

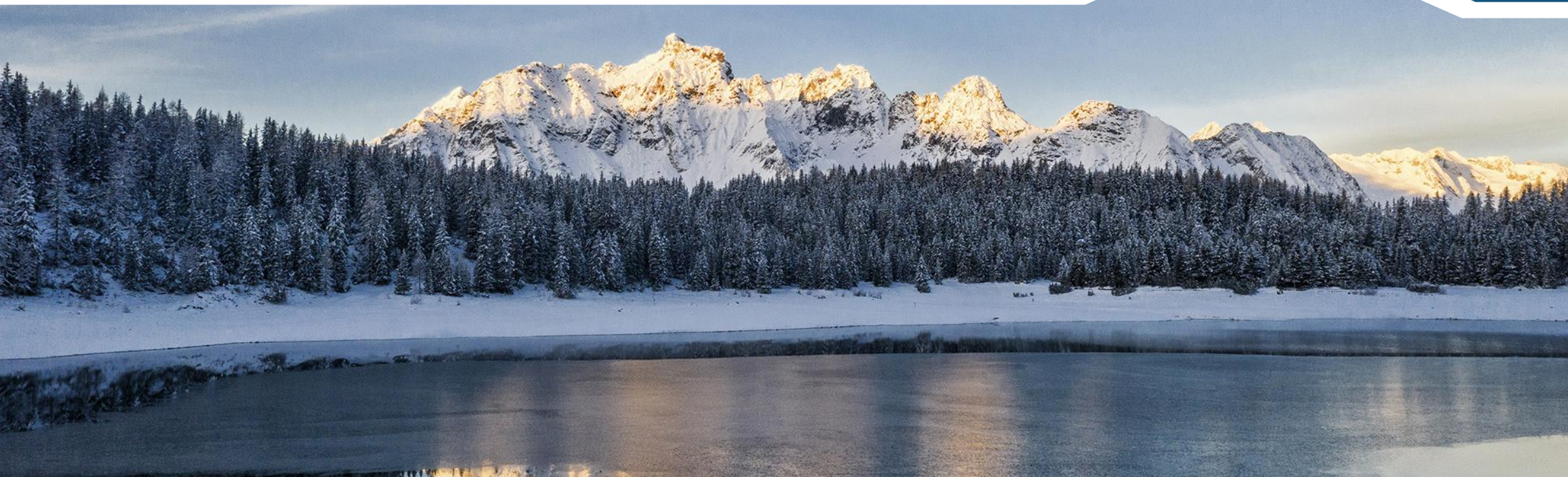
# FY 2024 CONSOLIDATED PRELIMINARY RESULTS PRESENTATION



**Banca Popolare  
di Sondrio**

FOUNDED IN 1871

*February 6<sup>th</sup>, 2025*



# AGENDA

- ① **FY 2024 HIGHLIGHTS**
- ② **FINANCIAL RESULTS**
- ③ **FINAL REMARKS**
- ④ **ANNEXES**



# 1 FY 2024 HIGHLIGHTS

# FY 2024 HIGHLIGHTS



## KEY FIGURES

- BEST EVER FY NET PROFIT OF 574.9 €M (+24.7% Y/Y); ROE EQUAL TO 16.1%
- CORE REVENUE +13.8% Y/Y; 1,090 €M OF NII (+16.3% Y/Y); 434.5 €M OF NET FEES & COMMISSIONS (+7.9% Y/Y)
- COST-INCOME RATIO BELOW 40%
- 5.6 €BN OF NEW DISBURSEMENTS (vs 4.8 €BN IN FY 2023)
- PROPOSED DPS OF € 0.80 (Payout 63%)



## SOLID CAPITAL AND LIQUIDITY PROFILE

- CET1 15.2% NET OF ACCRUED DIVIDENDS – TOTAL CAPITAL 18%
- LIQUIDITY INDICATORS COMFORTABLY ABOVE REGULATORY REQUIREMENTS (LCR AT 168% AND NSFR AT 130%)
- LARGE COUNTERBALANCING CAPACITY OF AROUND 13 €BN



## SOUND ASSET QUALITY

- NET NPE RATIO AT 1.1% THANKS TO REMARKABLY HIGH NPEs COVERAGE (62.3%)
- GROSS NPE RATIO AT 2.9%
- COST OF RISK AT 0.53%
- DEFAULT RATE HOLDS UP WELL STANDING AT 1.1%



## OTHER BUSINESS HIGHLIGHTS

- DECARBONIZATION TARGETS FOR THE LOAN PORTFOLIO SETTED AS PART OF NZBA INITIATIVE
- NEW ESG BOND FRAMEWORK
- “EXCELLENCE IN LOCAL BANKS” AWARDED BY FUTURE BANCASSURANCE AWARDS
- THE BANK’S PARTNER LIQUID FACTORY SELECTED THE FIRST FOUR START-UPS IN HIGHLY INNOVATIVE SECTORS



## 2

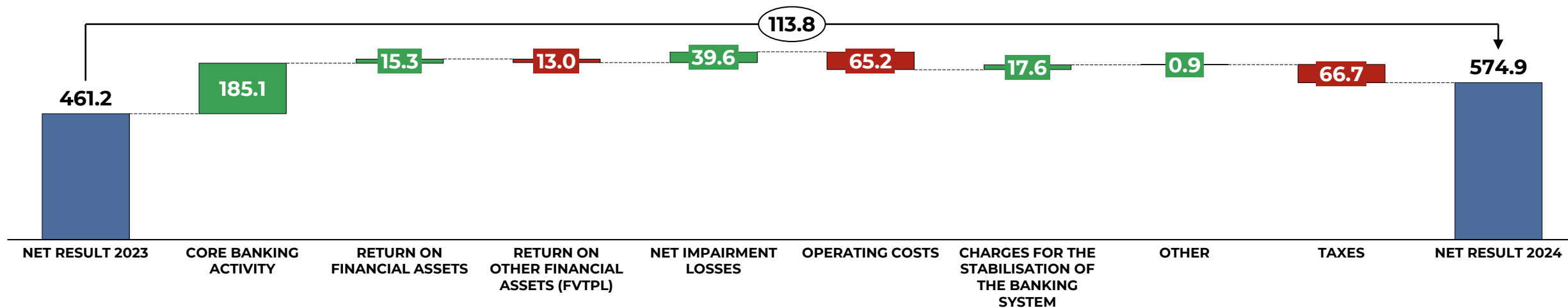
### FINANCIAL RESULTS

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

# FY 2024 P&L OVERVIEW

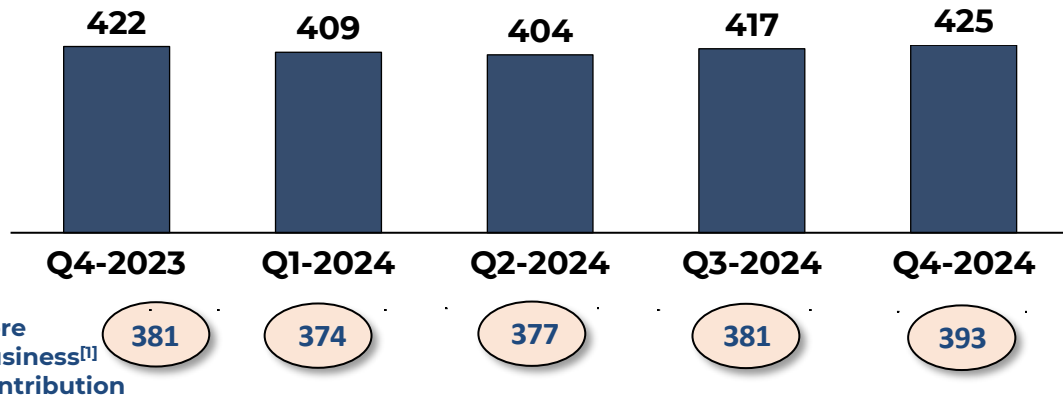
INCOME STATEMENT [1] € M	2023	2024	YoY	
	ACTUAL	ACTUAL	Δ € M	Δ%
<b>CORE BANKING ACTIVITY</b>	<b>1,339.5</b>	<b>1,524.6</b>	<b>185.1</b>	<b>13.8%</b>
ow Net interest income	937.0	1,090.1	153.1	16.3%
ow Net fee and commission income	402.6	434.5	31.9	7.9%
<b>RETURN ON FINANCIAL ASSETS</b>	<b>123.0</b>	<b>138.3</b>	<b>15.3</b>	<b>12.5%</b>
<b>RETURN ON OTHER FINANCIAL ASSETS (FVTPL)</b>	<b>5.2</b>	<b>-7.8</b>	<b>-13.0</b>	<b>-</b>
<b>TOTAL INCOME</b>	<b>1,467.7</b>	<b>1,655.1</b>	<b>187.4</b>	<b>12.8%</b>
<b>NET IMPAIRMENT LOSSES</b>	<b>-224.5</b>	<b>-184.9</b>	<b>39.6</b>	<b>-17.7%</b>
<b>OPERATING COSTS</b>	<b>-580.7</b>	<b>-645.9</b>	<b>-65.2</b>	<b>11.2%</b>
<b>CHARGES FOR THE STABILISATION OF THE BANKING SYSTEM</b>	<b>-38.9</b>	<b>-21.3</b>	<b>17.6</b>	<b>-45.2%</b>
<b>GROSS RESULT</b>	<b>660.3</b>	<b>840.7</b>	<b>180.4</b>	<b>27.3%</b>
<b>NET RESULT</b>	<b>461.2</b>	<b>574.9</b>	<b>113.8</b>	<b>24.7%</b>

- CORE BANKING ACTIVITY +185.1 €M (+13.8% YoY) DRIVEN BY STRONG NII INCREASE (+16.3% YoY) AND FEES GROWTH (+7.9% YoY)
- TOTAL RETURN ON FINANCIAL ASSETS +15.3 €M (+12.5% YoY)
- TOTAL INCOME (+12.8% YoY) vs OPERATING COSTS (+11.2% YoY)

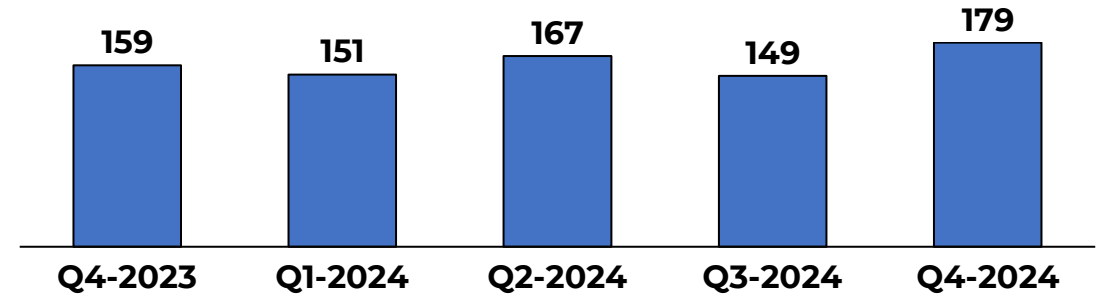


# P&L QUARTERLY EVOLUTION

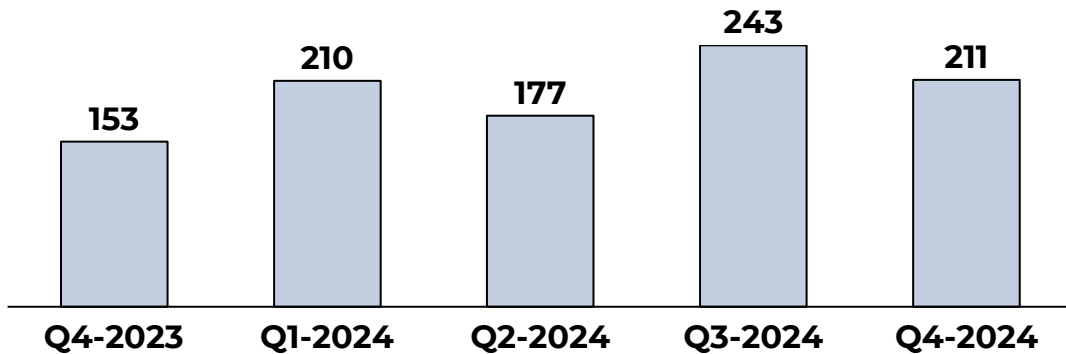
## TOTAL INCOME (€M)



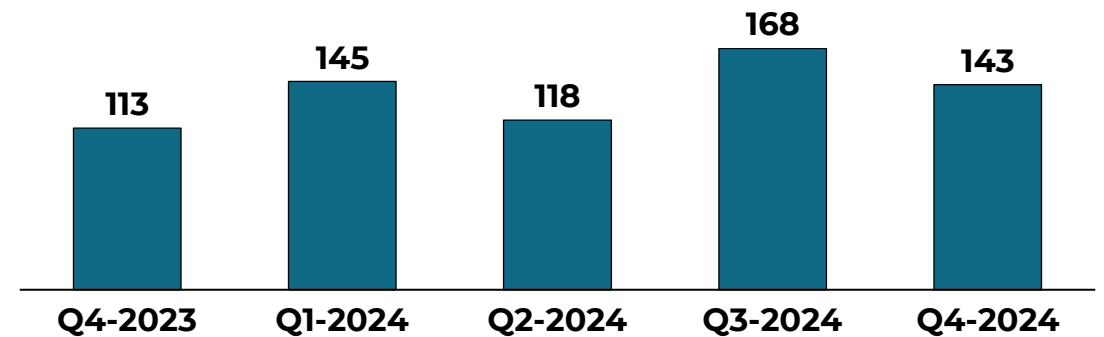
## OPERATING COSTS (€M)



## GROSS RESULT (€M)



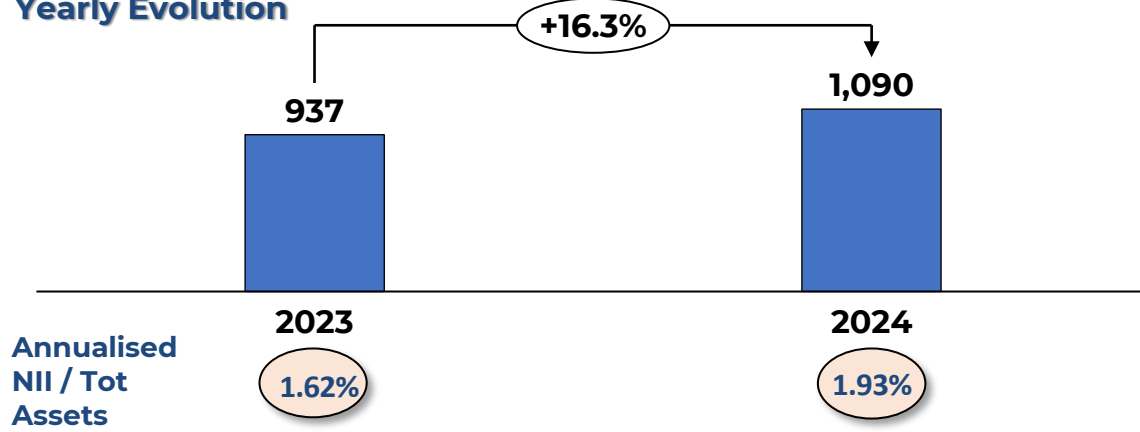
## NET RESULT (€M)



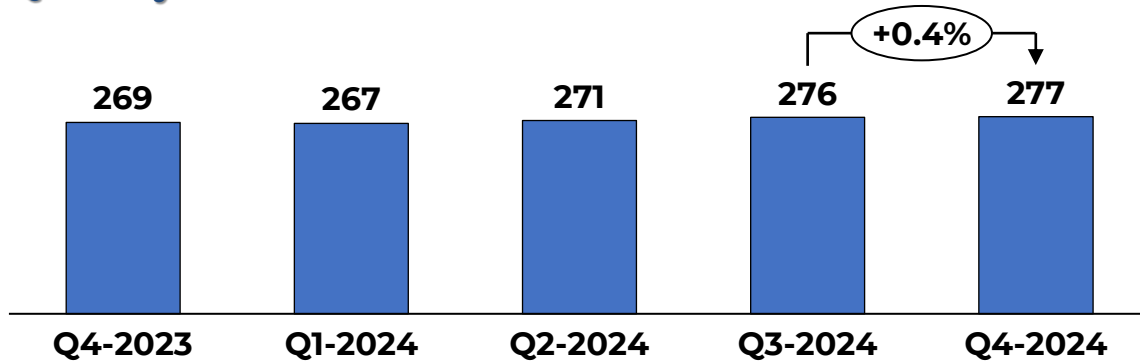
# NET INTEREST INCOME

## NET INTEREST INCOME EVOLUTION (€M)

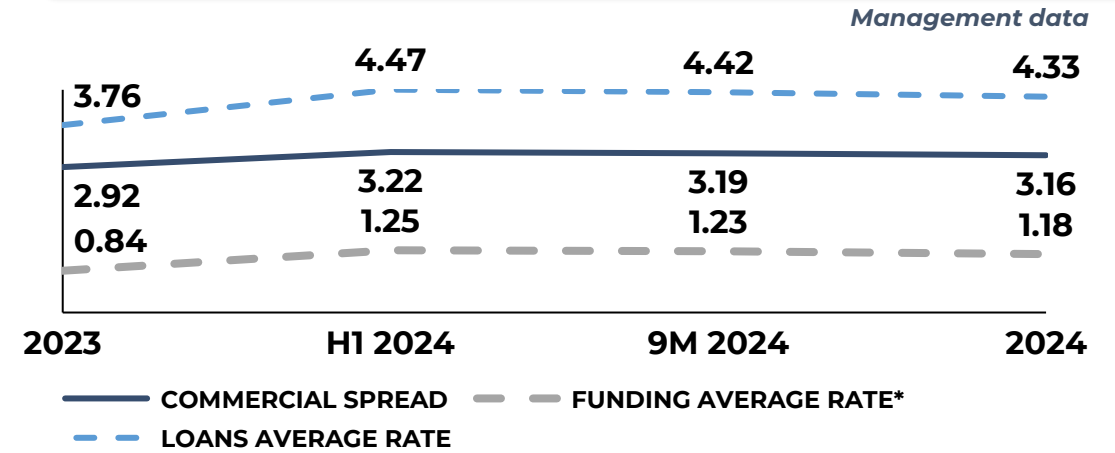
### Yearly Evolution



### Quarterly Evolution



## GROUP'S COMMERCIAL SPREAD EVOLUTION



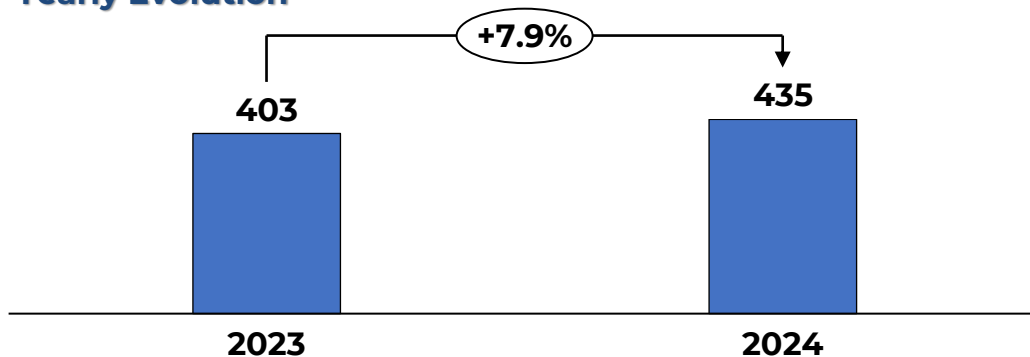
- THE **COMMERCIAL SPREAD** (STANDING AT 3.16%) HOLDS UP WELL, IN SPITE OF LOWER MARKET RATES
- **COST OF SIGHT DEPOSITS** REMAINS LOW (2024 YEAR AVERAGE: 24.9 €BN AT 0.89%)\*
- POSITIVE FRONT BOOK vs BACK BOOK EFFECT (3.95 vs 2.33)\*\*
- SIGNIFICANT INCREASE YoY IN **COUPON FLOWS** OF PROPRIETARY PORTFOLIO (349.8 €M FROM 310.8 €M IN FY 2023; +12.6%)\*\*\*



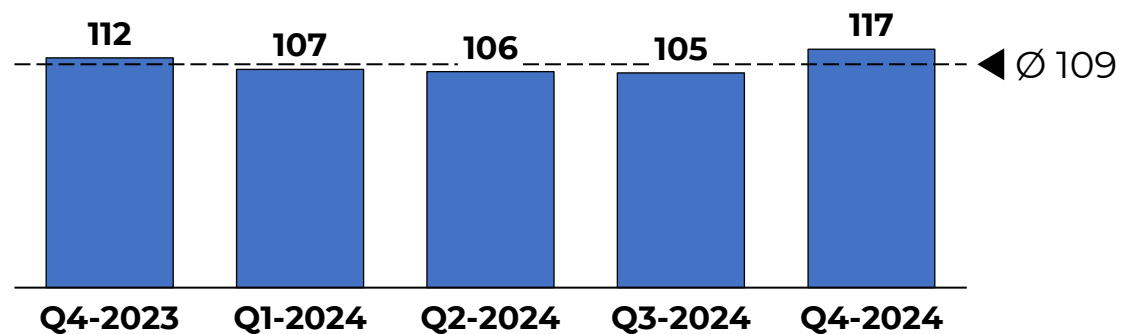
# NET FEES AND COMMISSIONS

## NET FEES (€M)

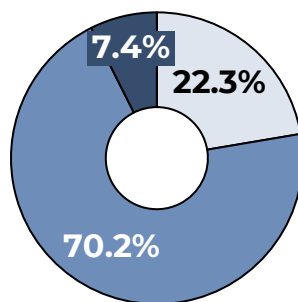
### Yearly Evolution



### Quarterly Evolution



### FY 2024 BREAKDOWN



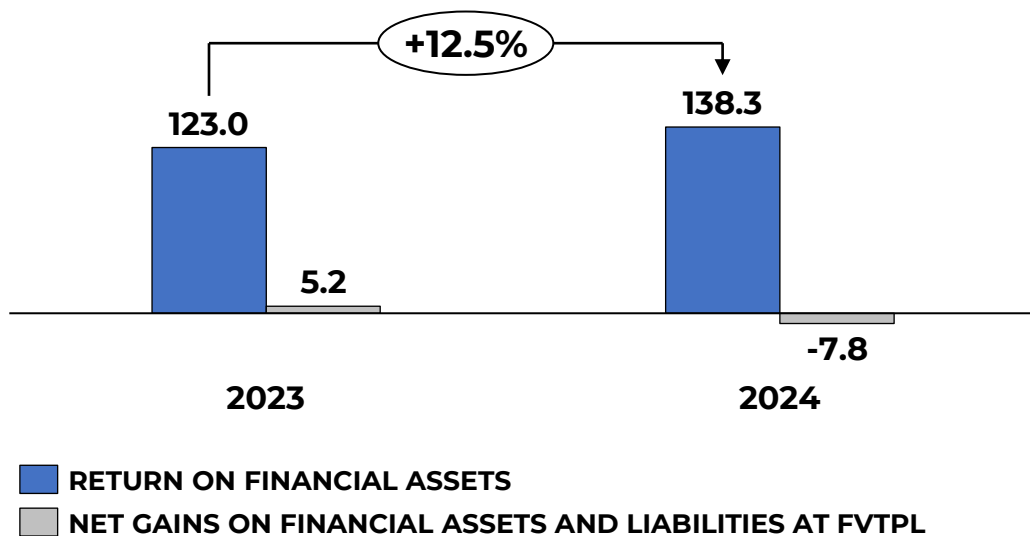
- ASSET UNDER MANAGEMENT AND CUSTODY
- BANKING SERVICES
- BANCASSURANCE

- STRONG PERFORMANCE OF COMMISSIONS CONFIRMS THE GROUP'S **STRONG AND DIVERSIFIED BUSINESS MODEL**
- REMARKABLE CONTRIBUTION (% Y/Y) FROM FEES RELATED TO:
  - ASSETS UNDER MANAGEMENT (+9.3 €M; +18.3%)
  - PAYMENTS SERVICES (+7.9 €M; +8.3%)
  - ASSETS UNDER CUSTODY AND BROKERAGE (+6.6 €M; +21.9%)
  - BANCASSURANCE (+5.2 €M; +19.2%)
- POSITIVE CONTRIBUTION FROM FACTORIT AND BPS SUISSE (RESPECTIVELY 37.6 €M AND 26.8 €M)

# FINANCIAL ASSETS CONTRIBUTION

## BREAKDOWN OF RETURN ON FINANCIAL ASSETS (€M)

### Yearly Evolution



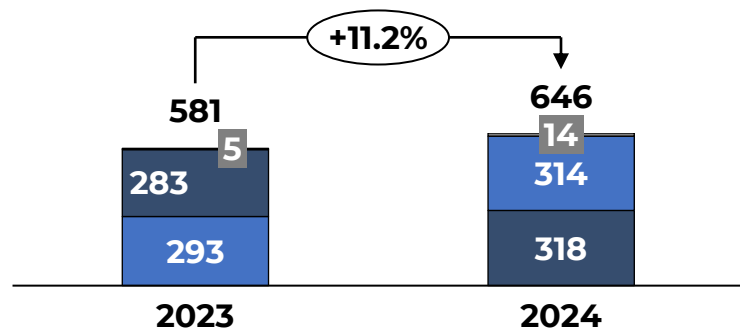
## KEY MESSAGES

- THE **RETURN ON FINANCIAL ASSETS** SHOWS A POSITIVE INCREASE YoY (138.3 €M vs 123 €M FY 2023; +12.5%)
- **FX PROFITS** RELATED TO BROKERAGE WITH CUSTOMERS<sup>1</sup> 32.1 €M vs 28.6 €M
- **TRADING INCOME**<sup>1</sup> EQUAL TO 25.2 €M THANKS TO THE ACTIVE MANAGEMENT OF THE PROPRIETARY PORTFOLIO IN A FAVOURABLE MARKET ENVIRONMENT
- BPS SUISSE HEDGING ACTIVITY ON FUNDING FROM PARENT COMPANY EQUAL TO 68.7 €M vs 52.3 €M

# OPERATING COSTS

## OPERATING COSTS<sup>1</sup> (€M)

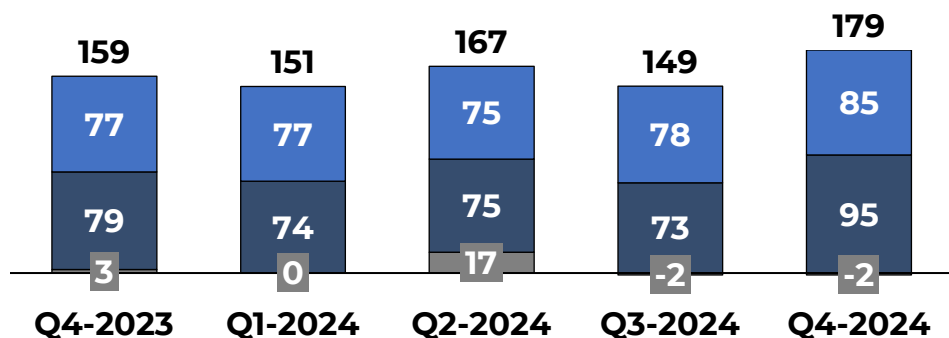
### Yearly Evolution



### DGS/SRF CHARGES

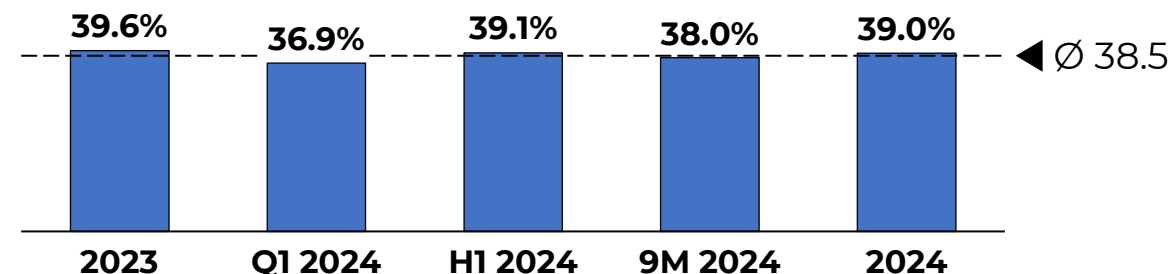


### Quarterly Evolution



■ PERSONNEL EXPENSES ■ OTHER ADMINISTRATIVE EXPENSES ■ OTHER

## COST / INCOME RATIO (%)



## KEY MESSAGES

- **HR COSTS** GROWTH REFLECTS NEW LABOUR CONTRACT AGREEMENT (+8 €M), STAFF GROWTH (+125 NET HIRES) AND PROVISIONS FOR VARIABLE SALARY COMPONENTS (AROUND +5 €M)
- **OTHER ADMINISTRATIVE EXPENSES** ROSE MAINLY DUE TO IT COSTS<sup>2</sup>, INCLUDING "DORA" (AROUND 100 €M vs AROUND 77 €M FY 2023)
- **OTHER COSTS** INCLUDE PROVISIONS FOR 30 €M (LEGAL, TAX CREDITS AND CYBER RISKS)

## 2

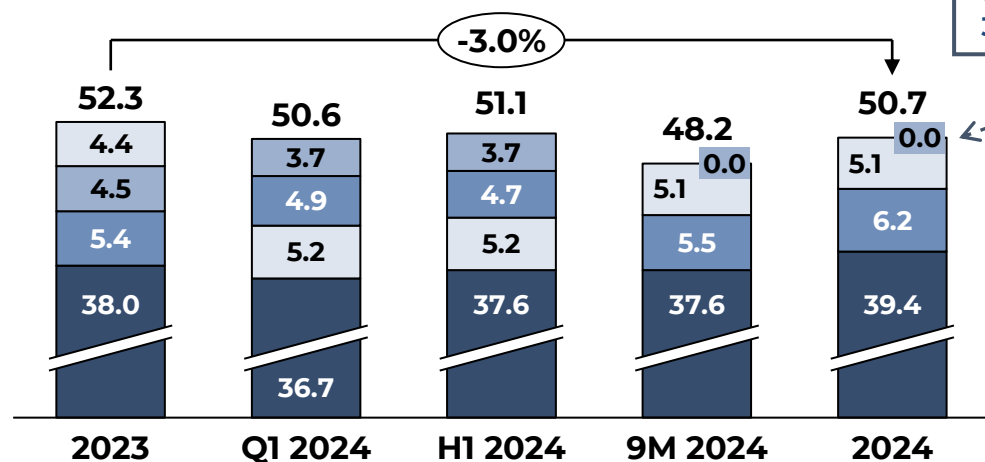
### FINANCIAL RESULTS

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

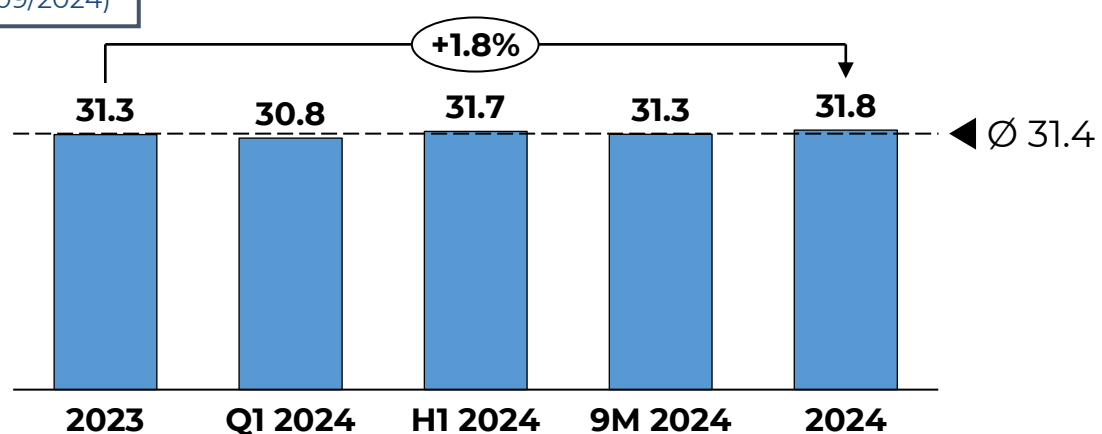
## TOTAL FUNDING (€BN)

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



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

## "CORE" DIRECT CUSTOMER FUNDING<sup>1</sup> (€BN)



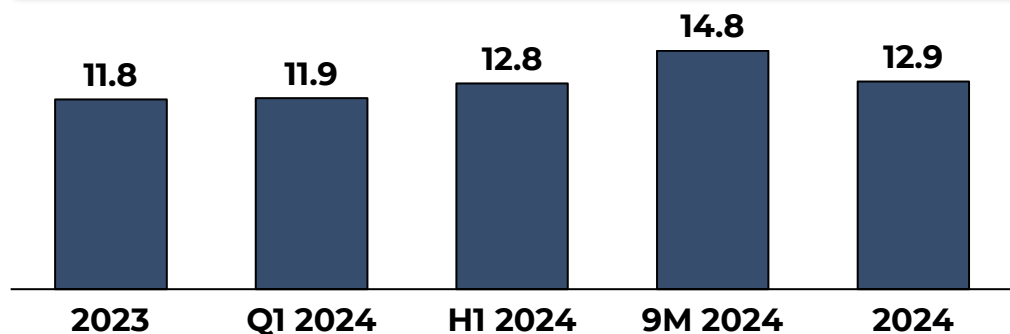
RECOMPOSITION OF FUNDING TOWARDS THE CUSTOMERS AND BANKS COMPONENTS FOLLOWING THE **FULL REPAYMENT OF ECB EXPOSURE** WITH:

- INCREASED INCIDENCE OF **BONDS FUNDING** REPRESENTING 10% OF TOTAL FUNDING (O/W 1,300 €M PLACED WITH INSTITUTIONAL INVESTORS)
- FUNDING FROM CUSTOMERS** REPRESENTING 78% OF TOTAL FUNDING (O/W SIGHT DEPOSITS EQUAL TO 32.2 €BN; +5.3% AND TIME DEPOSITS EQUAL TO 5.5 €BN; +25.4%)
- VERY RESILIENT **"CORE" DIRECT CUSTOMER FUNDING<sup>1</sup>** REFLECTING LONG-TERM RELATIONSHIPS WITH CUSTOMERS

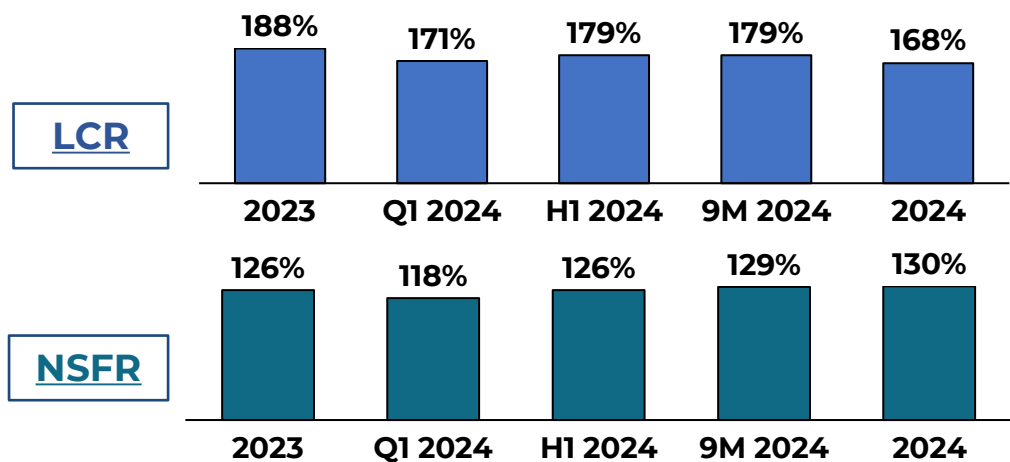
(1) Net of repos and funding from institutional counterparties (management data).

# LIQUIDITY POSITION

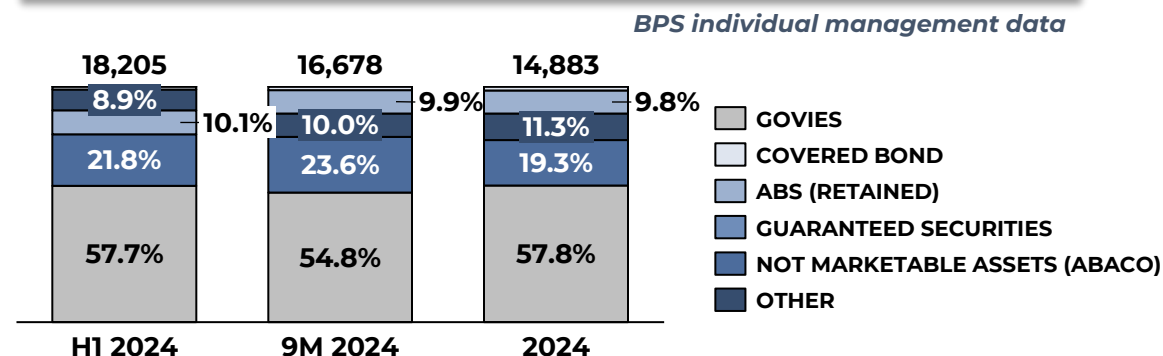
## COUNTERBALANCING CAPACITY (€BN)



## REGULATORY INDICATORS

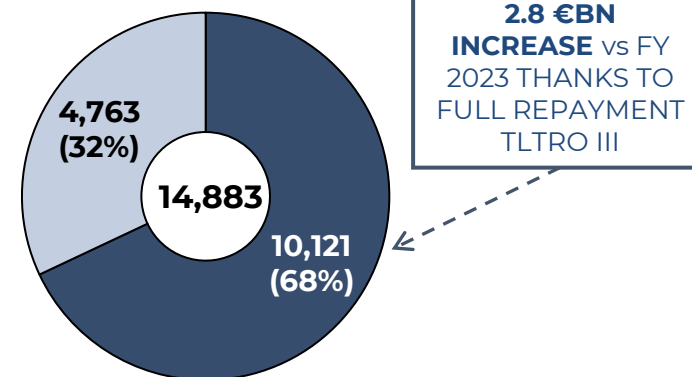


## STOCK OF ELIGIBLE ASSETS (€M)



## ELIGIBLE ASSETS AVAILABILITY (€M)

- UNENCUMBERED ELIGIBLE ASSETS
- ENCUMBERED ELIGIBLE ASSETS



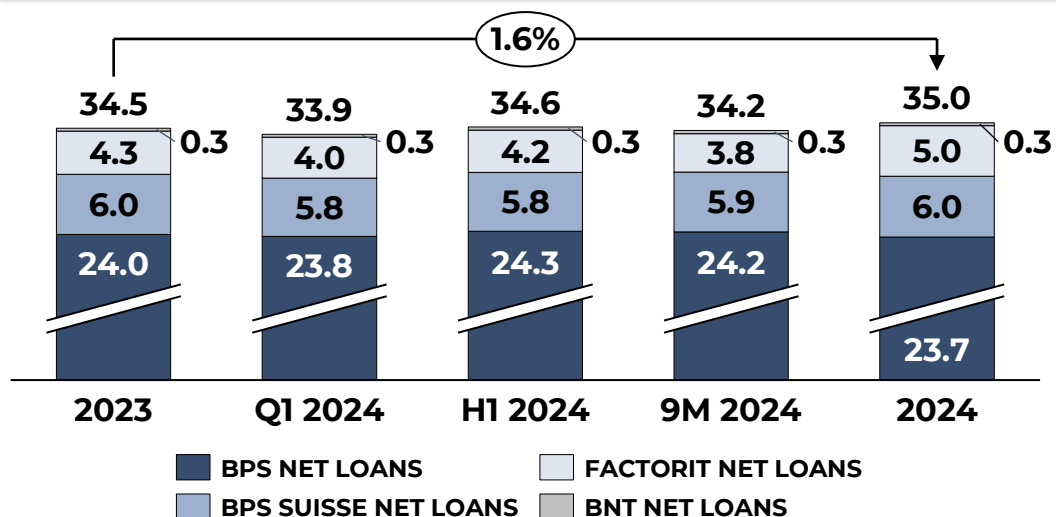
## 2

### **FINANCIAL RESULTS**

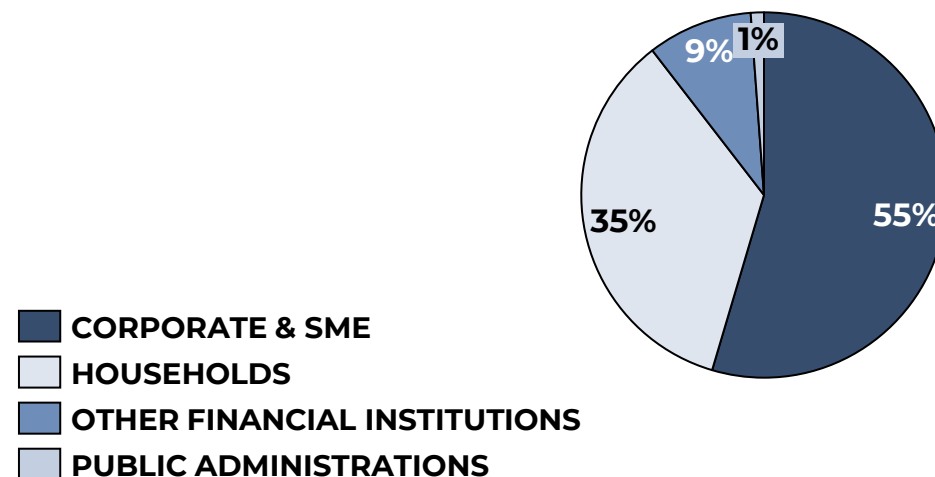
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# LENDING ACTIVITY [1/2]

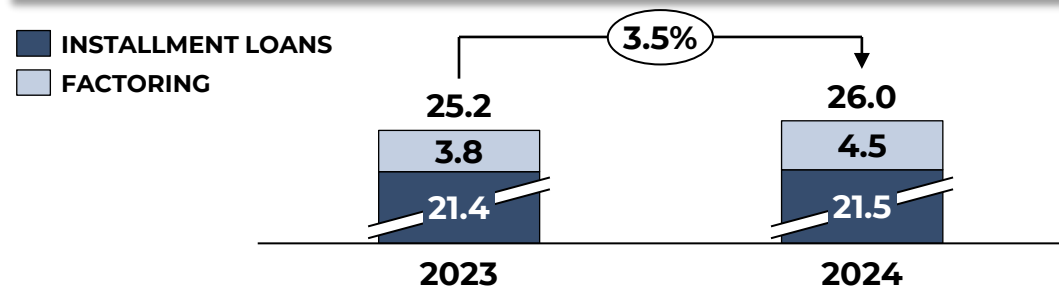
## NET CUSTOMER LOANS (€BN)



## NET LOANS BY TYPE OF CUSTOMER FY 2024



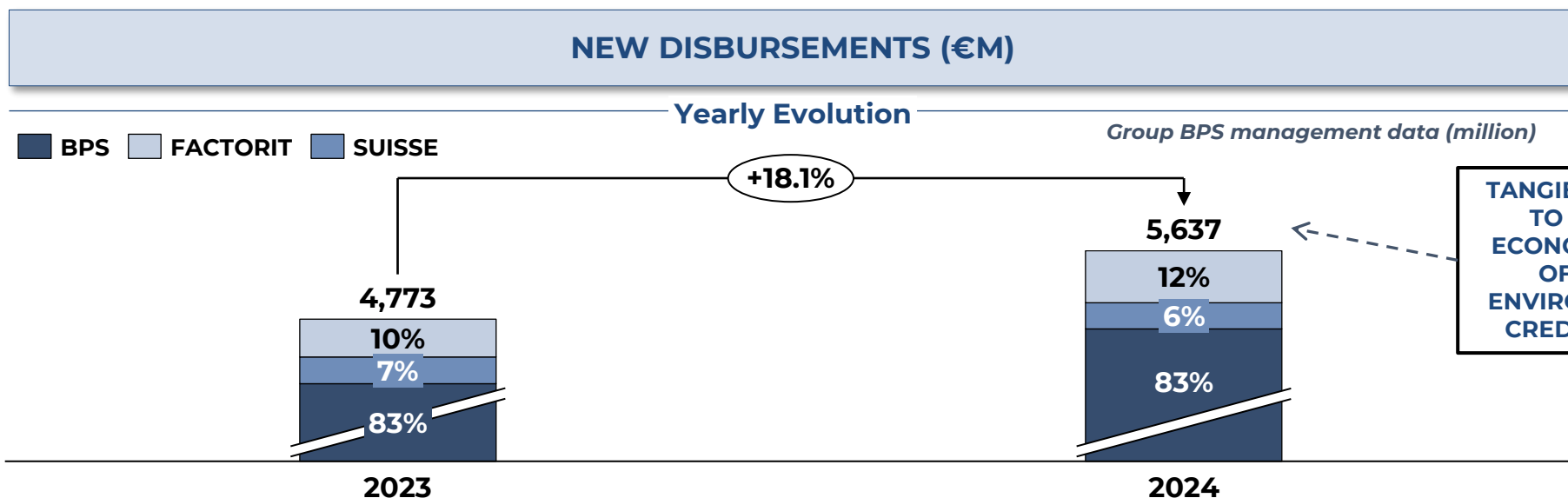
## INSTALLMENT LOANS AND FACTORING (€BN)



- POSITIVE TREND OF **INSTALLMENT LOANS** AND **FACTORING** (+3.5% YoY); THE LATTER ALSO BENEFITTING FROM POSITIVE SEASONALITY EFFECT
- AROUND 30% OF LOANS ARE RELATED TO **BPS SUISSE, FACTORIT** AND **BNT**
- **LOAN TO DEPOSIT<sup>1</sup>** RATIO EQUAL TO 88.9%



# LENDING ACTIVITY [2/2]



**FOCUS ON INSTALLMENT LOANS**

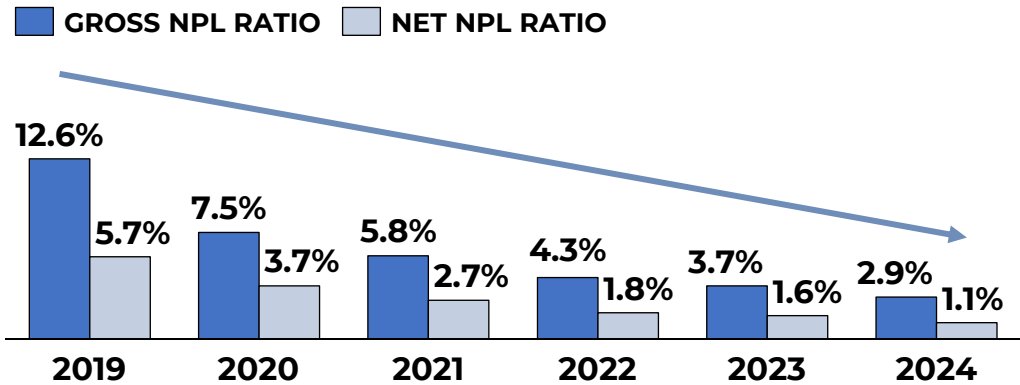
*BPS individual management data (million)*

INSTALLMENT LOANS NEW DISBURSEMENTS (€ M)	2023	2024
<b>TOTAL</b>	<b>3,471</b>	<b>3,716</b>
of which MORTGAGE LOANS	1,266	1,506
of which OTHER UNSECURED LOANS	2,084	2,060
of which PERSONAL LOANS	121	149

- NEW LENDING AT AVERAGE RATE OF 4.89% vs 5.15% FY 2023
- INCIDENCE OF FIXED RATE LOANS MORE THAN DOUBLED (37% FY 2024 vs 16% FY 2023)

# ASSET QUALITY [1/2]

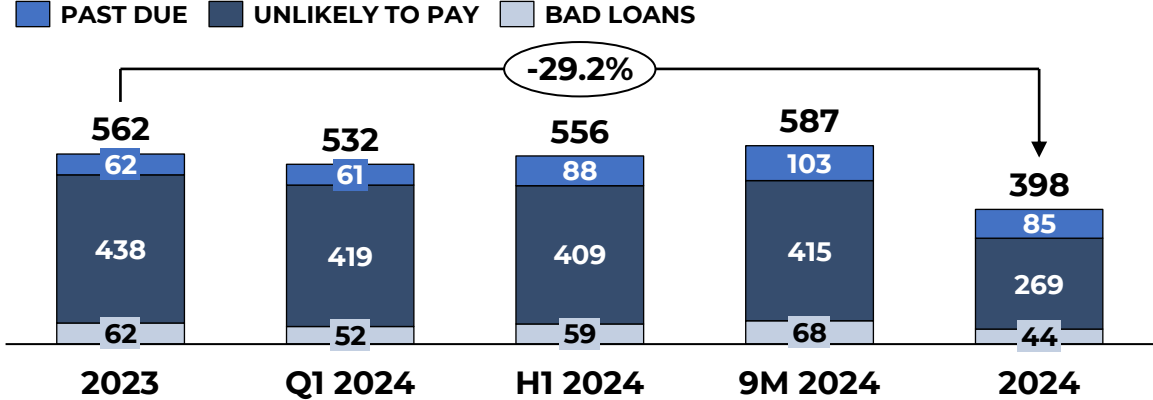
## REMARKABLE IMPROVEMENT IN ASSET QUALITY



## NPL COVERAGE (%)

	2023	2024
BAD LOANS	82.1%	85.5%
UTP	51.0%	58.5%
PAST DUE	15.6%	18.7%
<b>TOTAL NPLs</b>	<b>57.3%</b>	<b>62.3%</b>

## QUARTERLY NET NPL STOCK EVOLUTION (€M)

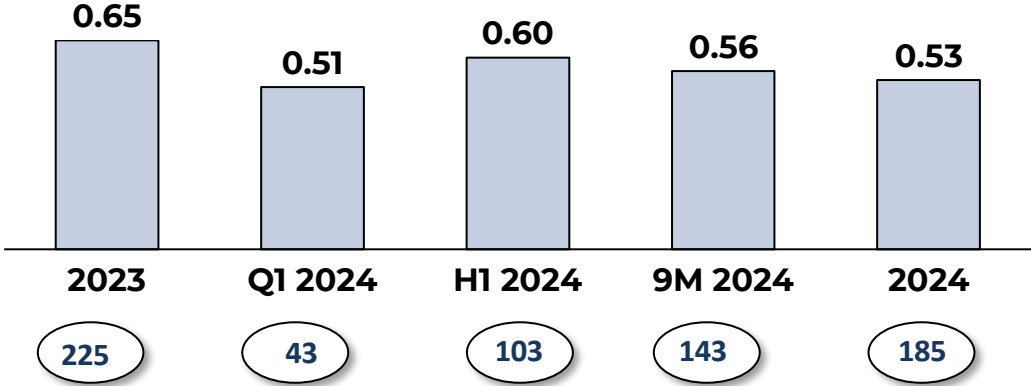


- **NET NPL RATIO** EQUAL TO 1.1%; **GROSS NPL RATIO** AT 2.9% REFLECTING ALSO PENDING BAD LOANS/UTP DISPOSALS RECLASSIFIED (FOR A NET AMOUNT OF 108.6 €M)
- **COVERAGE OF NON PERFORMING LOANS** FURTHER INCREASED (62.3%; o/w UTP 58.5%)

# ASSET QUALITY [2/2]

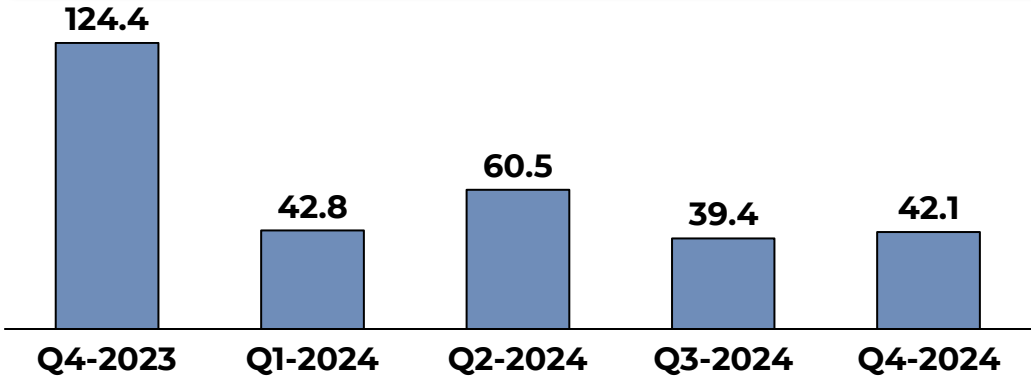
## EVOLUTION OF COST OF RISK (%)

Gross Customer Loans



LLP (€M)

## QUARTERLY EVOLUTION OF LLPs (€M)



- **DEFAULT RATE** HOLDS UP WELL STANDING AT 1.1%
- OVERALL **PERFORMING LOANS COVERAGE** UP TO 0.85% FROM 0.73% AS OF FY 2023
- **STAGE 2 NET LOANS** EQUAL TO 3.5 €BN (9.9% OF TOTAL CUSTOMER LOANS; 6% COVERAGE UP FROM 4.5% FY 2023)
- STOCK OF MODEL-BASED AND “NOVEL” RISKS **OVERLAYS** AT AROUND 50 €M
- **COST OF RISK** EQUAL TO 53 BPs FULLY IN LINE WITH THE GUIDANCE

## 2

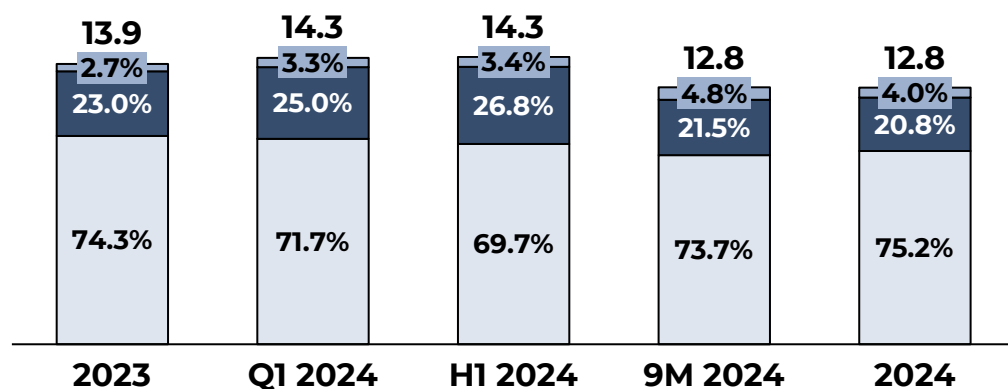
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# PROPRIETARY PORTFOLIO OVERVIEW

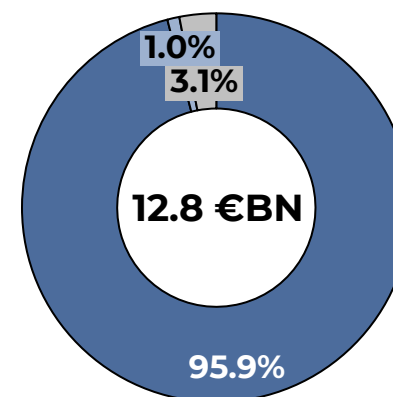
## PORTFOLIO ALLOCATION (%)

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

- AS A CONSEQUENCE OF THE ADOPTED STRATEGY FOR THE REPAYMENT OF THE RESIDUAL EXPOSURE TO THE ECB, THE PROPRIETARY PORTFOLIO DECREASED OF AROUND 1 €BN
- PRUDENT AND INCREASINGLY DIVERSIFIED FIXED INCOME PORTFOLIO; EXPOSURE TO ITALIAN GOVIES STABLE AT AROUND 45% - EXPOSURE TO EU GOVIES AROUND 74%
- YIELD TO MATURITY 3.2%; DURATION 4.1 Y; VOLATILITY 2.4
- AROUND 2 €BN OF **ESG BONDS** IN THE PROPRIETARY PORTFOLIO (AROUND 15% OF THE BANKING BOOK)

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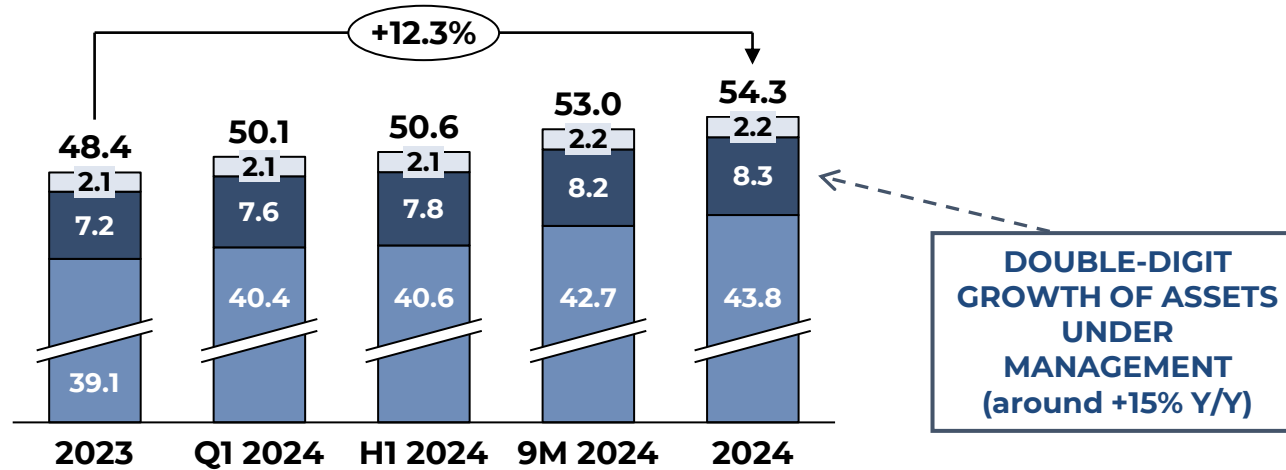
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# INDIRECT FUNDING

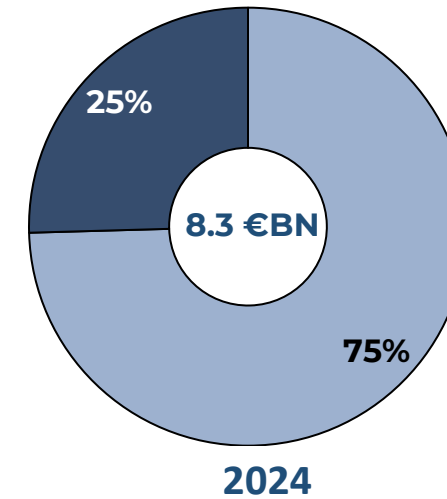
## INDIRECT FUNDING (€BN)

INSURANCE PREMIUMS
  ASSETS UNDER CUSTODY
  ASSETS UNDER MANAGEMENT



## AUM BREAKDOWN (€BN)

MUTUAL FUNDS
  INDIVIDUAL PORTFOLIOS MANAGEMENT



FY 2024 POSITIVE **NET NEW INFLOWS** OF:

- AROUND 750 €M **ASSET UNDER MANAGEMENT** PRODUCTS vs 440 €M FY 2023
- AROUND 70 €M RELATED TO THE **BANCASSURANCE** BUSINESS vs 62 €M FY 2023

OVERALL POSITIVE MARKET EFFECT ON ASSETS UNDER MANAGEMENT/CUSTODY

## 2

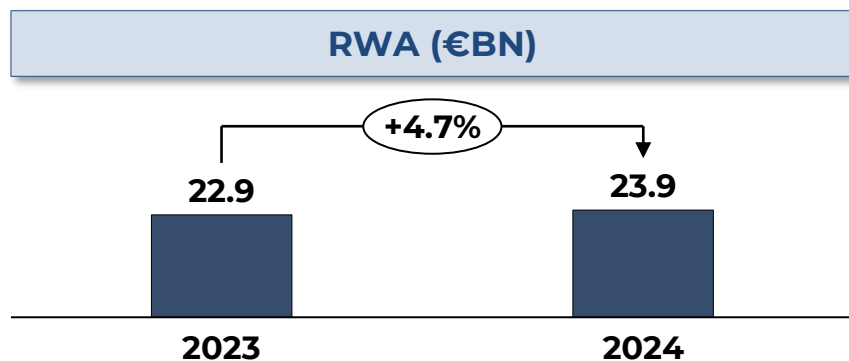
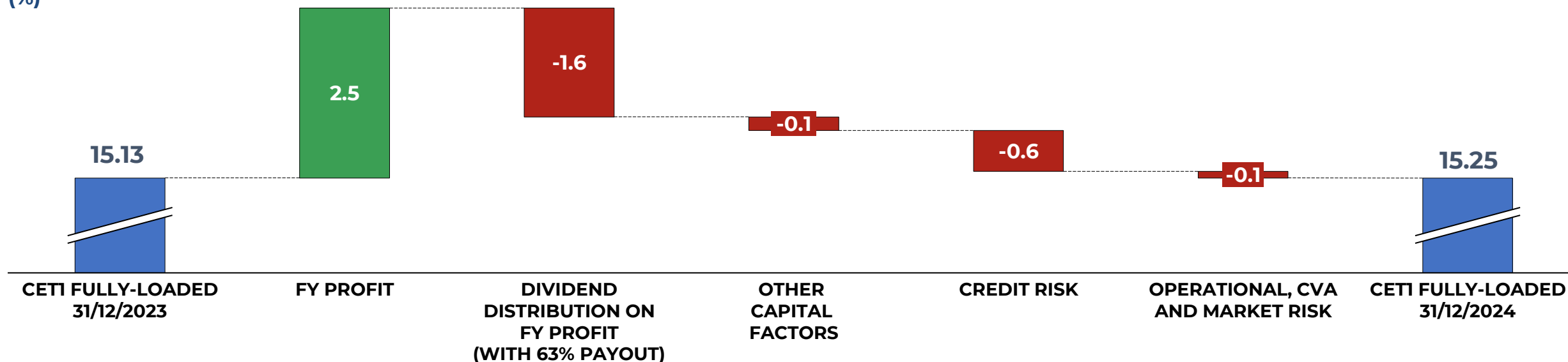
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# CAPITAL WALK AND CAPITAL POSITION

CET1 RATIO Y/Y (%)



## FY 2024 CAPITAL RATIOS<sup>1</sup>

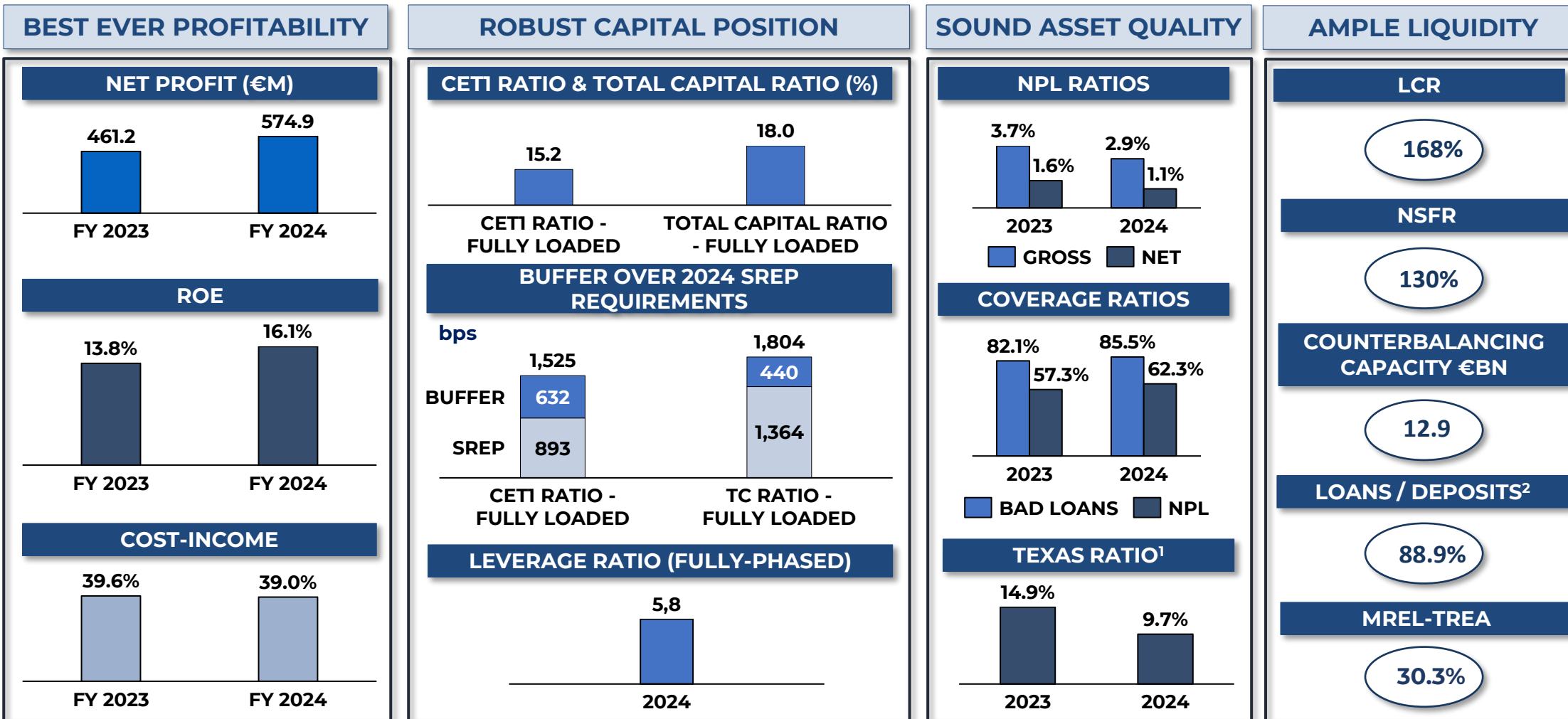
[Fully-loaded]

- ✓ CET1 RATIO 15.25%
- ✓ TOTAL CAPITAL RATIO 18%

## 2025 SREP REQUIREMENTS

- CET1 RATIO 8.93%
- TOTAL CAPITAL RATIO 13.64%

# THE BANK AT A GLANCE



(1) Net NPLs/(net equity-intangible assets) | (2) Net loans to customers/direct funding from customers (net of bonds issued).



## **3** FINAL REMARKS

# FINAL REMARKS



**Banca Popolare di Sondrio** FONDATA NEL 1871

**SAVE THE DATE**

Business Plan 2025-2027 Presentation

**26 FEBRUARY 2025 MILAN**

Details of the time and location of the event will be announced later and can be found on the website: <https://istituzionale.popso.it/en>

Investor relations – [investor.relations@popso.it](mailto:investor.relations@popso.it)  
Relazioni esterne – [relazioni.est@popso.it](mailto:relazioni.est@popso.it)  
Image Building – [popso@imagebuilding.it](mailto:popso@imagebuilding.it)

- **AFTER BEATING A YEAR IN ADVANCE ALL THE TARGETS OF THE 2022-2025 “NEXT STEP” BUSINESS PLAN:**

	2024	TARGET 2025
<b>ROE</b>	16.1%	9.2%
<b>GROSS NPL RATIO</b>	2.9%	3.8%
	2022-2024	TARGET 2022-2025
<b>TOTAL DIVIDEND DISTRIBUTION</b>	744 €M <sup>1</sup>	560 €M <sup>2</sup>

- **ON FEBRUARY 26, WE WILL DISCLOSE THE NEW TARGETS FOR THE NEXT THREE YEARS WITH THE AIM OF SUSTAINABLY GENERATING INCREASING VALUE FOR OUR STAKEHOLDERS IN THE MEDIUM TO LONG TERM**

(1) Cumulated dividend distribution 2022-2024.

(2) Expected dividend distribution at the time of the «Next step» business plan presentation.



**4**

## **ANNEXES**



# KEY MILESTONES IN BPS HISTORY

**1871**  
FOUNDATION IN  
SONDRIO - ONE OF THE  
FIRST ITALIAN  
COOPERATIVE BANKS

**1974**  
REPRESENTATIVE  
OFFICE OPENING IN  
MILAN

**1990**  
FIRST BRANCH  
OPENING IN ROME

**1991**  
LISTING ON THE  
"RISTRETTO" MARKET  
OF THE MILAN STOCK  
EXCHANGE

**1995**  
FOUNDATION OF BPS  
SUISSE AND OF THE  
BANKING GROUP

**2009**  
THE STOCK IS TRADED  
ON THE MILAN STOCK  
EXCHANGE'S MTA



**2010**  
ACQUISITION OF  
CONTROL OF FACTORIT

**2014**  
TRANSITION  
TO EUROPEAN  
SUPERVISION

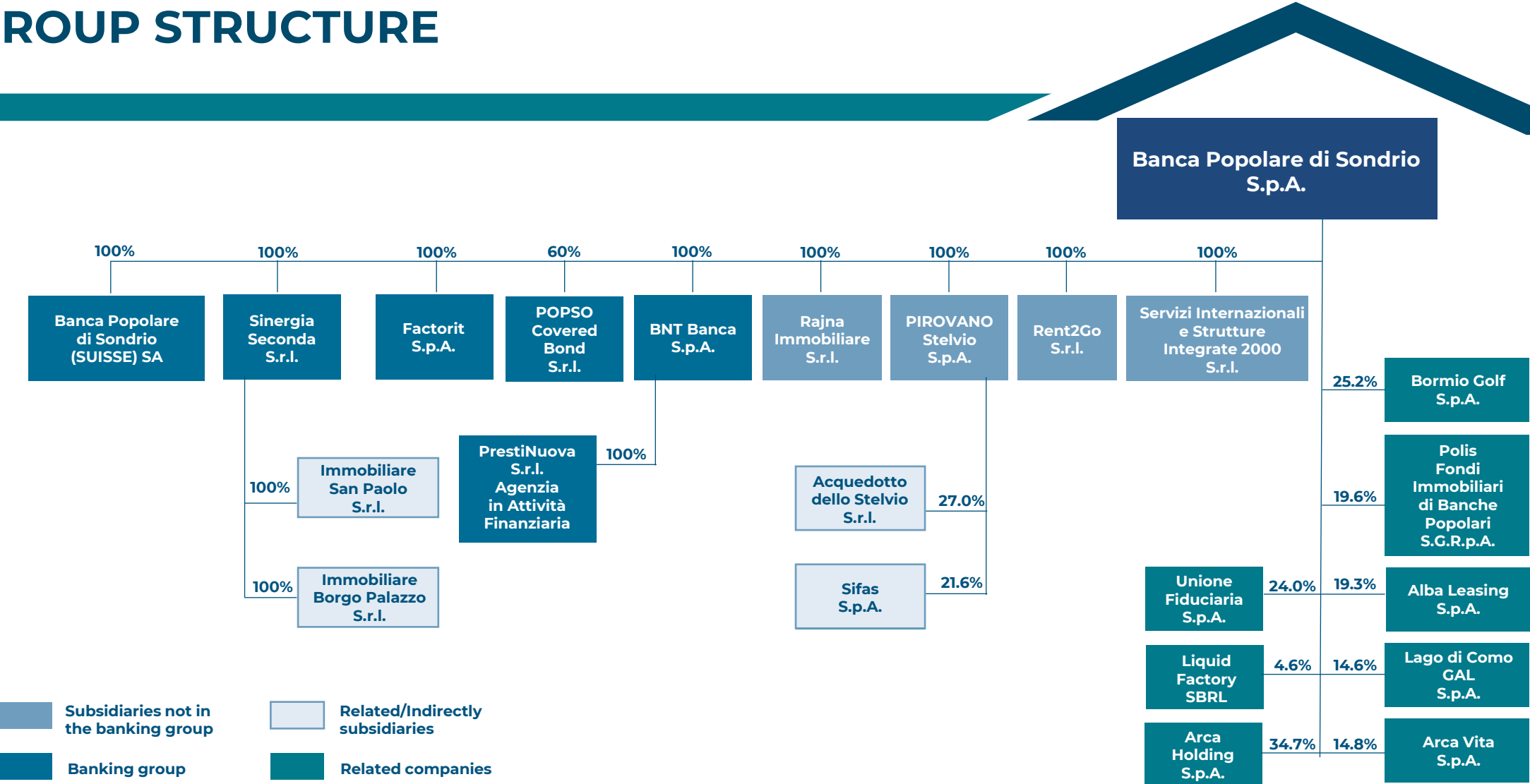
**2017**  
ACQUISITION OF BNT  
BANCA

**2021**  
TRANSFORMATION  
INTO A JOINT-STOCK  
COMPANY (S.p.A.)

**2022**  
FULL ACQUISITION OF  
FACTORIT AND  
RENT2GO

**2024**  
ENTRANCE IN THE  
ITALIAN LEADING  
STOCK MARKET INDEX  
FTSE MIB

# GROUP STRUCTURE



NOTE: Company's data as of 31/12/2024

# GEOGRAPHICAL FOOTPRINT



NOTE: Company's data as of 31/12/2024



491 POINTS OF SALES:

- 360 BRANCHES
- 131 «TESORERIE» (LIGHT BRANCHES)

WITH A PRESENCE IN:

- 38 PROVINCES
- 10 REGIONS

**BANKING GROUP'S  
EMPLOYEES: 3,705**



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.



Banca della Nuova Terra

Offices in • MILANO • PALERMO  
• CATANIA • CALTANISSETTA

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



# ONGOING INTEGRATION OF SUSTAINABILITY INTO THE GROUP STRATEGY [1/2]



## 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 ESG DATA PROVIDERS**
- ✓ IMPROVEMENT OF **ESG RATINGS: A-** IN CDP
- ✓ JOINING **UN PRB** AND **NET-ZERO BANKING ALLIANCE**
- ✓ SUPPORT TO **TCFD**
- ✓ JOINING **VALORE D**
- ✓ **ESG RATINGS: DATA VERIFICATION**



## Business policies and strategies

- ✓ **ESG CREDIT PROCESS INTEGRATION**
- ✓ **ESG INVESTMENT POLICY**
- ✓ **INTEGRATED RISK MANAGEMENT**
- ✓ **ESG PLANNING** AND **DECARBONIZATION TARGETS**
- ✓ **ESG CORPORATE FINANCE**
- ✓ **ESG RISK MANAGEMENT**



## Products and services

- ✓ NEW **GREEN BOND ISSUANCE**
- ✓ DEVELOPMENT OF **NEW GREEN AND SOCIAL LOANS**
- ✓ DEVELOPMENT OF **S-LOANS**
- ✓ NEW **ESG BOND FRAMEWORK**
- ✓ **NETWORK TRAINING**
- ✓ DIALOGUE WITH **CUSTOMERS**



## Reporting and communication

- ✓ **SUSTAINABILITY REPORT**
- ✓ **TCFD REPORT**
- ✓ **GREEN BOND REPORT**
- ✓ **PILLAR III - ESG**
- ✓ DEDICATED SECTION IN THE INSTITUTIONAL **WEBSITE**
- ✓ **SOCIAL MEDIA** CONTENTS



# ONGOING INTEGRATION OF SUSTAINABILITY INTO THE GROUP STRATEGY [2/2]



**63,000 tCO<sub>2</sub>eq avoided \***  
Thanks to 2,380 loans in the Green Bond portfolio

Issued 3 Green Bond totaling 1.5 € bn

**100%**  
Non financial corporate portfolio with **Score C&E**

**98%** renewable electric energy for BPS buildings

**11** green loans **next**

**A-** leadership level



**30%** presence in small municipalities and **only bank** present in 20% of the municipalities it operates in

**349** new hires  
**77%** of whom **<29 years**

**99%**  
employees with **open-ended contract**

**ESG** suppliers' assessment for 80% BPS purchases

More than **1,600** treasury services, including 438 to **educational institutions and universities**

D&I Training to all employees with



**>1,5 € bn** ESG funds **In the Banking Book** (11% of total debt securities)

**+4,000** stakeholders Involved in ESG-related topics

More than **40** ESG Contact Persons across the business areas **enforcing the ESG Plan**

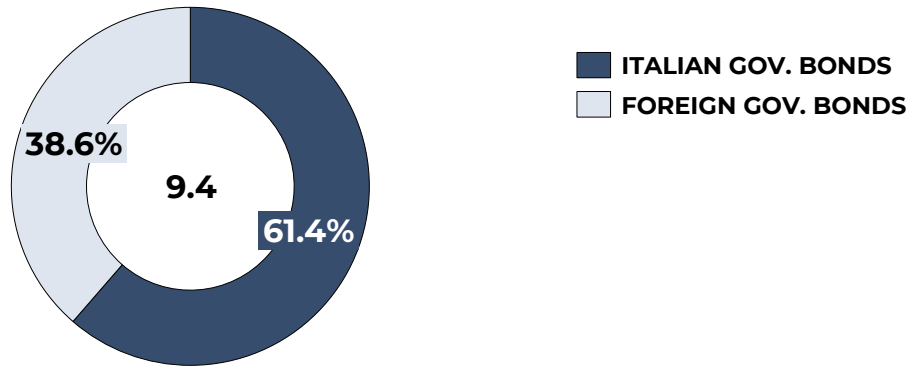
**Establishment** of a Sustainability Committee in the BoD

**6** ESG indicators related to **remuneration policies** for the Top Management



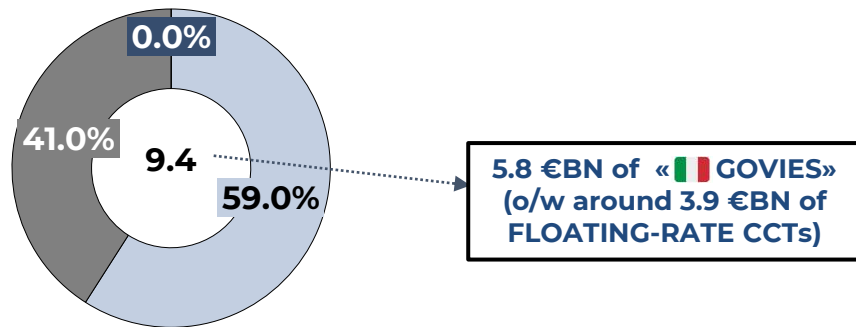
# FOCUS ON THE “GOVIES” COMPONENT

## “GOVIES” COMPONENT - BREAKDOWN BY COUNTRY

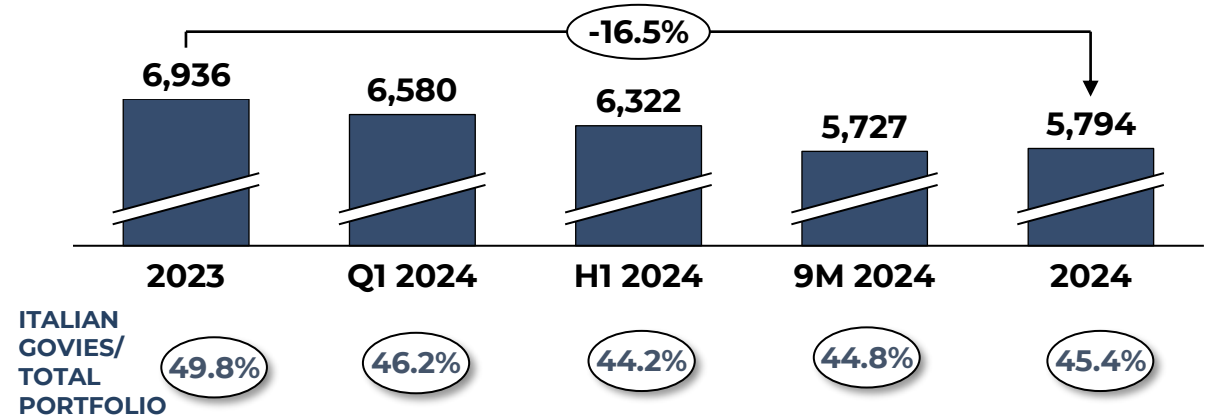


## “GOVIES” COMPONENT - BREAKDOWN BY TYPE OF RATE

FIXED RATE FLOATING RATE INFLATION-LINKED

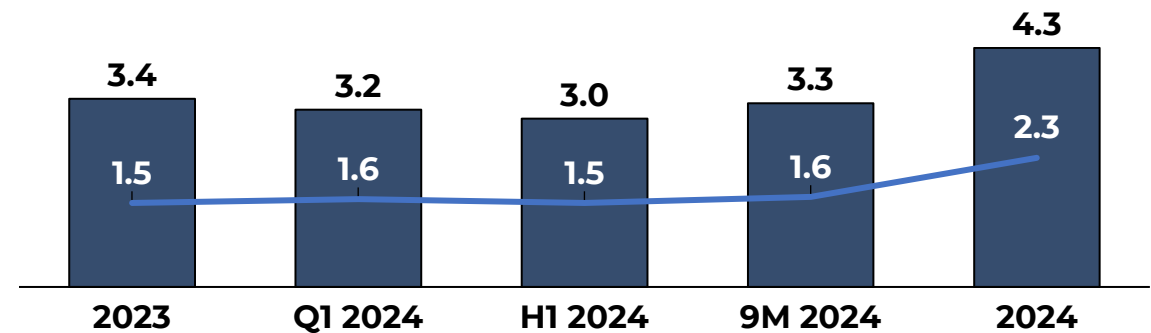


## ITALIAN GOVERNMENT BONDS (€M)



## “GOVIES” DURATION AND VOLATILITY<sup>1</sup>

VOLATILITY DURATION



# FINANCIAL STATEMENT: BALANCE SHEET

THOUSANDS OF EUROS

ASSETS		31/12/2024	31/12/2023
10.	CASH AND CASH EQUIVALENTS	3.738.224	4.546.559
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	739.876	690.970
	a) financial assets held for trading	174.038	150.073
	c) financial assets mandatorily at fair value through profit or loss	565.838	540.897
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2.656.254	3.212.616
40.	FINANCIAL ASSETS AT AMORTISED COST	45.459.416	45.530.807
	a) loans and receivables with banks	2.135.962	2.122.051
	b) loans and receivables with customers	43.323.454	43.408.756
50.	HEDGING DERIVATIVES	-	1
60.	CHANGE IN VALUE OF MACRO-HEDGED FINANCIAL ASSETS (+/-)	2.139	1.775
70.	EQUITY INVESTMENTS	402.758	376.357
90.	PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	663.577	677.074
100.	INTANGIBLE ASSETS	35.836	37.756
	of which:		
	- goodwill	12.632	16.997
110.	TAX ASSETS	190.030	260.813
	a) current	1.776	1.375
	b) deferred	188.254	259.438
120.	NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	108.593	-
130.	OTHER ASSETS	2.631.879	2.387.037
<b>TOTAL ASSETS</b>		<b>56.628.582</b>	<b>57.721.765</b>

LIABILITY AND EQUITY		31/12/2024	31/12/2023
10.	FINANCIAL LIABILITIES AT AMORTISED COST	50.729.041	52.310.486
	a) due to banks	6.228.550	9.917.675
	b) due to customers	39.346.409	37.916.301
	c) securities issued	5.154.082	4.476.510
20.	FINANCIAL LIABILITIES HELD FOR TRADING	16.561	69.577
40.	HEDGING DERIVATIVES	2.426	1.924
60.	TAX LIABILITIES	72.423	71.354
	a) current	41.501	41.999
	b) deferred	30.922	29.355
70.	LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	3	-
80.	OTHER LIABILITIES	1.228.645	1.062.057
90.	PROVISION FOR POST-EMPLOYMENT BENEFITS	32.577	33.459
100.	PROVISIONS FOR RISKS AND CHARGES:	390.567	363.620
	a) loans commitments and	88.827	96.237
	b) pensions and similar	189.432	178.950
	c) other provisions	112.308	88.433
120.	VALUATION RESERVES	6.559	(16.222)
150.	RESERVES	2.160.953	1.950.646
160.	SHARE PREMIUM	78.934	78.949
170.	SHARE CAPITAL	1.360.157	1.360.157
180.	TREASURY SHARES (-)	(25.220)	(25.418)
190.	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	14	14
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)	574.942	461.162
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>56.628.582</b>	<b>57.721.765</b>

# FINANCIAL STATEMENT: INCOME STATEMENT

THOUSANDS OF EUROS

ITEMS	31/12/2024	31/12/2023
10. INTEREST AND SIMILAR INCOME	2.118.032	1.812.025
of which: interest calculated using the effective interest method	2.065.165	1.795.686
20. INTEREST AND SIMILAR EXPENSE	(1.027.928)	(875.070)
30. NET INTEREST INCOME	1.090.104	936.955
40. FEE AND COMMISSION INCOME	455.493	423.567
50. FEE AND COMMISSION EXPENSE	(20.991)	(21.007)
60. NET FEE AND COMMISSION INCOME	434.502	402.560
70. DIVIDENDS AND SIMILAR INCOME	6.501	7.652
80. NET TRADING INCOME	124.507	112.981
90. NET HEDGING INCOME	2	(76)
100. NET GAINS FROM SALES OR REPURCHASES OF:	14.567	6.565
a) financial assets at amortized cost	10.680	7.644
b) financial assets at fair value through other comprehensive income	3.210	(1.166)
c) financial liabilities	677	87
110. NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	(7.752)	5.208
b) other financial assets mandatorily measured at fair value	(7.752)	5.208
120. TOTAL INCOME	1.662.431	1.471.845
130. NET IMPAIRMENT LOSSES FOR CREDIT RISK RELATING TO:	(195.464)	(202.267)
a) financial assets at amortized cost	(195.610)	(202.614)
b) financial assets at fair value through other comprehensive income	146	347
140. NET GAINS FORM CONTRACTUAL CHANGES WITHOUT DERECOGNITION	(3.997)	6.550
150. NET FINANCIAL INCOME	1.462.970	1.276.128
180. NET FINANCIAL INCOME AND INSURANCE INCOME	1.462.970	1.276.128
190. ADMINISTRATIVE EXPENSES:	(660.415)	(622.158)
a) personnel expenses	(321.497)	(300.268)
b) other administrative expenses	(338.918)	(321.890)
200. NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES	(22.751)	(59.470)
a) commitments for guarantees given	7.273	(32.982)
b) other net provisions	(30.024)	(26.488)
210. DEPRECIATION AND NET IMPAIRMENT LOSSES ON PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	(56.444)	(53.836)
220. AMORTISATION AND NET IMPAIRMENT LOSSES ON INTANGIBLE ASSETS	(19.929)	(18.647)
230. OTHER NET OPERATING INCOME	99.648	101.562
240. OPERATING COSTS	(659.891)	(652.549)
250. SHARE OF PROFITS OF INVESTEEES	44.706	38.524
260. NET FAIR VALUE LOSSES ON PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS MEASURED	(3.100)	(2.288)
270. GOODWILL IMPAIRMENT LOSSES	(4.365)	-
280. NET GAINS ON SALES OF INVESTMENTS	410	469
290. PRE-TAX PROFIT FROM CONTINUING OPERATIONS	840.730	660.284
300. TAXES ON INCOME FOR THE YEAR FOR CONTINUING OPERATIONS	(265.788)	(199.122)
310. POST-TAX PROFIT FROM CONTINUING OPERATIONS	574.942	461.162
330. NET PROFIT (LOSS) FOR THE PERIOD	574.942	461.162
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	574.942	461.162
EARNINGS (LOSS) PER SHARE	1,277	1,024
DILUTED EARNINGS (LOSSES) PER SHARE	1,277	1,024

# FINANCIAL STATEMENT: RECLASSIFIED P&L

(in thousands of euro)	31/12/2024	31/12/2023	Variazioni assolute	Variazioni %
Net interest income	1.090.104	936.955	153.149	16,35
Dividends and similar income	6.501	7.652	-1.151	-15,04
Net fee and commission income	434.502	402.560	31.942	7,93
Net gains on financial assets [a]	131.781	115.313	16.468	14,28
Result of other financial assets at FVTPL [b]	-7.752	5.208	-12.960	n.s.
of which Loans	-9.485	-682	-8.803	n.s.
of which Other	1.733	5.890	-4.157	n.s.
<b>Total income</b>	<b>1.655.136</b>	<b>1.467.688</b>	<b>187.448</b>	<b>12,77</b>
Net impairment losses [c]	-184.893	-224.542	39.649	-17,66
<b>Net financial income</b>	<b>1.470.243</b>	<b>1.243.146</b>	<b>227.097</b>	<b>18,27</b>
Personnel expenses [d]	-314.389	-293.042	-21.347	7,28
Other administrative expenses [e]	-317.621	-283.016	-34.605	12,23
Other net operating income [d]	92.540	94.336	-1.796	-1,90
Net accruals to provisions for risks and charges [f]	-30.024	-26.488	-3.536	13,35
Depreciation and amortisation on tangible and intangible assets	-76.373	-72.483	-3.890	5,37
Operating costs	-645.867	-580.693	-65.174	11,22
<b>Operating result</b>	<b>824.376</b>	<b>662.453</b>	<b>161.923</b>	<b>24,44</b>
Charges for the stabilization of the banking System [e]	-21.297	-38.874	17.577	-45,22
Share of profits of investees and net gains on sales of investments [g]	37.651	36.705	946	2,58
<b>Pre-tax profit from continuing operations</b>	<b>840.730</b>	<b>660.284</b>	<b>180.446</b>	<b>27,33</b>
Income taxes	-265.788	-199.122	-66.666	33,48
<b>Net profit (loss) for the period</b>	<b>574.942</b>	<b>461.162</b>	<b>113.780</b>	<b>24,67</b>
Net (profit) loss of the period attributable to minority interests	0	0	0	n.s.
<b>Net profit (loss) for the period attributable to the owners of Parent bank</b>	<b>574.942</b>	<b>461.162</b>	<b>113.780</b>	<b>24,67</b>

#### Notes:

[a] The result of financial activities is made up of the sum of items 80-90-100 in the income statement net of profits on disposals of 7.295 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 7.295 million euro.

[d] Reclassified personnel expenses and other operating income by netting them off against the proceeds of the retirement employees fund for 7.108 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.

[g] Gains (losses) on participations and other investments is the sum of items 250 - 260 - 270 - 280 in the income statement.

(in million of euro)	Q4 - 2024	Q3 - 2024	Q2 - 2024	Q1 - 2024	Q4 - 2023
Net interest income	276,5	275,5	271,0	267,0	268,5
Dividends and similar income	0,2	3,1	2,2	1,0	3,1
Net fee and commission income	116,7	105,1	105,8	106,9	112,5
Net gains on financial assets [a]	31,7	33,8	30,8	35,5	35,6
Result of other financial assets at FVTPL [b]	0,0	-0,4	-6,2	-1,2	2,4
of which Loans	-0,2	-2,5	-4,8	-2,0	-1,1
of which Other	0,2	2,1	-1,4	0,8	3,5
<b>Total income</b>	<b>425,1</b>	<b>417,1</b>	<b>403,7</b>	<b>409,2</b>	<b>422,1</b>
Net impairment losses [c]	-42,1	-39,4	-60,5	-42,8	-124,4
<b>Net financial income</b>	<b>383,0</b>	<b>377,7</b>	<b>343,2</b>	<b>366,4</b>	<b>297,7</b>
Personnel expenses [d]	-84,7	-78,1	-74,9	-76,7	-77,1
Other administrative expenses [e]	-95,4	-72,9	-75,5	-73,7	-78,9
Other net operating income [d]	27,5	25,0	22,5	17,3	27,4
Net accruals to provisions for risks and charges [f]	-2,0	-5,4	-21,4	-1,1	-7,5
Depreciation and amortisation on tangible and intangible assets	-24,0	-18,0	-17,8	-16,6	-22,8
<b>Operating costs</b>	<b>-178,6</b>	<b>-149,4</b>	<b>-167,1</b>	<b>-150,8</b>	<b>-158,9</b>
<b>Operating result</b>	<b>204,4</b>	<b>228,3</b>	<b>176,1</b>	<b>215,6</b>	<b>138,8</b>
Charges for the stabilization of the banking System [e]	0,0	0,0	-1,3	-20,0	2,0
Share of profits of investees and net gains on sales of investments [g]	6,4	14,5	2,5	14,2	12,5
<b>Pre-tax profit from continuing operations</b>	<b>210,8</b>	<b>242,8</b>	<b>177,3</b>	<b>209,8</b>	<b>153,3</b>
Income taxes	-67,7	-74,5	-59,0	-64,6	-40,7
<b>Net profit (loss) for the period</b>	<b>143,1</b>	<b>168,3</b>	<b>118,3</b>	<b>145,2</b>	<b>112,6</b>
Net (profit) loss of the period attributable to minority interests	0,0	0,0	0,0	0,0	0,0
<b>Net profit (loss) for the period attributable to the owners of Parent bank</b>	<b>143,1</b>	<b>168,3</b>	<b>118,3</b>	<b>145,2</b>	<b>112,6</b>

#### Notes:

[a], [b], [c], [d], [e], [f] and [g] The amounts are shown in accordance with the reclassifications shown in the reclassified consolidated summary of income

# LOANS TO CUSTOMERS

## NON PERFORMING AND PERFORMING EXPOSURES

31-12-2024

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
<b>Non performing exposures</b>	<b>(2,93%)</b>	<b>1.055.377</b>	<b>657.281</b>	<b>(1,14%)</b>	<b>398.096</b>	<b>62,28%</b>
of which Bad loans	(0,84%)	303.557	259.448	(0,13%)	44.109	85,47%
of which Unlikely to pay	(1,8%)	646.868	378.259	(0,77%)	268.609	58,48%
of which Past due	(0,29%)	104.952	19.574	(0,24%)	85.378	18,65%
<b>Performing exposures</b>	<b>(97,07%)</b>	<b>34.926.842</b>	<b>297.515</b>	<b>(98,86%)</b>	<b>34.629.327</b>	<b>0,85%</b>
<b>Total loans to customers</b>	<b>(100%)</b>	<b>35.982.219</b>	<b>954.796</b>	<b>(100%)</b>	<b>35.027.423</b>	<b>2,65%</b>

31-12-2023

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
<b>Non performing exposures</b>	<b>(3,71%)</b>	<b>1.316.481</b>	<b>754.173</b>	<b>(1,63%)</b>	<b>562.308</b>	<b>57,29%</b>
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%
<b>Performing exposures</b>	<b>(96,29%)</b>	<b>34.167.755</b>	<b>249.871</b>	<b>(98,37%)</b>	<b>33.917.884</b>	<b>0,73%</b>
<b>Total loans to customers</b>	<b>(100%)</b>	<b>35.484.236</b>	<b>1.004.044</b>	<b>(100%)</b>	<b>34.480.192</b>	<b>2,83%</b>

## FINANCIAL RATINGS

## SUSTAINABILITY RATING

**S&P Global**  
Ratings

RATING RELEASED  
ON  
**26 FEBRUARY 2024**

LONG-TERM: **BBB-**

SHORT-TERM: A-3

OUTLOOK: **STABLE**

**Fitch**Ratings

RATING UPDATED  
ON  
**24 APRIL 2024**

LONG-TERM: **BBB-**

SHORT-TERM: F3

OUTLOOK: **STABLE**

**DBRS**

RATING UPDATED  
ON  
**23 OCTOBER 2024**

LONG-TERM: **BBB**

SHORT-TERM: R-2  
(HIGH)

OUTLOOK: **STABLE**

**SCOPE** Scope  
Ratings

RATING UPDATED  
ON  
**17 APRIL 2024**

LONG-TERM: **BBB**

OUTLOOK: **STABLE**

**standard**  
ethics

RATING UPDATED  
ON  
**4 APRIL 2024**

CORPORATE: **EE+**

OUTLOOK: **STABLE**



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