.9%
Profit before tax	387.2	301.9	+28.2%
Net result	263.6	207.1	+27.3%

The result from financing activities is the sum of items 70 - 80 - 90 - 100 of the income statement net of gains/losses on disposal of receivables included in Value adjustments.

The result of other financial assets measured at FVTPL is comprised in item 110 of the income statement.

(*) Net valuation adjustments are the sum of items 130 - 140 - 200 (a) in the income statement and include gains/losses on disposal of receivables.

(**) Charges for stabilising the banking system have been separated from other administrative expenses and shown separately.

Balance sheet results (million euro)	30/06/2024	31/12/2023	Change
Direct customer deposits	42,783	42,393	+0.9%
Indirect customer deposits	48,430	46,319	+4.6%
Assets under administration	40,601	39,143	+3.7%
Assets under management	7,830	7,176	+9.1%

Insurance deposits from customers	2,124	2,067	+2.8%
Total customer deposits	93,337	90,778	+2.8%
Net loans to customers*	34,590	34,480	+0.3%

Performance Indicators	30/06/2024	31/12/2023	30/06/2023
Cost-income ratio	39.1%	39.6%	40.6%
Cost of credit risk	0.60%	0.65%	0.47%
Gross NPL ratio	3.8%	3.7%	4.2%
CET 1 ratio - fully phased in ¹	15.8%	15.1%	15.7%
Total Capital ratio - fully phased-in ¹	18.6%	17.5%	18.3%

(*) Includes loans to customers (item 40b), excluding securities not arising from securitisation transactions, and loans at fair value included in item 20c).

The following comments refer to the data presented in the attached “Summary of Reclassified Consolidated Income Statement”.

The Group's Economic Performance

Consolidated **net profit** as at 30 June 2024 amounted to € 263.6 million, compared to € 207.1 million in the reference period. This result stems from a consolidated gross profit of € 387.2 million, from which taxes of € 123.6 million must be deducted, corresponding to a tax rate of 31.9%.

Net interest income amounted to € 538.1 million, an increase of 25.9% compared to 30 June 2023, reflecting higher contributions from money broking with customers and coupon flows related to the proprietary portfolio, as well as the reduction of negative margins related to the interbank channel as a result of the partial repayment of the TLTRO in March.

Net fees and commission income from services amounted to € 212.7 million, showing a significant increase (+9.3%) compared to € 194.5 million in the reference period, reflecting the bank's vitality and liveliness in the customer services component. All main categories performed very well, with a particularly significant contribution from bancassurance, asset under management and collection and payment services.

The **result from financial activities** was positive at € 69.5 million, compared to € 60.4 million in the comparative period (+15.1%). **Dividends** received amounted to € 3.2 million, up from € 2.3 million on 30 June 2023 (+39.6%). The **result from trading activities** amounted to € 56.5 million, up from € 54.9 million in the comparative period (+2.8%). **Gains on disposal or repurchase** amounted to € 9.8 million, compared to € 3.2 million in June 2023.

The **result from other financial assets at fair value** (item 110) was negative by € 7.4 million, compared to the positive contribution of € 3.9 million in the comparison period. In this respect, the contribution of loans and advances to customers was negative by € 6.8 million and compares with the € 1.1 million capital gains realised at the end of June 2023.

Intermediation margin therefore amounted to € 812.9 million from € 686.2 million in the reference period (+18.5%).

Net value adjustments amounted to € 103.3 million, compared to € 78.9 million in the comparison period (+30.9%). The stock of **managerial overlays** on the performing loan portfolio remains high at about € 200 million, including provisions dedicated to addressing both climatic-environmental risks and so-called novel risks, in line with the expectations of the Supervisory Authorities.

For an easier reading of the amount of net value adjustments, the following is noted:

- item 130 of the profit and loss account, which relates to exposures to customers and banks in the form of both loans and securities, amounts to € 111.9 million and consists almost entirely of adjustments relating to financial assets measured at amortised cost;
- item 140, which recognises gains/losses from contractual amendments without cancellations, arising from changes in contractual cash flows, was negative by €2 million in the reference period;
- the aggregate of the above-mentioned items thus amounts to € 113.9 million.

Considering the € 8.1 million in releases for past net provisions for credit risk for commitments and guarantees and the € 2.5 million profit from the sale of impaired loans, it leads to € 103.3 million in net value adjustments.

The ratio of net valuation adjustments (€ 103.3 million) to net loans to customers (€ 34,590 million), the so-called **cost of credit risk**, was therefore 0.60%, compared to 0.47% in June 2023.

The **net result from financial operations amounted** to € 709.5 million, compared to € 607.3 million in the comparison period (+16.8%).

Operating expenses increased (+14.1%) to € 317.8 million from € 278.7 million in the comparison period. Staff expenses amounted to € 151.6 million from € 141.9 million in the comparative period (+6.8%), reflecting the effects of the coming into force of the renewed banking sector contract, as well as the growth in the number of employees. Other administrative expenses amounted to € 149.2 million, up from € 137.2 million in the comparative period (+8.8%), also incorporating the known inflationary dynamics on some items. Overall administrative expenses thus amounted to € 300.8 million, up from € 279.1 million (+7.8%) in the comparison period.

Net provisions for risks and charges showed provisions of € 22.5 million, compared to € 12.6 million in the comparison period.

Adjustments to tangible and intangible assets amounted to € 34.4 million, up from € 31.9 million in June 2023 (+7.9%).

Other operating expenses and income amounted to € 39.9 million, compared to € 44.9 million in the comparison period (-11.1%).

In light of the above, the **cost-income ratio**, calculated as the ratio of operating expenses to net banking income, was 39.1% from 40.6% as at 30 June 2023.

The **operating result** therefore amounted to € 391.7 million, compared to € 328.6 million in June 2023 (+19.2%).

Charges for the stabilisation of the banking system amounted to € 21.3 million compared to € 40.9 million in the comparison period (-47.9%) due to the discontinuation of the ordinary contribution to the Single Resolution Fund, whose endowment was reached, as communicated by the Single Resolution Board on 15 February 2024.

Gains/losses on equity investments and other investments showed a positive balance of € 16.8 million, compared with € 14.2 million in the comparative period, mainly determined by the positive contribution of Arca Holding S.p.A. and Arca Vita S.p.A..

The **total pre-tax result** therefore amounted to € 387.2 million, compared to € 301.9 million as at 30 June 2023. Finally, after deducting **income tax** of € 123.6 million, we arrive at a **net profit for the period** of € 263.6 million, which compares with € 207.1 million in June 2023.

Balance sheet aggregates

Direct funding from customers amounted to € 42,783 million, (+0.9% compared to the end of 2023). The component from institutional investors has increased since the beginning of the year, mainly due to the placement of new bonds, in line with the funding plan; the remainder of direct funding remained stable, however, showing an increase in both the on-demand and time-bound components.

Indirect deposits stood at € 48,430 million, up from € 46,319 million at the end of 2023 (+4.6%), mainly due to the favourable performance of financial markets. **Assets under administration** totalled € 40,601 million, up from € 39,143 million as at 31 December 2023 (+3.7%). **Assets under management** amounted to € 7,830 million compared to € 7,176 million at the end of 2023 (+9.1%). Net inflows were positive by more than € 400 million², confirming the trend observed last year. **Insurance deposits** totalled € 2,124 million compared to € 2,067 million as at 31 December 2023 (+2.8%), with net inflows remaining positive at around € 22 million². **Total customer deposits** therefore stood at € 93,337 million from € 90,778 million at the end of 2023 (+2.8%).

Net loans to customers amounted to € 34,590 million, slightly up from € 34,480 million at the end of 2023 (+0.3%).

Net loans to customers classified in stage 2 amounted to € 4,379 million, accounting for 12.7% of total net loans to customers.

Net impaired loans totalled € 556 million, down from € 562 million as at 31 December 2023 (-1.1%). As a percentage of total net loans, they amounted to 1.6%, in line with the figure at the end of 2023. Coverage levels remained particularly high; that referring to total impaired positions stood at 59% from 57.3% at the end of 2023.

Net **bad loans** amounted to € 59.1 million (-5%), accounting for 0.2% of total loans to customers, in line with year-end 2023. The coverage ratio was 83.5% compared to 82.1% at the end of the previous year.

Net **unlikely-to-pay** amounted to € 409 million compared to € 438 million at 31 December 2023 (-6.6%), with a coverage ratio increasing to 54.1% from 51%. As a percentage of total loans, they stood at 1.2%, in line with the figure at the end of 2023 (1.3%).

Net impaired exposures past due and/or in arrears amounted to € 88 million from € 62 million at the end of 2023 (+41.3%), with a coverage ratio of 16.5% compared to 15.6% at the end of 2023 and a ratio to total loans of 0.3%, in line with last year (0.2%).

The coverage ratio for performing loans further increased to 0.79%, up by approximately 6 basis points compared to 31 December 2023; the provisioning level of positions classified as stage 2 was 4.6%, up from 4.5% as at 31 December 2023.

Financial assets, represented by proprietary securities and derivatives, amounted to € 14,288 million, an increase of € 349 million (+2.5%) when compared with the volumes recorded at the end of the reference year. In more detail: **financial assets held for trading** rose from € 150.1 million at the end of 2023 to € 226.5 million at June 2024 (+50.9%); **other financial assets mandatorily measured at fair value** increased to € 260 million (+18.2%); **financial assets measured at fair value with an impact on comprehensive income** rose from € 3213 million at the end of 2023 to € 3,836 million in the period under review (+19.4%), while the volume of **financial assets measured at amortised cost** fell from € 10,356 million at the end of 2023 to € 9,966 million at 30 June 2024 (-3.8%). The total volume of Italian government bonds stood at € 6,322 million, down (-8.9%) from € 6,936 million at the end of 2023. With reference to the latter aggregate, the volume of floating-rate and inflation-indexed securities stood at around € 4.1 billion, down from around € 5.4 billion at 31 December 2023 (-23.8%).

The share of the portfolio allocated to **ESG debt securities** increased further to € 1,881 million².

Equity investments amounted to € 386 million, up from € 376 million at the end of 2023 (+2.6%) due to the equity valuation of investee companies.

The Group's exposure to the ECB amounted to € 3,700 million and relates solely to the **TLTRO III** operation maturing next September, which decreased, following the repayment of € 806 million on 27 March 2024, compared to 31 December 2023 when it amounted to € 4,506 million.

As at 30 June 2024, the **liquidity indicators**, both short-term (LCR-Liquidity Coverage Ratio) and medium/long-term (NSFR-Net Stable Funding Ratio), were well above the minimum requirement for the current financial year (100%). Specifically, the Liquidity

Coverage Ratio stood at 179% from 169% in June 2023. The Net Stable Funding Ratio stands at 126%.

The Group continues to have a substantial portfolio of refinanceable assets which, net of haircuts applied, amounted to € 18,205 million compared to € 17,582 million as at 31 March 2024. Available assets amounted to € 10,029 million, a significant increase from € 8,755 million as at 31 March 2024. The counterbalancing capacity, which includes the available daily liquidity balance, increased further to € 13 billion.

Consolidated shareholders' equity, including profit for the period, amounted to € 3,824 million as at 30 June 2024, up € 14 million on the figure at the end of 2023 (+0.4%).

Consolidated (fully phased) **regulatory capital**¹ as at 30 June 2024 stood at € 4,238 million, up from the 31 December 2023 figure of € 3,998 million (+6%).

The **capital ratios**¹ for regulatory purposes as at 30 June 2024, calculated on the basis of regulatory capital, were equal to:

- CET1 ratio: 15.9% (phased-in), 15.8% (fully phased-in);
- Tier1 ratio: 15.9% (phased-in), 15.8% (fully phased-in);
- Total Capital ratio: 18.8% (phased-in), 18.6% (fully phased-in).

The **Leverage Ratio** as at 30 June 2024 was 5.81% under the current transitional (phased-in) criteria and 5.76% under the fully phased-in criteria.

The **MREL Ratio** stands at 32.1%, up from the end-of-2023 figure.

As at 30 June 2024, the Banking Group's **staff** consisted of 3,639 employees, an increase of 59 resources compared to the situation at the end of 2023.

As regards to the **foreseeable evolution of operations**, the moderate expansion of economic activity and the containment of inflationary tensions in the Eurozone should allow the European Central Bank to continue loosening monetary policy, along a path that is expected to be gradual and influenced by macroeconomic data as they become available. In this context, our Group, being able to count on a high level of capital solidity and excellent operating efficiency, will continue to adopt prudent management choices with the expectation of being able to achieve positive results for the entire financial year, at least in line with those achieved in 2023.

The consolidated half-year financial report as at 30 June 2024 will be published on the corporate website "<https://istituzionale.popso.it/en>" and deposited on the authorised eMarket Storage mechanism "<https://www.emarketstorage.it/en>" and at the bank's head office.

DECLARATION

Pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, the manager in charge of preparing the company's financial reports, Simona Orietti, declares

that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

Signed:

Simona Orietti, manager in charge of preparing corporate accounting documents.

Attachments:

summary of the main consolidated results;
key consolidated balance sheet indicators;
aggregates and consolidated credit quality indicators;
financial assets by portfolio
consolidated aggregates and capital adequacy indicators;
consolidated balance sheet and income statement;
reclassified consolidated income statement summary;
statement of quarterly development of the reclassified consolidated profit and loss account.

The conference call to illustrate the consolidated results of the Banca Popolare di Sondrio Group as at 30 June 2024 will be held today at 4pm. The numbers to access the conference are as follows:

- from Italy: +39 02 802 09 11
- from the UK: +44 1 212818004
- from the USA (local international number): +1 718 7058796
- from the United States (toll-free): 1 855 2656958

The presentation will take place in Italian, with simultaneous translation into English.
Link to live audio webcast:

<https://87399.choruscall.eu/links/bpds240806.html>

The presentation material will be available for download in the Investor Relations/Financial Presentations section of our website <https://istituzionale.popso.it/en> shortly before the start of the event.

Notes:

- 1) Capital ratios are shown taking into account the portion of the profit for the period that can be allocated to self-financing, the inclusion of which in own funds is subject to approval by the Supervisor.
- 2) Management information.

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The English translation is provided solely for the benefit of the reader, and, in the case of discrepancies, the Italian version shall prevail.



RESULTS IN BRIEF

(in million of euro)

Balance sheet	30/06/2024	31/12/2023	Change %
Loans to customers	34,590	34,480	0.32
Loans and receivables with customers measured at amortised cost	34,323	34,159	0.48
Loans and receivables with customers measured at fair value through profit or loss	268	321	-16.61
Loans and receivables with banks	2,159	2,122	1.72
Financial assets that do not constitute loans	14,288	13,939	2.51
Equity investments	386	376	2.58
Total assets	56,704	57,722	-1.76
Direct funding from customers	42,783	42,393	0.92
Indirect funding from customers	48,430	46,319	4.56
Direct funding from insurance premiums	2,124	2,067	2.76
Customer assets under administration	93,337	90,778	2.82
Other direct and indirect funding	18,103	19,545	-7.37
Equity	3,824	3,809	0.37
Income statement	30/06/2024	30/06/2023	Change %
Net interest income	538	427	25.91
Total income	813	686	18.46
Profit from continuing operations	387	302	28.23
Profit (loss) for the period	264	207	27.27
Capital ratios	30/06/2024	31/12/2023	
CET1 Capital ratio (phased-in)	15.93%	15.37%	
Total Capital ratio (phased-in)	18.78%	17.73%	
Free capital	2,450	2,225	
Other information on the banking group	30/06/2024	31/12/2023	
Number of employees	3,639	3,580	
Number of branches	379	377	

ALTERNATIVE PERFORMANCE INDICATORS

Key ratios		
	30/06/2024	31/12/2023
Equity/Direct funding from customers	8.94%	8.99%
Equity/Loans and receivables with customers	11.05%	11.05%
Equity/Financial assets	26.76%	27.33%
Equity/Total assets	6.74%	6.60%
Profitability indicators		
	30/06/2024	30/06/2023
Cost/Income ratio *	39.10%	40.61%
Net interest income/Total income *	66.19%	62.28%
Administrative expenses/Total income *	37.01%	40.67%
Net interest income/Total assets	0.95%	0.79%
Net financial income/Total assets *	1.25%	1.13%
Net profit for the year/Total assets	0.46%	0.38%
Asset quality indicators		
	30/06/2024	31/12/2023
NPL ratio	3.80%	3.71%
Texas ratio	14.69%	14.91%
Net non-performing loans/Equity	1.55%	1.63%
Net non-performing loans/Loans and receivables with customers	0.17%	0.18%
Loans and receivables with customers/Direct funding from customers	80.85%	81.33%
Cost of credit *	0.60%	0.65%

* Ratios have been calculated using the values as shown in the reclassified summary income statement



LOANS TO CUSTOMERS - NON PERFORMING AND PERFORMING EXPOSURES
30/06/2024

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	(3,8%)	1,355,973	799,862	(1,61%)	556,111	58.99%
of which Bad loans	(1,01%)	359,124	300,015	(0,17%)	59,109	83.54%
of which Unlikely to pay	(2,5%)	891,776	482,488	(1,18%)	409,288	54.10%
of which Past due	(0,29%)	105,073	17,359	(0,25%)	87,714	16.52%
Performing exposures	(96,2%)	34,303,782	269,697	(98,39%)	34,034,085	0.79%
Total loans to customers	(100%)	35,659,755	1,069,559	(100%)	34,590,196	3.00%

LOANS TO CUSTOMERS - NON PERFORMING AND PERFORMING EXPOSURES
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 ASSETS BY PORTFOLIO
30/06/2024

(in thousands of euro)	Total	of which italian government securities	of which foreign government securities
Financial assets held for trading	226,499	0	37,504
Other financial assets mandatorily measured at fair value	260,037	0	0
Financial assets valued at fair value through other comprehensive income	3,835,626	1,345,904	1,704,664
Financial assets measured at amortised cost	9,965,718	4,975,781	2,885,949
Total	14,287,880	6,321,685	4,628,117

FINANCIAL ASSETS BY PORTFOLIO
31/12/2023

(in thousands of euro)	Total	of which italian government securities	of which foreign government securities
Financial assets held for trading	150,073	0	0
Other financial assets mandatorily measured at fair value	220,051	0	0
Financial assets valued at fair value through other comprehensive income	3,212,616	1,479,931	1,028,400
Financial assets measured at amortised cost	10,355,943	5,456,226	2,795,577
Total	13,938,683	6,936,157	3,823,977



CAPITAL RATIOS

30/06/2024

(in thousands of euro)	Phased-in	Fully-phased
Total own funds	4,268,253	4,237,883
of which Common Equity Tier 1 capital (CET1)	3,622,276	3,591,906
of which Additional Tier 1 capital (AT1)	0	0
of which Tier 2 capital (T2)	645,977	645,977
RWA	22,732,338	22,731,899
CET 1 ratio	15.93%	15.80%
Tier 1 ratio	15.93%	15.80%
Total capital ratio	18.78%	18.64%
Leverage ratio	5.81%	5.76%

CAPITAL RATIOS

31/12/2023

(in thousands of euro)	Phased-in	Fully-phased
Total own funds	4,053,190	3,998,240
of which Common Equity Tier 1 capital (CET1)	3,512,520	3,457,570
of which Additional Tier 1 capital (AT1)	0	0
of which Tier 2 capital (T2)	540,670	540,670
RWA	22,855,292	22,852,976
CET 1 ratio	15.37%	15.13%
Tier 1 ratio	15.37%	15.13%
Total capital ratio	17.73%	17.50%
Leverage ratio	5.54%	5.46%



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

ASSETS		30/06/2024		31/12/2023
10.	CASH AND CASH EQUIVALENTS	2,871,369		4,546,559
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	754,104		690,970
	a) financial assets held for trading	226,499	150,073	
	c) financial assets mandatorily at fair value through profit or loss	527,605	540,897	
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	3,835,626		3,212,616
40.	FINANCIAL ASSETS AT AMORTISED COST	45,291,855		45,530,807
	a) loans and receivables with banks	2,158,507	2,122,051	
	b) loans and receivables with customers	43,133,348	43,408,756	
50.	HEDGING DERIVATIVES	85		1
60.	FAIR VALUE CHANGE IN HEDGED FINANCIAL ASSETS (+/-)	562		1,775
70.	EQUITY INVESTMENTS	386,063		376,357
90.	PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	691,208		677,074
100.	INTANGIBLE ASSETS	39,390		37,756
	of which:			
	- goodwill	16,997	16,997	
110.	TAX ASSETS	237,504		260,813
	a) current	1,208	1,375	
	b) deferred	236,296	259,438	
130.	OTHER ASSETS	2,596,332		2,387,037
	TOTAL ASSETS	56,704,098		57,721,765



LIABILITY AND EQUITY		30/06/2024	31/12/2023
10.	FINANCIAL LIABILITIES AT AMORTISED COST	51,142,341	52,310,486
	a) due to banks	8,359,700	9,917,675
	b) due to customers	37,485,915	37,916,301
	c) securities issued	5,296,726	4,476,510
20.	FINANCIAL LIABILITIES HELD FOR TRADING	13,512	69,577
40.	HEDGING DERIVATIVES	814	1,924
60.	TAX LIABILITIES	58,046	71,354
	a) current	31,790	41,999
	b) deferred	26,256	29,355
80.	OTHER LIABILITIES	1,263,483	1,062,057
90.	PROVISION FOR POST-EMPLOYMENT BENEFITS	31,899	33,459
100.	PROVISIONS FOR RISKS AND CHARGES:	370,484	363,620
	a) loans commitments and	88,123	96,237
	b) pensions and similar	181,040	178,950
	c) other provisions	101,321	88,433
120.	VALUATION RESERVES	(11,403)	(16,222)
150.	RESERVES	2,157,430	1,950,646
160.	SHARE PREMIUM	78,934	78,949
170.	SHARE CAPITAL	1,360,157	1,360,157
180.	TREASURY SHARES (-)	(25,175)	(25,418)
190.	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	14	14
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)	263,562	461,162
TOTAL LIABILITIES AND EQUITY		56,704,098	57,721,765



CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

ITEMS		30/06/2024	30/06/2023
10.	INTEREST AND SIMILAR INCOME	1,087,047	812,689
	of which: interest calculated using the effective interest method	1,068,007	804,986
20.	INTEREST AND SIMILAR EXPENSE	(548,989)	(385,352)
30.	NET INTEREST INCOME	538,058	427,337
40.	FEE AND COMMISSION INCOME	223,695	205,428
50.	FEE AND COMMISSION EXPENSE	(11,031)	(10,888)
60.	NET FEE AND COMMISSION INCOME	212,664	194,540
70.	DIVIDENDS AND SIMILAR INCOME	3,222	2,308
80.	NET TRADING INCOME	56,484	54,928
90.	NET HEDGING INCOME	2	(32)
100.	NET GAINS FROM SALES OR REPURCHASES OF:	12,356	4,330
	a) financial assets at amortized cost	7,668	4,113
	b) financial assets at fair value through other comprehensive income	4,012	131
	c) financial liabilities	676	86
110.	NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	(7,389)	3,885
	b) other financial assets mandatorily measured at fair value	(7,389)	3,885
120.	TOTAL INCOME	815,397	687,296
130.	NET IMPAIRMENT LOSSES FOR CREDIT RISK RELATING TO:	(111,949)	(73,706)
	a) financial assets at amortized cost	(111,833)	(73,208)
	b) financial assets at fair value through other comprehensive income	(116)	(498)
140.	NET GAINS FORM CONTRACTUAL CHANGES WITHOUT DERECOGNITION	(1,974)	4,509
150.	NET FINANCIAL INCOME	701,474	618,099
180.	NET FINANCIAL INCOME AND INSURANCE INCOME	701,474	618,099
190.	ADMINISTRATIVE EXPENSES:	(326,644)	(323,860)
	a) personnel expenses	(156,106)	(145,820)
	b) other administrative expenses	(170,538)	(178,040)
200.	NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES	(14,449)	(23,423)
	a) commitments for guarantees given	8,058	(10,847)
	b) other net provisions	(22,507)	(12,576)
210.	DEPRECIATION AND NET IMPAIRMENT LOSSES ON PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	(26,487)	(24,265)
220.	AMORTISATION AND NET IMPAIRMENT LOSSES ON INTANGIBLE ASSETS	(7,937)	(7,645)
230.	OTHER NET OPERATING INCOME	44,445	48,821
240.	OPERATING COSTS	(331,072)	(330,372)
250.	SHARE OF PROFITS OF INVESTEEES	18,257	15,522
260.	NET FAIR VALUE LOSSES ON PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS MEASURED	(1,640)	(1,490)
270.	GOODWILL IMPAIRMENT LOSSES	-	-
280.	NET GAINS ON SALES OF INVESTMENTS	133	158
290.	PRE-TAX PROFIT FROM CONTINUING OPERATIONS	387,152	301,917
300.	TAXES ON INCOME FOR THE YEAR FOR CONTINUING OPERATIONS	(123,590)	(94,831)
310.	POST-TAX PROFIT FROM CONTINUING OPERATIONS	263,562	207,086
330.	NET PROFIT (LOSS) FOR THE PERIOD	263,562	207,086
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	263,562	207,086
	EARNINGS (LOSS) PER SHARE	0.581	0.457
	DILUTED EARNINGS (LOSSES) PER SHARE	0.581	0.457



RECLASSIFIED CONSOLIDATED SUMMARY INCOME STATEMENT

(in thousands of euro)	30/06/2024	30/06/2023	Variazioni assolute	Variazioni %
Net interest income	538,058	427,337	110,721	25.91
Dividends and similar income	3,222	2,308	914	39.60
Net fee and commission income	212,664	194,540	18,124	9.32
Net gains on financial assets [a]	66,311	58,117	8,194	14.10
Result of other financial assets at FVTPL [b]	-7,389	3,885	-11,274	n.s.
of which Loans	-6,781	1,082	-7,863	n.s.
of which Other	-608	2,803	-3,411	n.s.
Total income	812,866	686,187	126,679	18.46
Net impairment losses [c]	-103,334	-78,935	-24,399	30.91
Net financial income	709,532	607,252	102,280	16.84
Personnel expenses [d]	-151,567	-141,874	-9,693	6.83
Other administrative expenses [e]	-149,243	-137,183	-12,060	8.79
Other net operating income [d]	39,906	44,875	-4,969	-11.07
Net accruals to provisions for risks and charges [f]	-22,507	-12,576	-9,931	78.97
Depreciation and amortisation on tangible and intangible assets	-34,424	-31,910	-2,514	7.88
Operating costs	-317,835	-278,668	-39,167	14.06
Operating result	391,697	328,584	63,113	19.21
Charges for the stabilization of the banking System [e]	-21,295	-40,857	19,562	-47.88
Share of profits of investees and net gains on sales of investments	16,750	14,190	2,560	n.s.
Pre-tax profit from continuing operations	387,152	301,917	85,235	28.23
Income taxes	-123,590	-94,831	-28,759	n.s.
Net profit (loss) for the period	263,562	207,086	56,476	27.27
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 Paren	263,562	207,086	56,476	27.27

Notes:

[a] The result of financial activities is made up of the sum of items 80-90-100 in the income statement net of the profits on disposals of 2.531 million euro.

[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 inclusive of profits on disposals of 2.531 million euro.

[d] Reclassified personnel expenses and other operating income by netting them off against the proceeds of the retirement employees fund for 4.539 million euro;

[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.



RECLASSIFIED CONSOLIDATED QUARTERLY INCOME STATEMENTS

(in million of euro)	Q2 - 2024	Q1 - 2024	Q4 - 2023	Q3 - 2023	Q2 - 2023
Net interest income	271.0	267.0	268.5	241.1	235.3
Dividends and similar income	2.2	1.0	3.1	2.3	1.6
Net fee and commission income	105.8	106.9	112.5	95.6	98.1
Net gains on financial assets [a]	30.8	35.5	35.6	21.6	28.3
Result of other financial assets at FVTPL [b]	-6.2	-1.2	2.4	-1.1	-8.8
of which Loans	-4.8	-2.0	-1.1	-0.7	-1.8
of which Other	-1.4	0.8	3.5	-0.4	-7.0
Total income	403.7	409.2	422.1	359.4	354.5
Net impairment losses [c]	-60.5	-42.8	-124.4	-21.2	-39.1
Net financial income	343.2	366.4	297.7	338.2	315.4
Personnel expenses [d]	-74.9	-76.7	-77.1	-74.1	-72.9
Other administrative expenses [e]	-75.5	-73.7	-78.9	-66.9	-69.2
Other net operating income [d]	22.5	17.3	27.4	22.1	22.9
Net accruals to provisions for risks and charges [f]	-21.4	-1.1	-7.5	-6.5	-7.2
Depreciation and amortisation on tangible and intangible assets	-17.8	-16.6	-22.8	-17.7	-16.5
Operating costs	-167.1	-150.8	-158.9	-143.2	-142.9
Operating result	176.1	215.6	138.8	195.1	172.5
Charges for the stabilization of the banking System [e]	-1.3	-20.0	2.0	0.0	-5.9
Share of profits of investees and net gains on sales of investments	2.5	14.2	12.5	10.0	1.2
Pre-tax profit from continuing operations	177.3	209.8	153.3	205.1	167.8
Income taxes	-59.0	-64.6	-40.7	-63.6	-55.1
Net profit (loss) for the period	118.3	145.2	112.6	141.5	112.7
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 Parent	118.3	145.2	112.6	141.5	112.7

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.