

H1 2024 CONSOLIDATED RESULTS PRESENTATION



**Banca Popolare
di Sondrio**

FOUNDED IN 1871

August 6th, 2024



- ① **H1 2024 MAIN TAKEAWAYS**
- ② **FINANCIAL RESULTS**
- ③ **FINAL REMARKS**
- ④ **ANNEXES**



1 H1 2024 MAIN TAKEAWAYS

H1 2024 MAIN TAKEAWAYS



KEY FIGURES

- **BEST HALF-YEAR EVER: NET PROFIT OF 263.6 €M (+27.3% Y/Y) – ROE EQUAL TO 14.8%**
- **CORE REVENUE UP 20.7% Y/Y: 538.1 €M OF NII UP (+25.9% Y/Y); 212.7 €M OF NET FEES & COMMISSIONS UP (+9.3% Y/Y)**
- **2.7 €BN OF NEW DISBURSEMENTS TO HOUSEHOLDS AND BUSINESSES (vs 2.5 €BN IN H1 2023)**



STRONG CAPITAL AND LIQUIDITY PROFILE

- **CET1 15.8% NET OF ACCRUED DIVIDENDS EQUAL TO 145 €M (55% PAYOUT) – TOTAL CAPITAL 18.6%**
- **LIQUIDITY INDICATORS WELL ABOVE REGULATORY REQUIREMENTS (LCR AT 179% AND NSFR AT 126%)**
- **COUNTERBALANCING CAPACITY AT AROUND 13 €BN**
- **DIRECT CUSTOMER FUNDING UP 3.5% Y/Y**



ASSET QUALITY UNDER CONTROL

- **STABLE GROSS AND NET NPE RATIO AT 3.8% AND 1.6% RESPECTIVELY**
- **NPE COVERAGE AT 59%**
- **COVERAGE OF PERFORMING EXPOSURES REACHES 0.79%**
- **ANNUALISED COST OF RISK AT 0.60%**
- **OVERLAYS REMAIN HIGH AT AROUND 200 €M**



OTHER BUSINESS HIGHLIGHTS

- **SUCCESSFUL PLACEMENT OF A NEW 500 €M GREEN BOND FOR THE PURPOSE OF FINANCING GREEN PROJECTS**
- **INTENSE ACTIVITY BY THE INTERNATIONAL SERVICE ARRANGING WEBINARS/ MEETINGS FOR ITALIAN COMPANIES INTERESTED IN IMPROVING THEIR KNOWLEDGE OF FOREIGN MARKETS**



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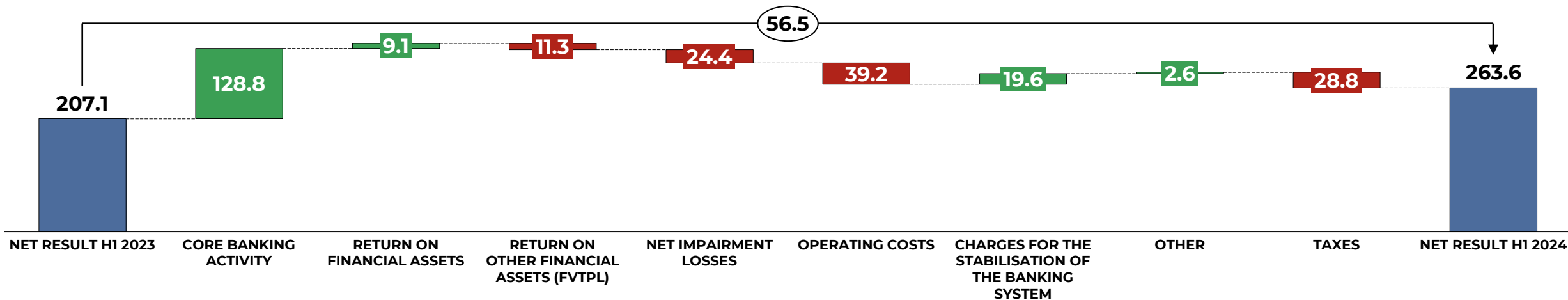
FINANCIAL RESULTS

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

H1 2024 P&L OVERVIEW

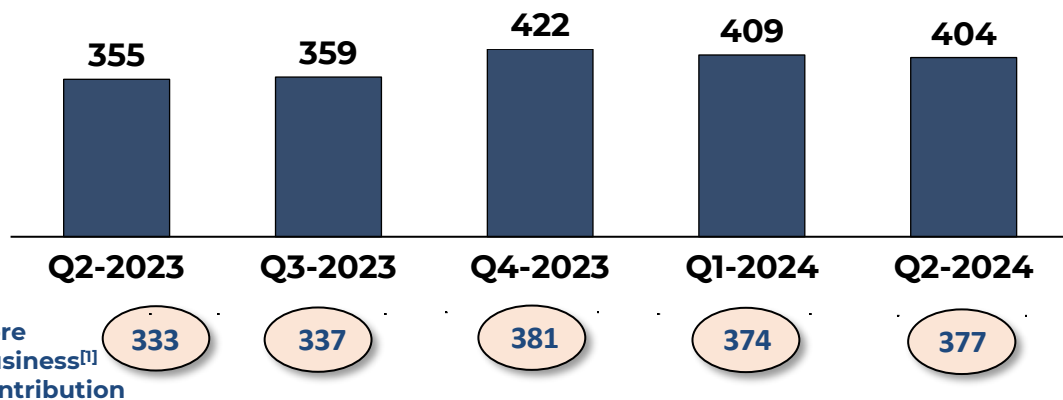
INCOME STATEMENT [1] € M	H1 2023	H1 2024	YoY	
	ACTUAL	ACTUAL	Δ € M	Δ%
CORE BANKING ACTIVITY	621.9	750.7	128.8	20.7%
ow Net interest income	427.3	538.1	110.7	25.9%
ow Net fee and commission income	194.5	212.7	18.1	9.3%
RETURN ON FINANCIAL ASSETS	60.4	69.5	9.1	15.1%
RETURN ON OTHER FINANCIAL ASSETS (FVTPL)	3.9	-7.4	-11.3	-
TOTAL INCOME	686.2	812.9	126.7	18.5%
NET IMPAIRMENT LOSSES	-78.9	-103.3	-24.4	30.9%
OPERATING COSTS	-278.7	-317.8	-39.2	14.1%
CHARGES FOR THE STABILISATION OF THE BANKING SYSTEM	-40.9	-21.3	19.6	-47.9%
GROSS RESULT	301.9	387.2	85.2	28.2%
NET RESULT	207.1	263.6	56.5	27.3%

- CORE BANKING ACTIVITY +750.7 €M (+20.7% YoY) DRIVEN BY NII INCREASE (+25.9% YoY) AND STRONG FEES GROWTH (+9.3% YoY)
- TOTAL RETURN ON FINANCIAL ASSETS +69.5 €M (+15.1% YoY)
- TOTAL INCOME (+18.5% YoY) vs OPERATING COSTS (+14.1% YoY)

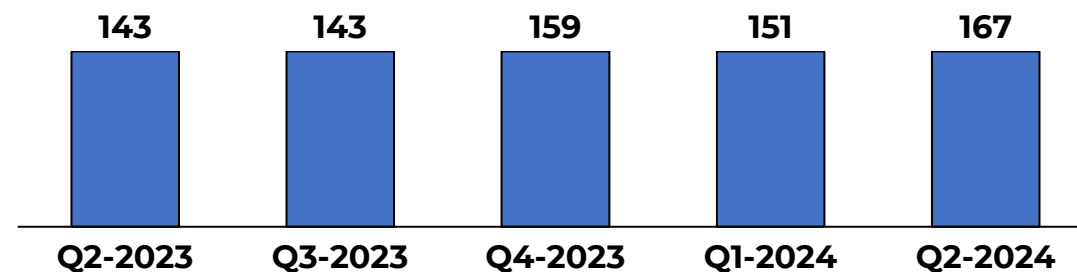


P&L QUARTERLY EVOLUTION

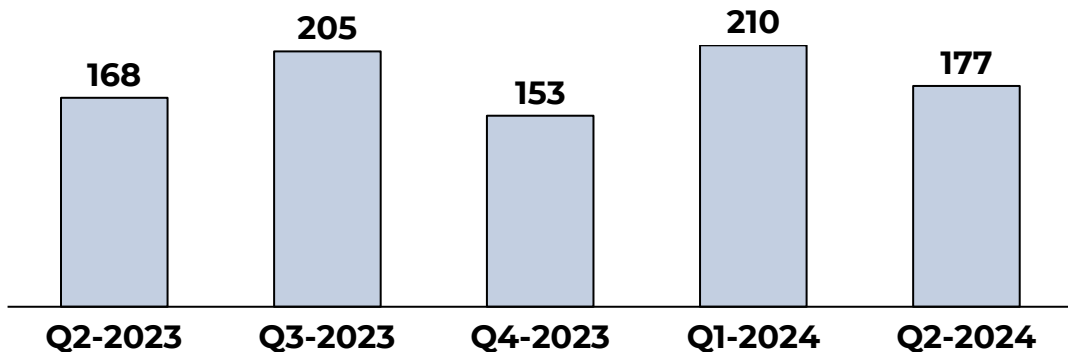
TOTAL INCOME (€M)



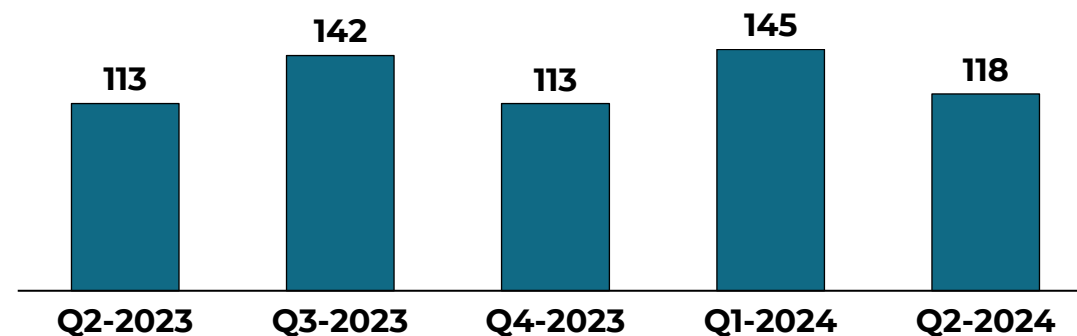
OPERATING COSTS (€M)



GROSS RESULT (€M)



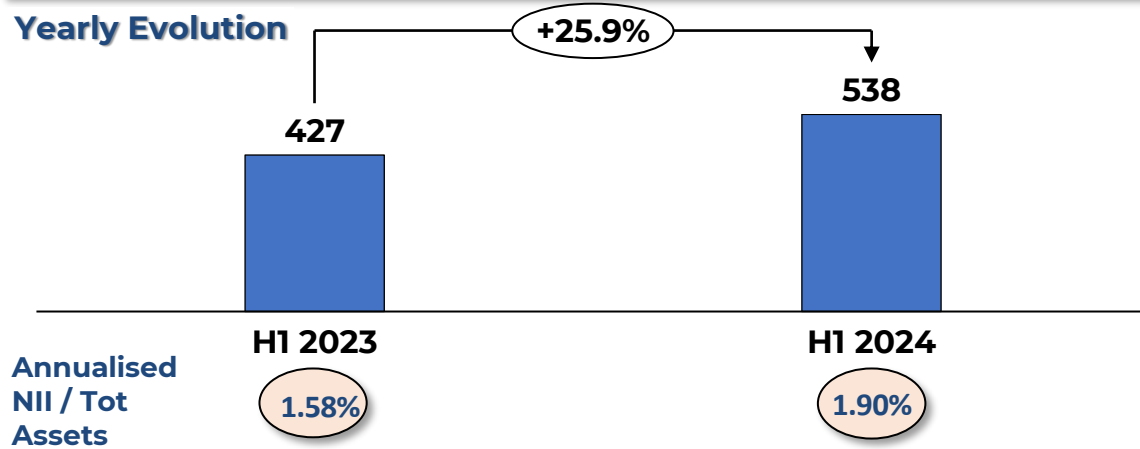
NET RESULT (€M)



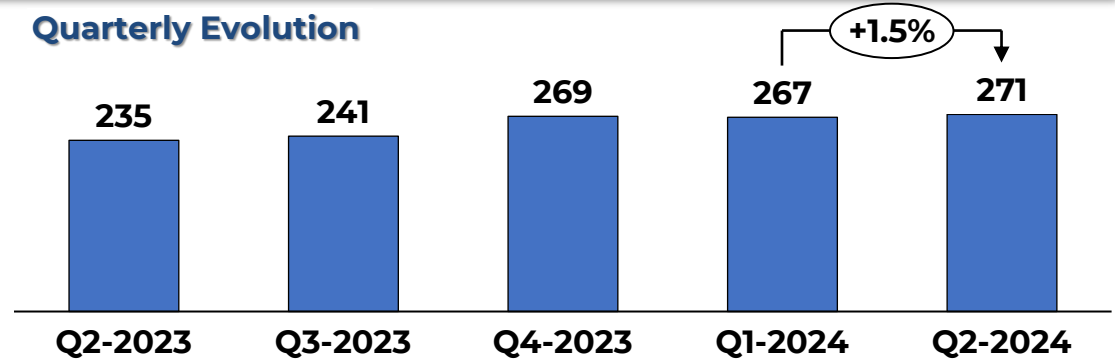
NET INTEREST INCOME [1/2]

NET INTEREST INCOME EVOLUTION (€M)

Yearly Evolution

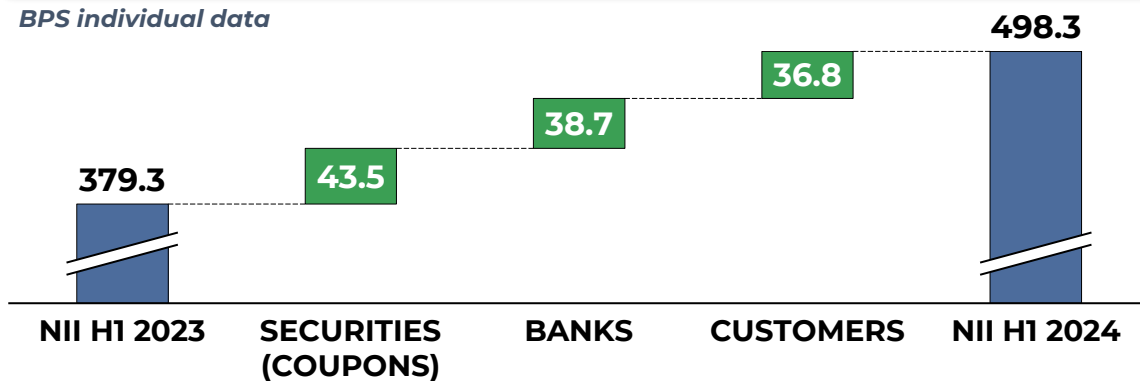


Quarterly Evolution



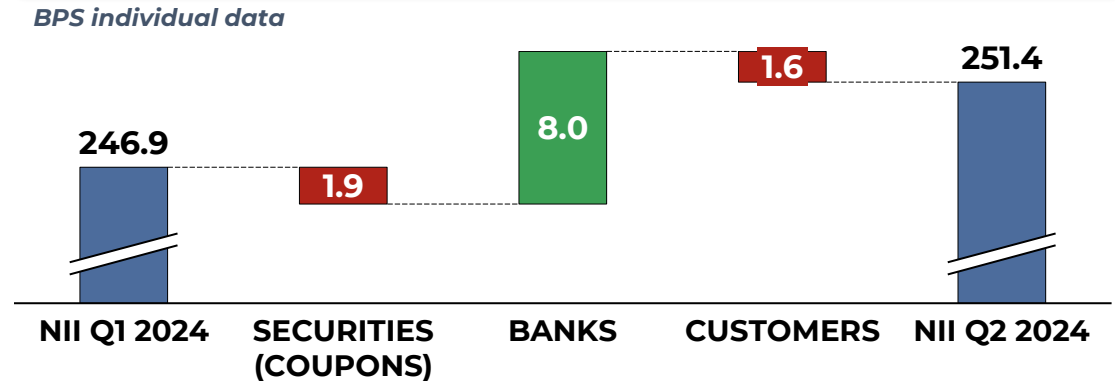
NII'S MOVING PARTS Y/Y (€M)

BPS individual data



NII'S MOVING PARTS Q/Q (€M)

BPS individual data



NET INTEREST INCOME [2/2]

Management data

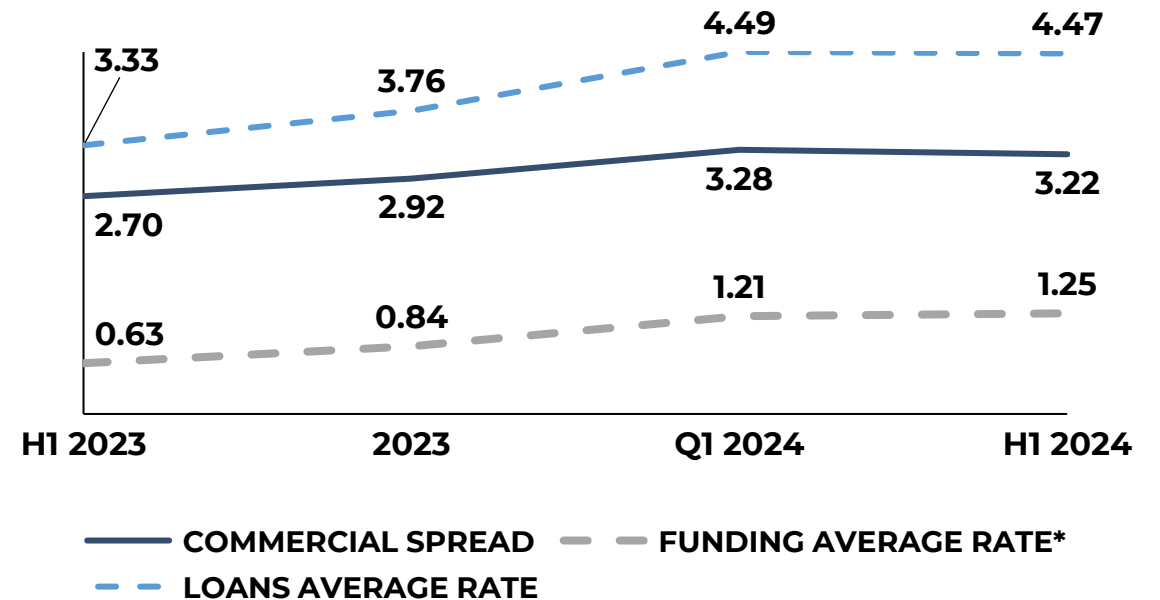
H1 2024 NII'S DRIVERS

- THE **COMMERCIAL SPREAD** (STANDING AT 3.22%) IS STILL PROVING RESILIENT, IN SPITE OF LOWER MARKET RATES
- **COST OF SIGHT DEPOSIT** REMAINS UNDER CONTROL SHOWING A MODEST YoY INCREASE
- SIGNIFICANT INCREASE IN **COUPON FLOWS** OF PROPRIETARY PORTFOLIO (180.7 €M FROM 137.2 €M IN H1 2023; +31.7%)¹
- REDUCTION OF NET NEGATIVE IMPACT OF **INTERBANK FUNDING** (-23.2 €M FROM -62 €M IN H1 2023)¹

FY 2024 NII GUIDANCE

- **IMPROVED OUTLOOK FOR 2024 FY NII:** WITH A TARGET OF AT LEAST 950 €M vs 937 €M FY 2023

GROUP'S COMMERCIAL SPREAD EVOLUTION

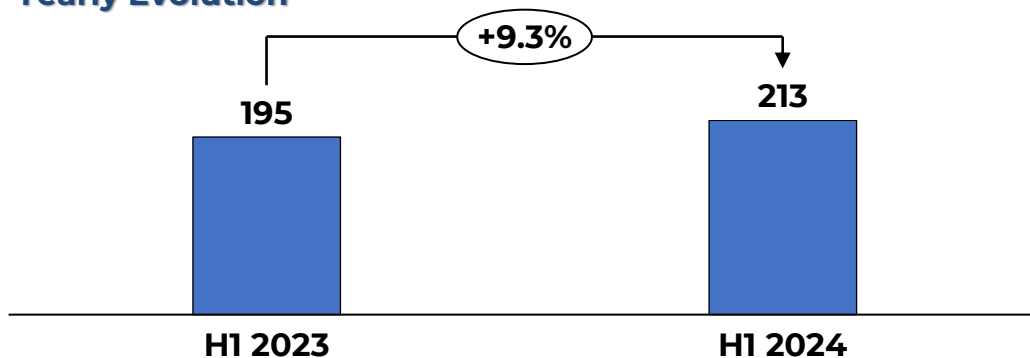


* Funding from institutional clients and private pension schemes is not considered.

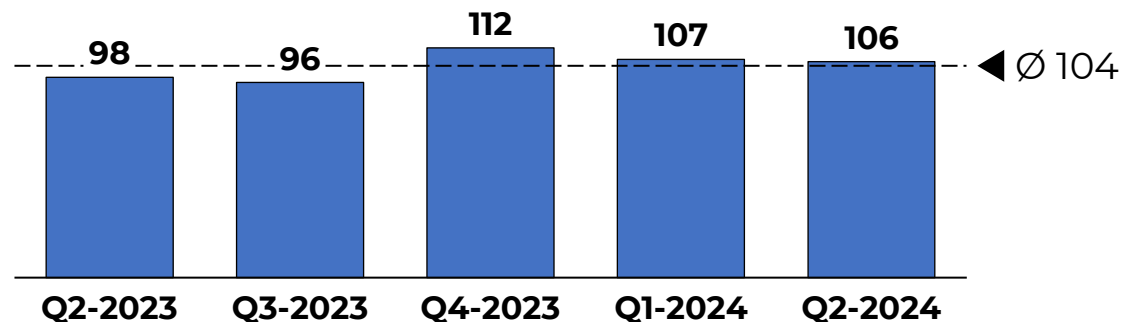
NET FEES AND COMMISSIONS

NET FEES (€M)

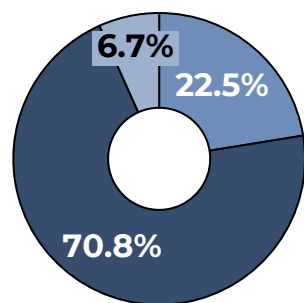
Yearly Evolution



Quarterly Evolution



H1 2024 BREAKDOWN



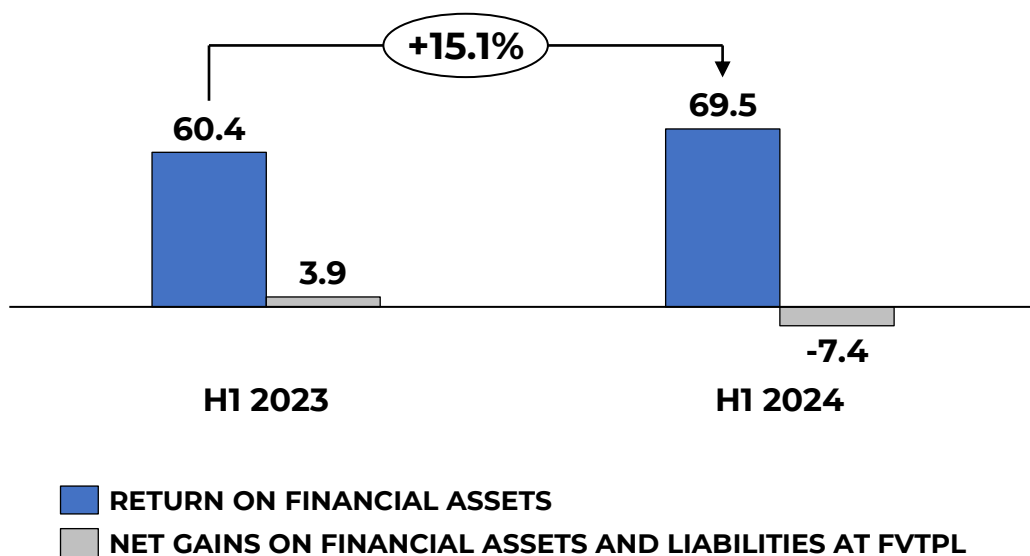
- ASSET UNDER MANAGEMENT AND CUSTODY
- BANKING SERVICES
- BANCASSURANCE

- POSITIVE PERFORMANCE OF COMMISSIONS CONFIRMS THE GROUP'S **STRONG AND DIVERSIFIED BUSINESS MODEL** THANKS TO THE CONTROL OF PRODUCT FACTORIES
- REMARKABLE CONTRIBUTION (% Y/Y) FROM FEES RELATED TO:
 - BANCASSURANCE (+19.5%)
 - ASSETS UNDER MANAGEMENT (+11.5%)
 - PAYMENTS SERVICES WITH STRONG CONTRIBUTION FROM THE FOREIGN DEPARTMENT ACTIVITIES (+11.5%)

FINANCIAL ASSETS CONTRIBUTION

BREAKDOWN OF RETURN ON FINANCIAL ASSETS (€M)

Yearly Evolution



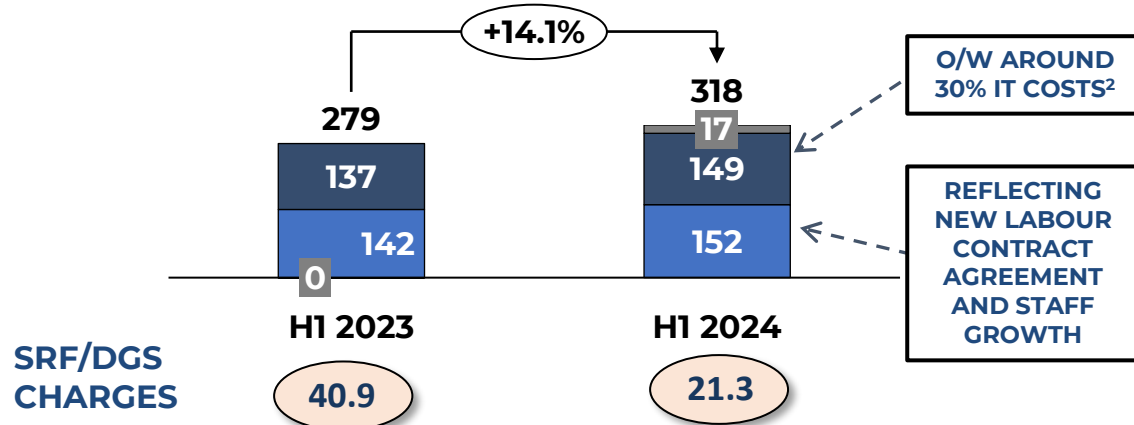
	H1 2023	H1 2024	YoY		Q1-2024	Q2-2024	QoQ	
			Δ € M	Δ%			Δ € M	Δ%
DIVIDENDS AND SIMILAR INCOME	2.3	3.2	0.9	39.6%	1.0	2.2	1.3	127.8%
NET TRADING INCOME	54.9	56.5	1.6	2.8%	27.1	29.4	2.4	8.8%
NET HEDGING INCOME	-0.0	0.0	0.0	-	0.0	-0.0	0.0	-
NET GAINS FROM SALES OR REPURCHASES	3.2	9.8	6.6	205.0%	8.4	1.4	-7.0	-83.2%
RETURN ON FINANCIAL ASSETS	60.4	69.5	9.1	15.1%	36.5	33.1	-3.4	-9.4%
NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL	3.9	-7.4	-11.3	-	-1.2	-6.2	-5.0	421.4%
O/W LOANS	1.1	-6.8	-7.9	-	-2.0	-4.8	-2.8	137.2%
O/W OTHER (MAINLY FUNDS AND SICAV)	2.8	-0.6	-3.4	-	0.8	-1.4	-2.3	-
TOTAL	64.3	62.1	-2.2	-3.4%	35.3	26.9	-8.4	-23.9%

- INCREASED RETURN ON FINANCIAL ASSETS (69.5 €M vs 60.4 €M H1 2023)

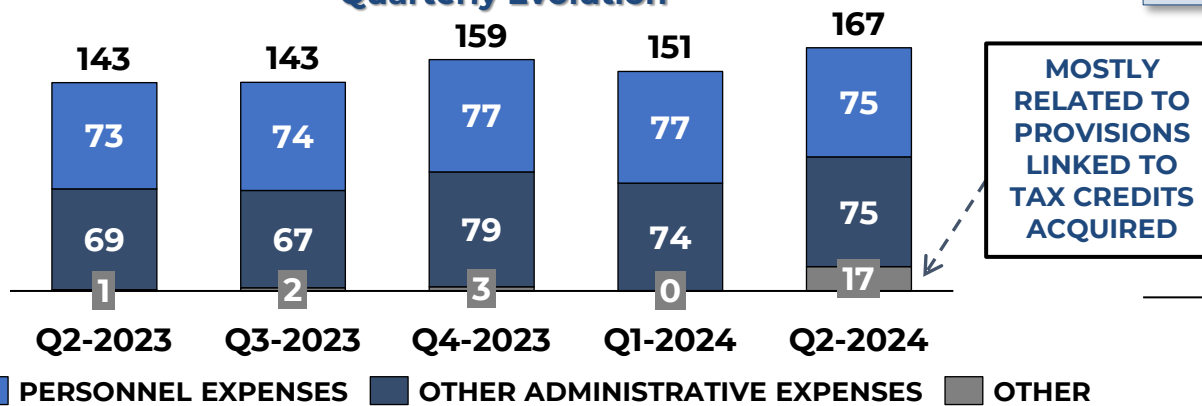
OPERATING COSTS

OPERATING COSTS¹ (€M)

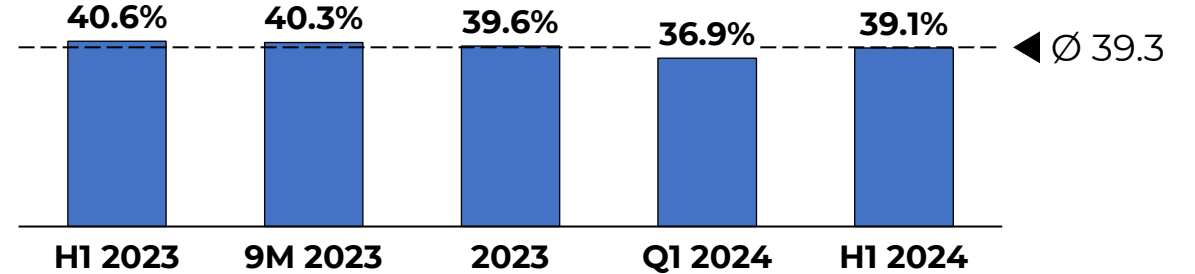
Yearly Evolution



Quarterly Evolution



COST / INCOME RATIO (%)



POSITIVE JAWS EVOLUTION (Δ% Y/Y)



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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

FUNDING STRUCTURE

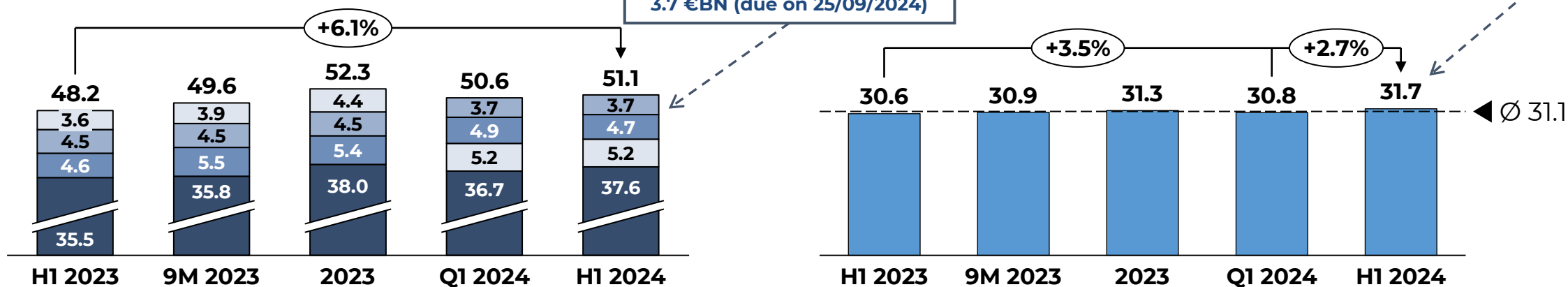
TOTAL FUNDING (€BN)

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

TLTRO III EXPOSURE:
 806 €M (repaid on 27/03/2024)
3.7 €BN (due on 25/09/2024)

"CORE" DIRECT CUSTOMER FUNDING¹ (€BN)

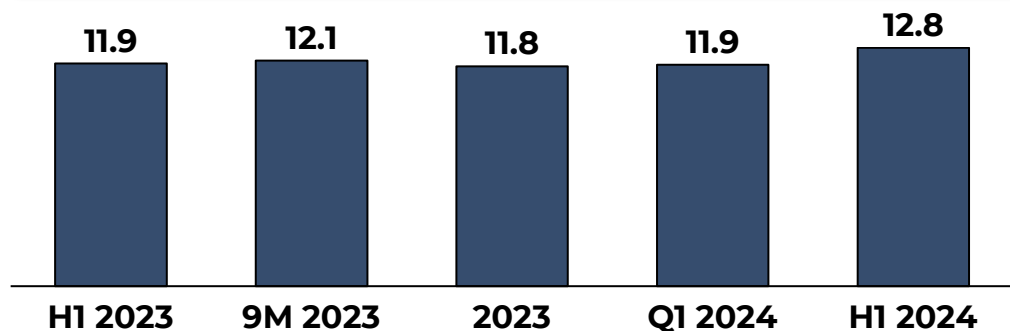
**CORE DEPOSIT FUNDING
 FURTHER INCREASING
 THANKS TO THE BANK'S
 COMMERCIAL STRENGTH**



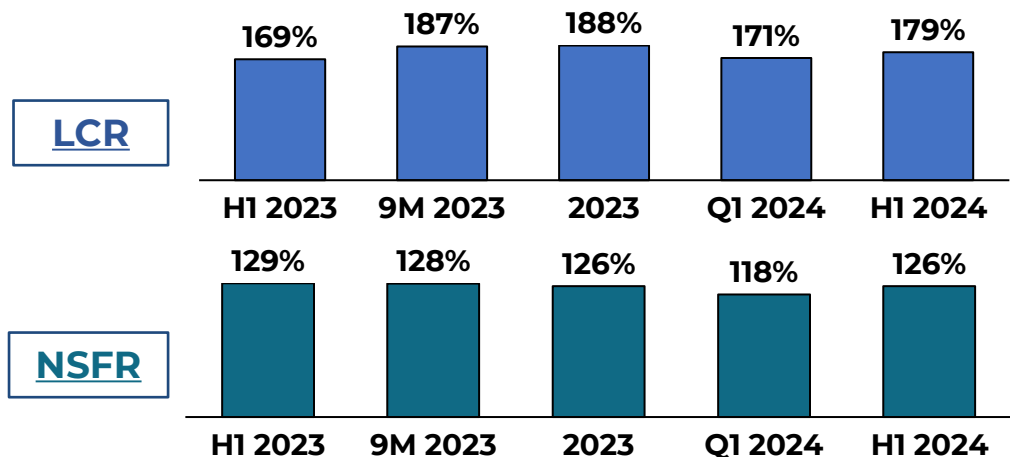
- "CORE" DIRECT CUSTOMER FUNDING¹** EQUAL TO 31,683 €M UP COMPARED TO 30,620 €M AS OF H1 2023 (+3.5% YoY) MAINLY THANKS TO A STRONG INCREASE OF FIXED RATE TERM-DEPOSITS. POSITIVE EVOLUTION Q2/Q1 (+2.7%)
- 2024 EMTN/COBO FUNDING PLAN FULLY EXECUTED:**
 1,300 €M PLACED WITH INSTITUTIONAL INVESTORS (O/W 500 €M COVERED BOND; 300 €M SUBORDINATED TIER 2 BOND; 500 €M GREEN BOND)
- 175 €M SENIOR PREFERRED BONDS WITH RETAIL INVESTORS**

LIQUIDITY POSITION

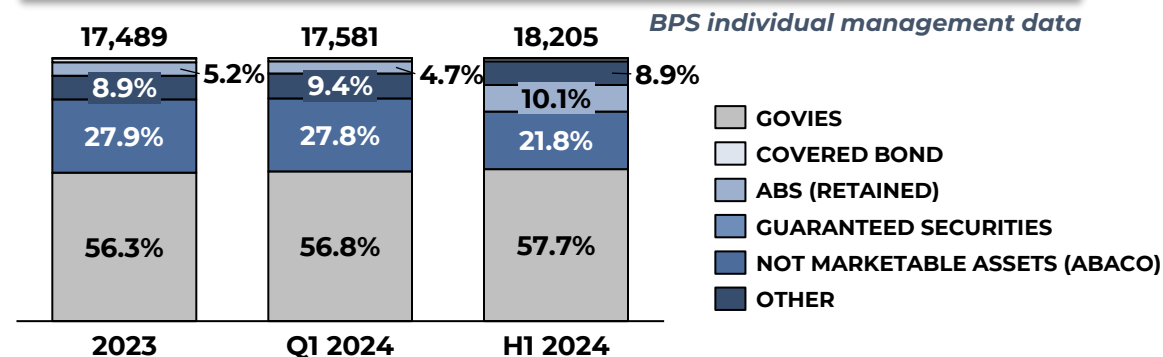
COUNTERBALANCING CAPACITY (€BN)



REGULATORY INDICATORS

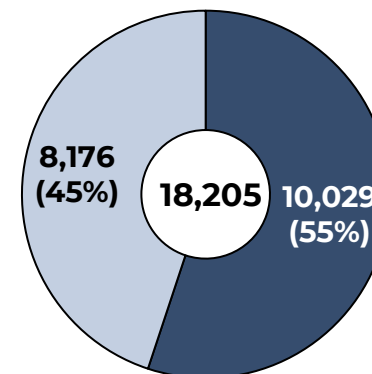


STOCK OF ELIGIBLE ASSETS (€M)



ELIGIBLE ASSETS AVAILABILITY (€M)

UNENCUMBERED ELIGIBLE ASSETS
ENCUMBERED ELIGIBLE ASSETS



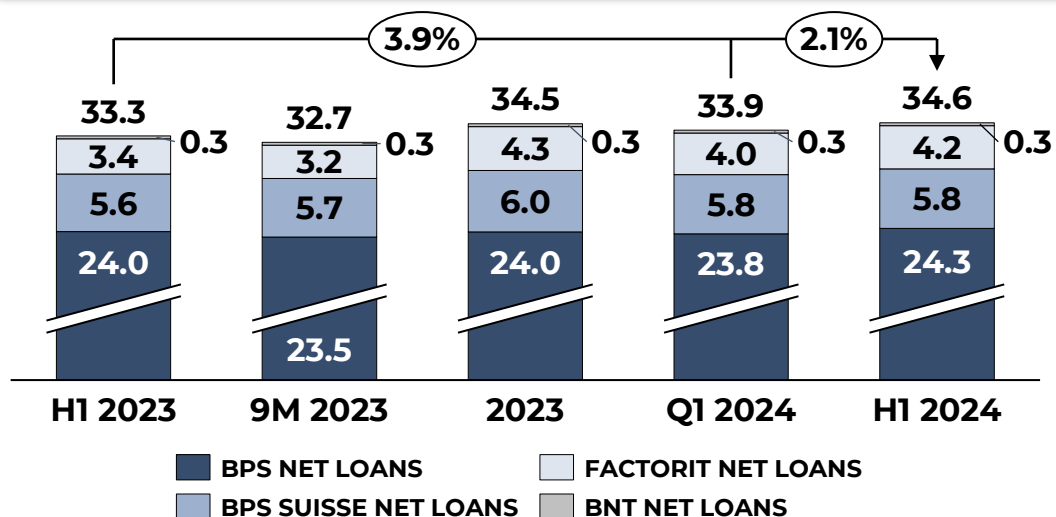
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FINANCIAL RESULTS

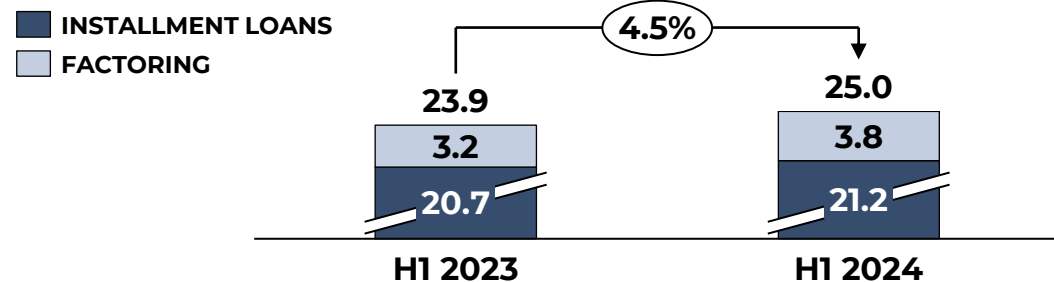
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LENDING ACTIVITY [1/2]

NET CUSTOMER LOANS (€BN)

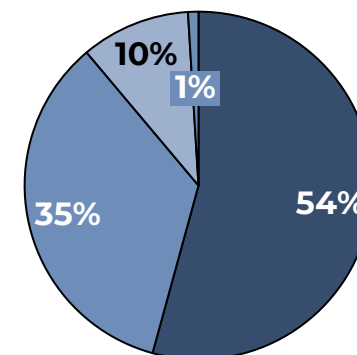


INSTALLMENT LOANS AND FACTORING (€BN)



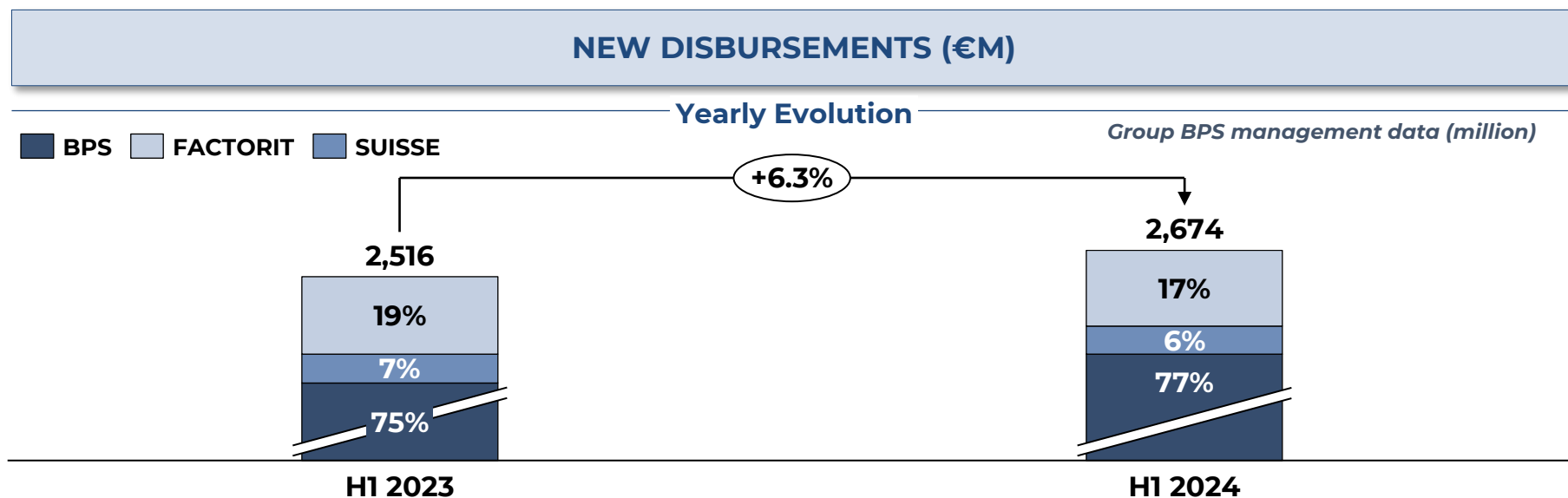
NET LOANS BY TYPE OF CUSTOMER H1 2024

■ CORPORATE & SME ■ OTHER FINANCIAL INSTITUTIONS
■ HOUSEHOLDS ■ PUBLIC ADMINISTRATIONS



- POSITIVE TREND OF **INSTALLMENT LOANS AND FACTORING** (+4.5% YoY)
- 30% OF LOANS ARE RELATED TO **BPS SUISSE, FACTORIT AND BNT**
- **LOAN TO DEPOSIT¹** RATIO EQUAL TO 92.1%

LENDING ACTIVITY [2/2]



FOCUS ON INSTALLMENT LOANS

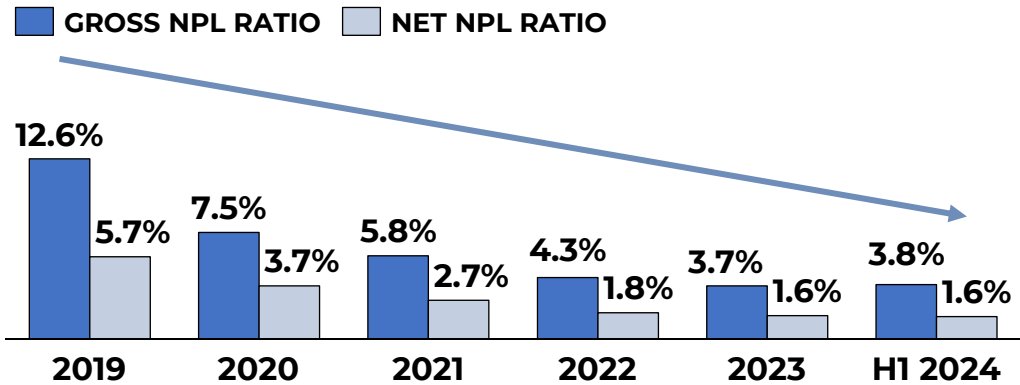
BPS individual management data (million)

INSTALLMENT LOANS NEW DISBURSEMENTS (€ M)	H1 2023	H1 2024
TOTAL	1,594	1,603
of which MORTGAGE LOANS	599	573
of which OTHER UNSECURED LOANS	933	951
of which PERSONAL LOANS	62	78

**NEW LENDING AT
AVERAGE RATE OF
5.27% vs 4.68% H1 2023;**

ASSET QUALITY [1/2]

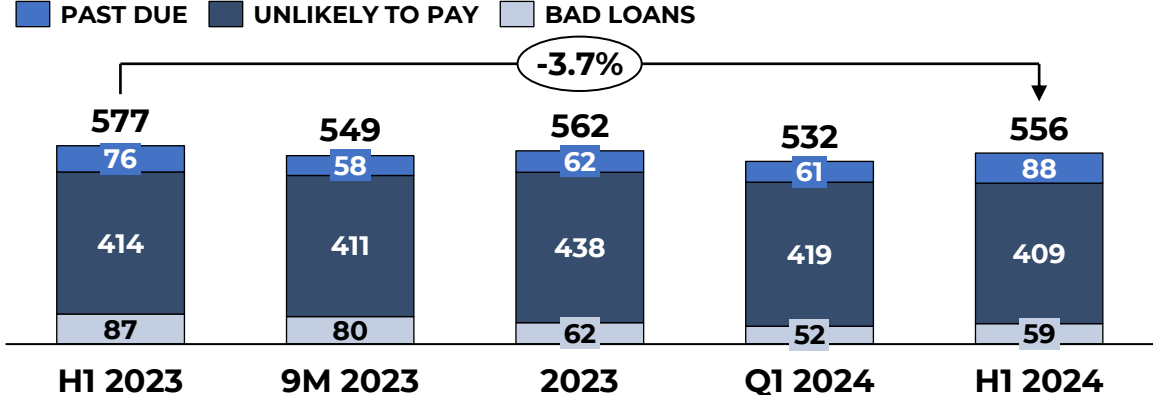
STRONG DERISKING EXECUTED



NPL COVERAGE (%)

	2023	H1 2024
BAD LOANS	82.1%	83.5%
UTP	51.0%	54.1%
PAST DUE	15.6%	16.5%
TOTAL NPLs	57.3%	59.0%

QUARTERLY NET NPL STOCK EVOLUTION (€M)

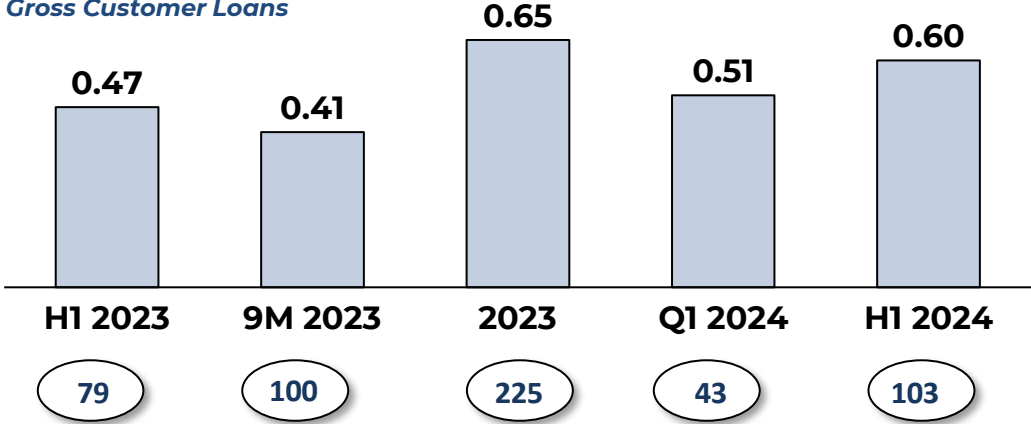


- NET NPL RATIO EQUAL TO 1.6% (i.e. NET EXPOSURE EQUAL TO 556 €M vs. 577 €M H1 2023)
- VERY HIGH **COVERAGE OF NON PERFORMING LOANS** (59%; o/w UTP 54.1%)

ASSET QUALITY [2/2]

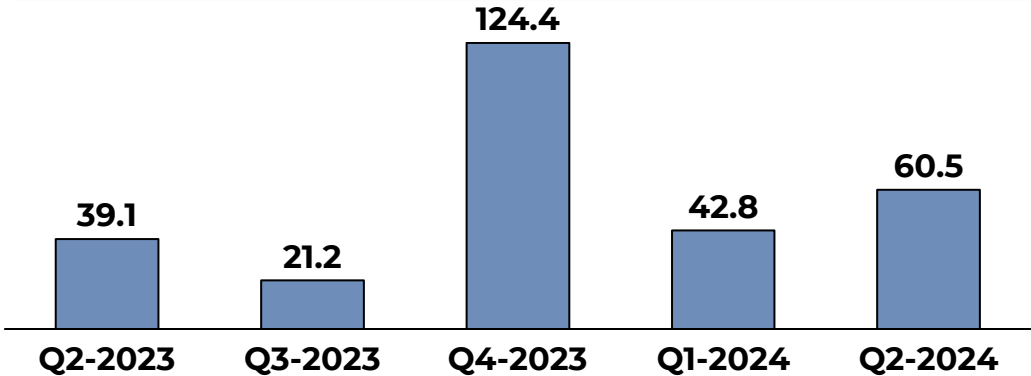
EVOLUTION OF COST OF RISK (%)

Gross Customer Loans



LLP (€M)

QUARTERLY EVOLUTION OF LLPs (€M)



- THE INCREASE IN COST OF RISK IS MAINLY DRIVEN BY THE GROWTH IN THE PERFORMING LOANS COVERAGE
- DEFAULT RATE MARGINALLY INCREASED AT 1.2% WHILE RECOVERY RATES REMAIN SOLID
- OVERALL PERFORMING LOANS COVERAGE UP TO 0.79% FROM 0.53% AS OF H1 2023
- STAGE 2 NET LOANS EQUAL TO 4.4 €BN (12.7% OF TOTAL CUSTOMER LOANS; 4.61% COVERAGE)
- THE STOCK OF MANAGEMENT OVERLAYS REMAINS HIGH AT AROUND 200 €M, INCLUDING DEDICATED OVERLAYS RELATED TO CLIMATE/ENVIRONMENTAL RISKS AND “NOVEL RISKS”

FY 2024 COST OF RISK GUIDANCE

CONFIRMED IN THE AREA OF 55 b.p.

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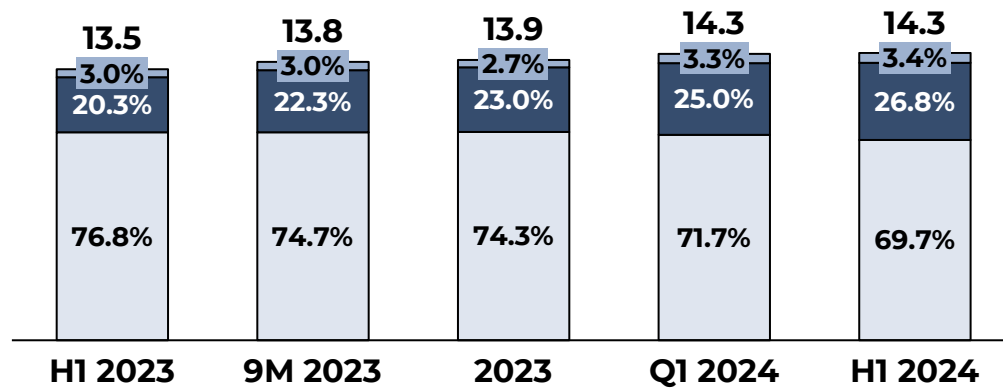
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PROPRIETARY PORTFOLIO OVERVIEW

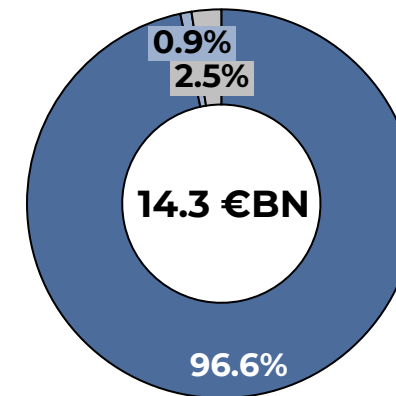
PORTFOLIO ALLOCATION (%)

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



BREAKDOWN BY TYPE OF ASSETS (%)

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

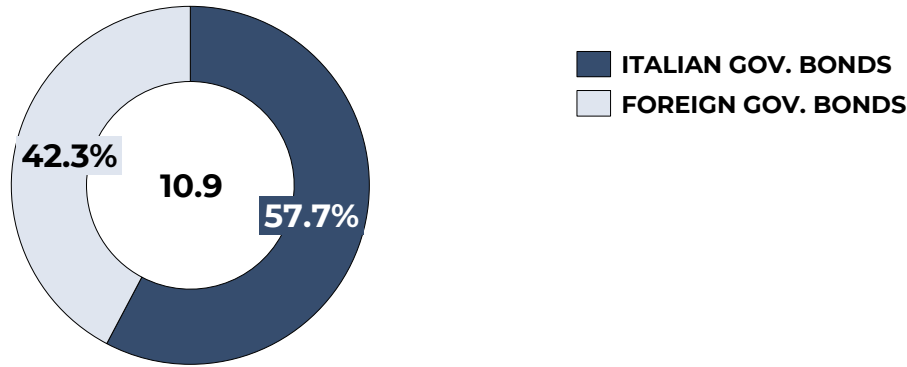


KEY MESSAGES

- PRUDENT AND INCREASINGLY DIVERSIFIED FIXED INCOME PORTFOLIO
- YIELD TO MATURITY AROUND 4%; DURATION 3.1 Y; VOLATILITY 1.8
- AROUND 1.9 €BN OF **ESG BONDS** IN THE PROPRIETARY PORTFOLIO AS OF 30/06/24 (vs 1.4 €BN IN H1 2023)

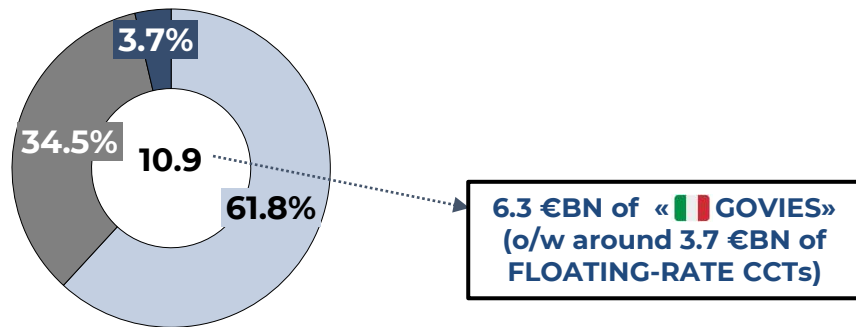
FOCUS ON THE “GOVIES” COMPONENT

“GOVIES” COMPONENT - BREAKDOWN BY COUNTRY

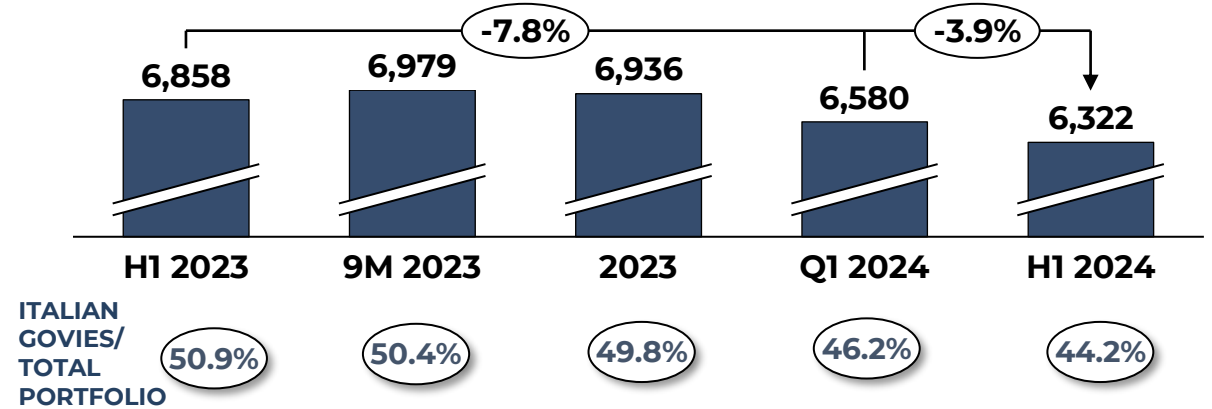


“GOVIES” COMPONENT - BREAKDOWN BY TYPE OF RATE

FIXED RATE FLOATING RATE INFLATION-LINKED

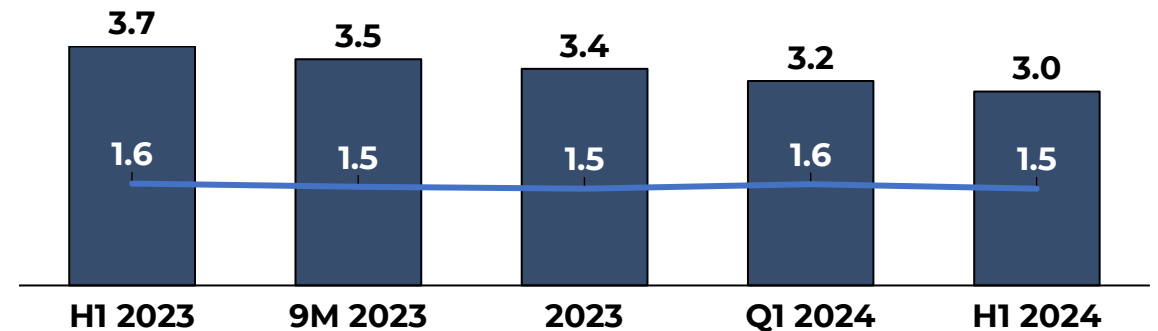


ITALIAN GOVERNMENT BONDS (€M)



“GOVIES” DURATION AND VOLATILITY¹

VOLATILITY DURATION



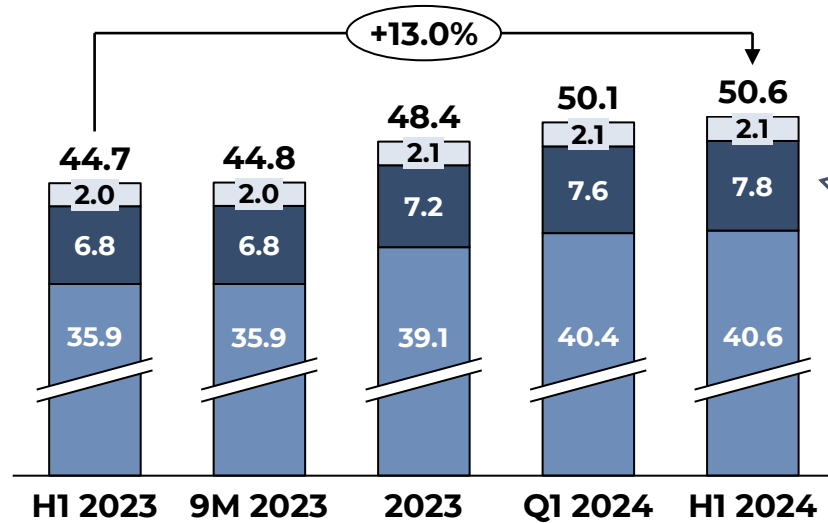
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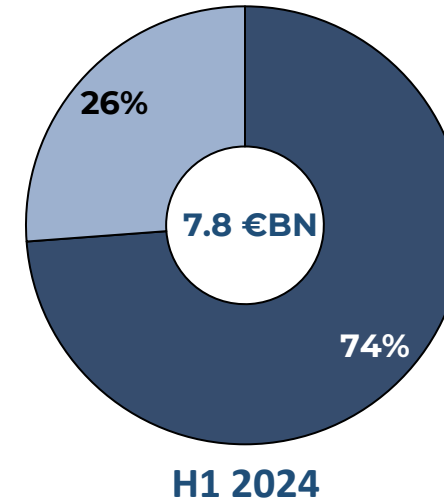
INDIRECT FUNDING

INDIRECT FUNDING (€BN)



DOUBLE-DIGIT GROWTH OF ASSETS UNDER MANAGEMENT (+15% Y/Y)

AUM BREAKDOWN (€BN)



H1 2024 POSITIVE NET NEW INFLOWS:

- AROUND 400 €M FROM **ASSET UNDER MANAGEMENT** PRODUCTS
- OVER 20 €M FROM **BANCASSURANCE** BUSINESS

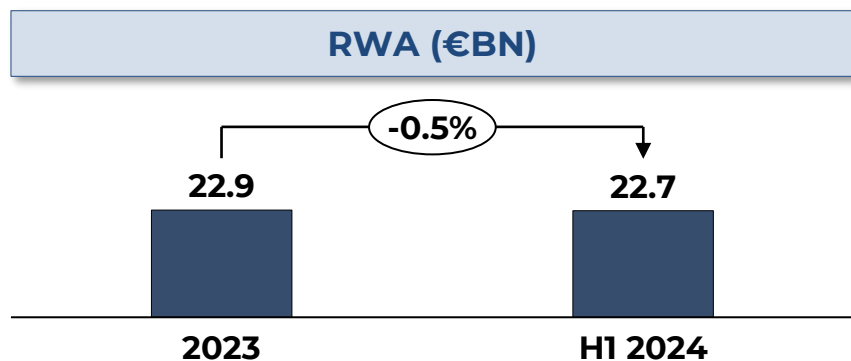
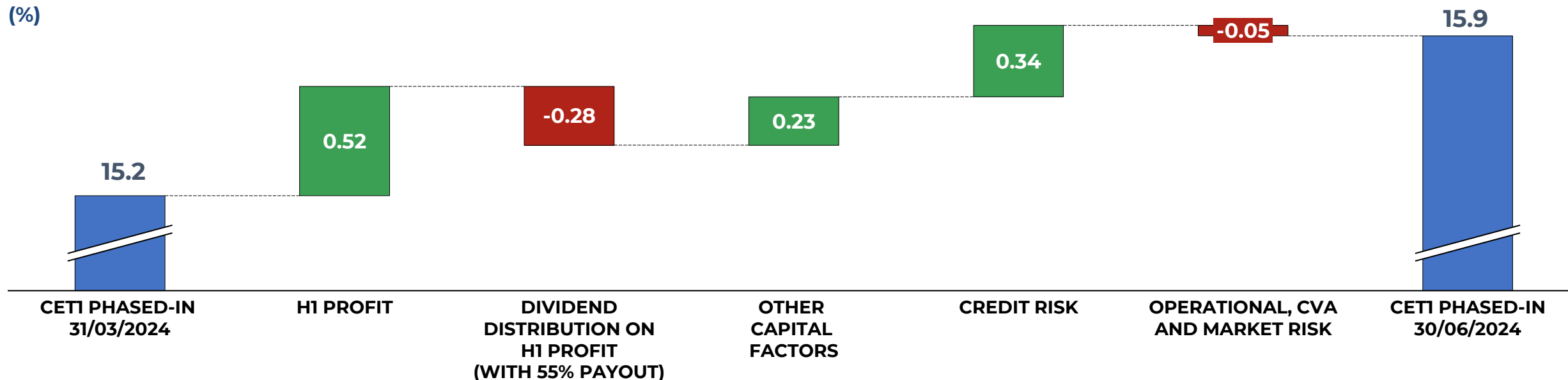
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CAPITAL WALK AND CAPITAL POSITION

CETI RATIO Q/Q (%)



H1 2024 CAPITAL RATIOS¹
[Fully-loaded]

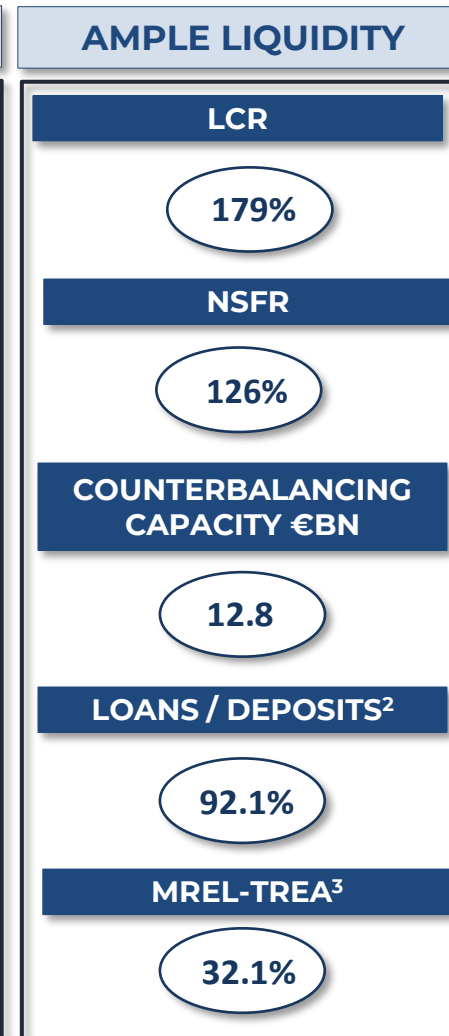
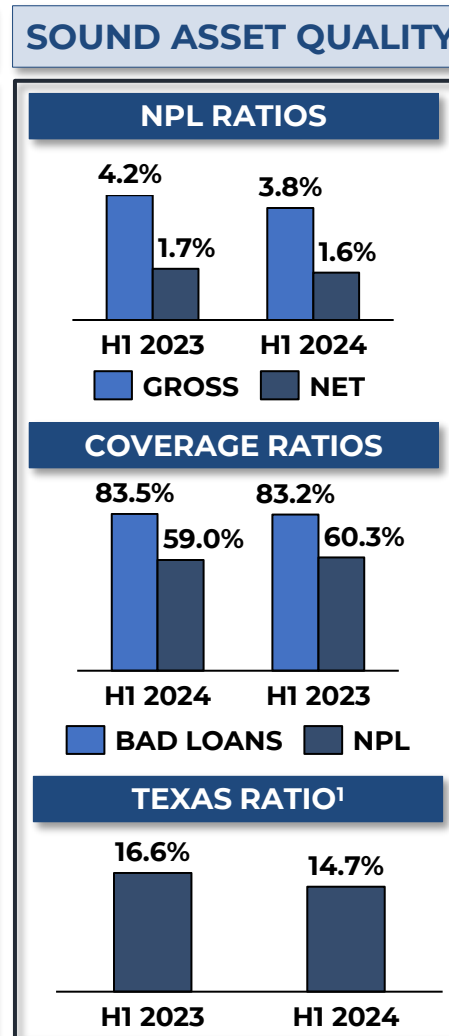
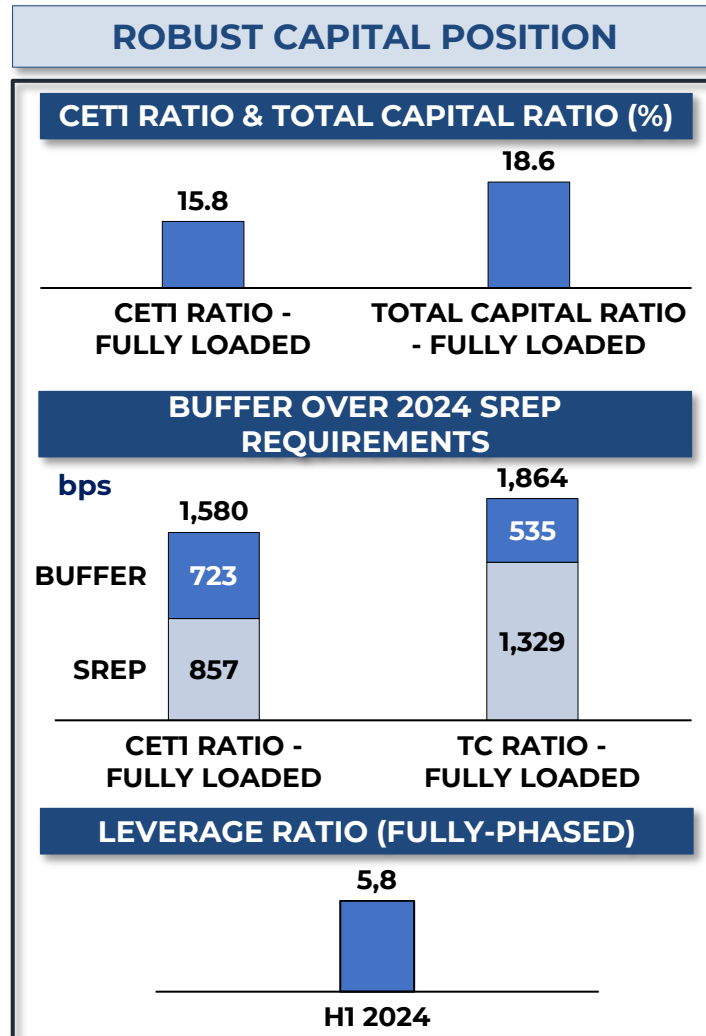
- ✓ CETI RATIO 15.8%
- ✓ TOTAL CAPITAL RATIO 18.6%

2024 SREP REQUIREMENTS

- CETI 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

FINAL REMARKS

THE RESULT ACHIEVED IN THE FIRST HALF OF THE YEAR CREATES THE CONDITIONS FOR A SOLID 2024 FY RESULT

NII TARGET EQUAL TO AT LEAST 950 €M
(937 €M FY 2023)

NET FEES AND COMMISSION GROWTH BETWEEN
5% AND 10%

OPERATING COSTS AND LLPs (CoR IN THE 55 b.p. AREA)
UNDER CONTROL

REDUCED CONTRIBUTION FOR THE STABILISATION OF
THE BANKING SYSTEM²

**2024 RESULTS EXPECTED TO BE AT LEAST EQUAL TO THE
FY RESULTS ACHIEVED IN 2023**

CURRENT vs
PREVIOUS
GUIDANCE¹



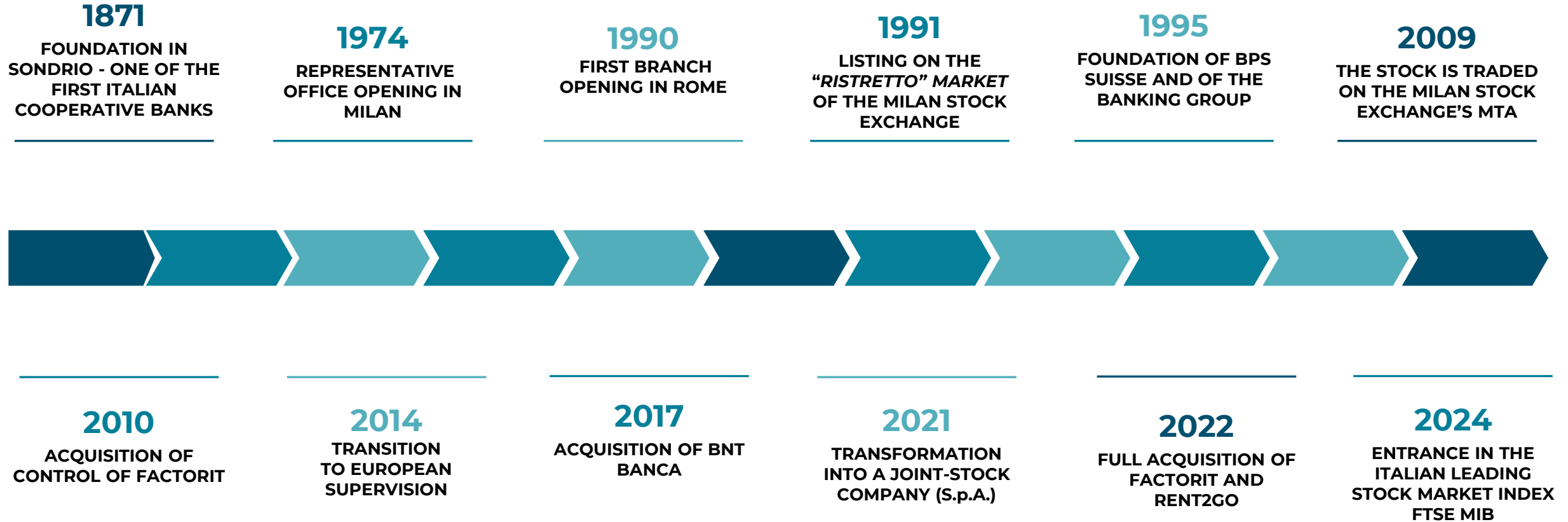


4

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 **ESG RATINGS: A-** IN CDP
- ✓ JOINING **UN PRB** AND **NET-ZERO BANKING ALLIANCE**
- ✓ SUPPORT TO **TCFD**
- ✓ JOINING **VALORE D**



Business policies and strategies

- ✓ **ESG CREDIT POLICY**
- ✓ **ESG INVESTMENT POLICY**
- ✓ **INTEGRATED RISK MANAGEMENT**
- ✓ FIRST SET OF **PORTFOLIO CO₂** REDUCTION TARGET
- ✓ RENEWED **ESG SCORES & DUE DILIGENCE**
- ✓ OWN FUNDS: 15% **BOND SEGMENT IN ESG INSTRUMENTS**



Products and services

- ✓ NEW **GREEN BOND ISSUANCE**
- ✓ DEVELOPMENT OF **NEW GREEN LOANS**
- ✓ INTEGRATION OF ESG TOPICS INTO **MIFID II QUESTIONNAIRE**
- ✓ **ESG SCREENING** OF THE **SUPPLY CHAIN**



Reporting and communication

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



GEOGRAPHICAL FOOTPRINT



488 POINTS OF SALES:

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

WITH A PRESENCE IN:

- 37 PROVINCES
- 10 REGIONS

**BANKING GROUP'S
EMPLOYEES: 3,639**

NOTE: Company's data as of 30/06/2024



BPS (SUISSE)

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

Factorit

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

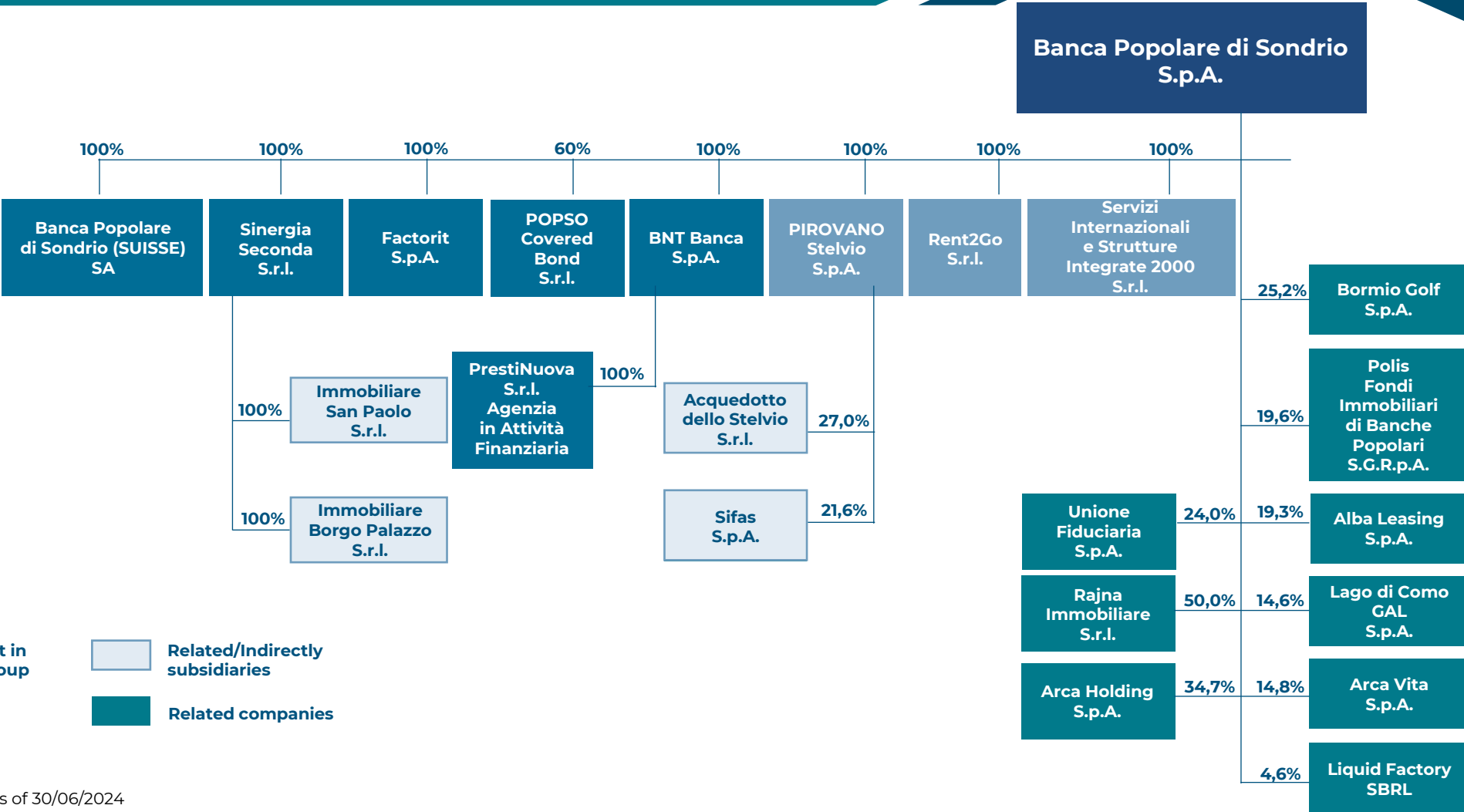
and a network of foreign correspondents in over 90 countries.
Operating at Banca Popolare di Sondrio's branches
and at its partner banks' counters.

BNT BANCA
Banca della Nuova Terra

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 30/06/2024

FINANCIAL STATEMENT: BALANCE SHEET

THOUSANDS OF EUROS

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

FINANCIAL STATEMENT: INCOME STATEMENT

THOUSANDS OF EUROS

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 FROM 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 INVESTEEs	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

FINANCIAL STATEMENT: RECLASSIFIED P&L

(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 investment	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 Par	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.

(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 investment	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 Par	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.

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%

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%

RATINGS

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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- ❑ *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 presentation corresponds to the documented results, books and accounting records.*

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**Banca Popolare
di Sondrio**

FOUNDED IN 1871

THE BANKING GROUP IN THE HEART OF THE ALPS



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