



**Banca Popolare
di Sondrio**

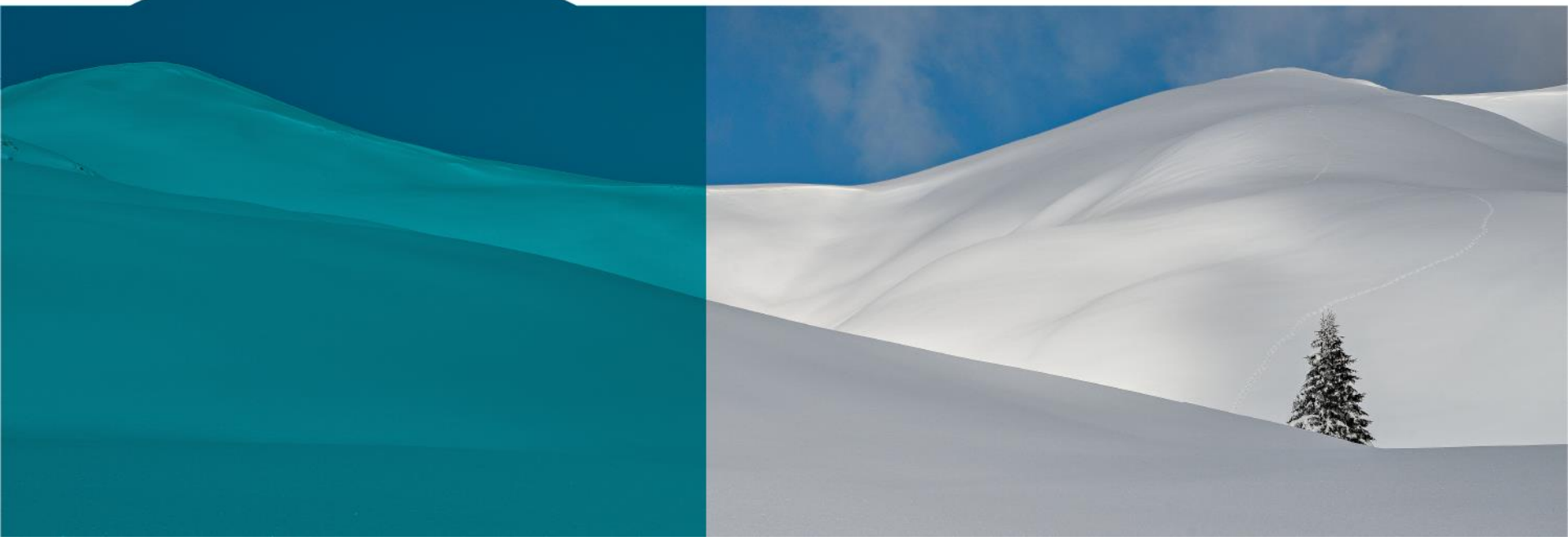
FONDATA NEL 1871

IL GRUPPO BANCARIO AL CENTRO DELLE ALPI

FY 2022

Consolidated Preliminary Results Presentation

February 7th, 2023





- ① **BUSINESS AND FINANCIAL HIGHLIGHTS**
- ② **FY 2022 FINANCIAL RESULTS**
- ③ **FINAL REMARKS**
- ④ **ANNEXES**



① BUSINESS AND FINANCIAL HIGHLIGHTS



REMARKABLE GROWTH OF CORE BANKING ACTIVITIES

- ✓ **NII UP 28.8% Y/Y AND 29.9% Q/Q**
- ✓ **NET FEES & COMMISSIONS UP 6.4% Y/Y AND 13.5% Q/Q**



SUPPORT TO THE REAL ECONOMY

- ✓ **5.6 €BN OF NEW LENDING TO HOUSEHOLDS AND BUSINESSES**
- ✓ **NET LOANS TO CUSTOMERS UP 6.3% Y/Y**



SOUND ASSET QUALITY

- ✓ **FURTHER DERISKING: GROSS AND NET NPE RATIO AT 4.3% AND 1.8% RESPECTIVELY**
- ✓ **NPE COVERAGE AT 58.3%**
- ✓ **COST OF RISK UNDER CONTROL AT 0.51%**



KEY BUSINESS DEVELOPMENT IN Q4

- ✓ **RENEWAL OF BANCASSURANCE PARTNERSHIP WITH ARCA VITA AND UNIPOL**
- ✓ **NEW BAD LOANS DISPOSAL (GBV 243 €M)**
- ✓ **LAUNCH OF «NEXT – ESG CREDIT PRODUCTS» FOR HOUSEHOLDS, PROFESSIONALS AND BUSINESSES**

FY 2022 RESULTS EXECUTIVE SUMMARY



NET RESULT

251.3 €M

(-6.4% YoY)

ROE

8%

(from 8.9% in FY 2021)

COST-INCOME

49.1%

(from 49.9% in FY 2021)

LOANS GROWTH

+6.3%

(YTD)

NET NPL RATIO

1.8%

(from 2.7% in FY 2021)

CET1 RATIO

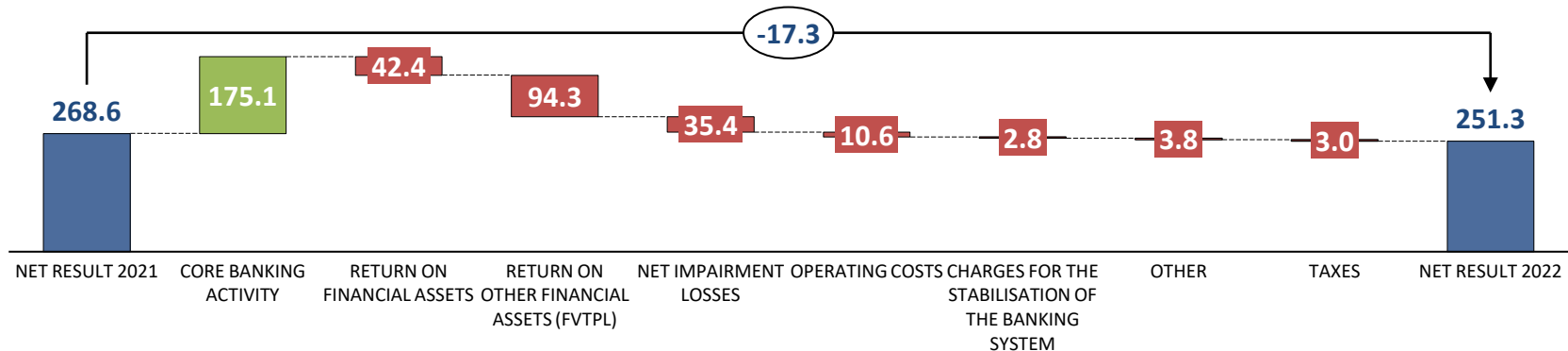
15.4%

*(significantly higher of 2023
SREP requirement equal to
8.5%)*

ROBUST PROFITABILITY DRIVEN BY THE CORE BANKING ACTIVITY...



INCOME STATEMENT [1] € M	2021	2022	YoY	
	ACTUAL	ACTUAL	Δ € M	Δ%
CORE BANKING ACTIVITY	886.6	1,061.7	175.1	19.7%
ow Net interest income	528.9	681.1	152.1	28.8%
ow Net fee and commission income	357.7	380.6	22.9	6.4%
RETURN ON FINANCIAL ASSETS	118.4	76.0	-42.4	-35.8%
RETURN ON OTHER FINANCIAL ASSETS (FVTPL)	26.7	-67.6	-94.3	-
TOTAL INCOME	1,031.7	1,070.1	38.4	3.7%
NET IMPAIRMENT LOSSES	-134.4	-169.8	-35.4	26.3%
OPERATING COSTS	-515.1	-525.7	-10.6	2.1%
CHARGES FOR THE STABILISATION OF THE BANKING SYSTEM	-43.1	-45.9	-2.8	6.5%
GROSS RESULT	374.5	353.9	-20.7	-5.5%
NET RESULT	268.6	251.3	-17.3	-6.4%



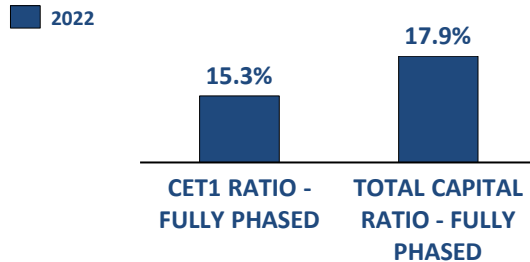
- ✓ **TOTAL INCOME NET OF RETURN ON OTHER FINANCIAL ASSETS (FVTPL) UP (+13.2%)**
- ✓ **BPS STRONG COMMERCIAL POSITIONING CONFIRMED WITH NII UP 28.8% AND NF&C UP 6.4% Y/Y**

...CONSOLIDATING THE BANK'S STRENGTHS...

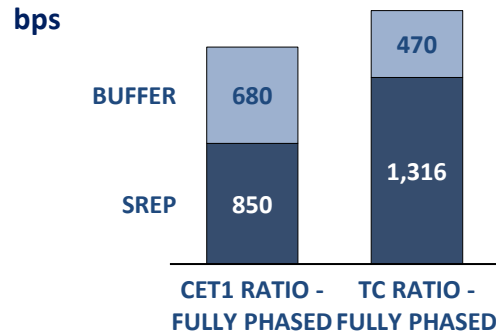


BEST-IN-CLASS CAPITAL

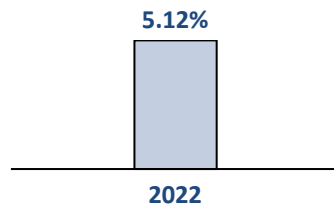
CET1 RATIO & TOTAL CAPITAL RATIO (%)



BUFFER OVER 2023 SREP REQUIREMENTS

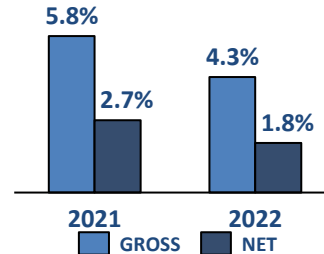


LEVERAGE RATIO (FULLY-PHASED)

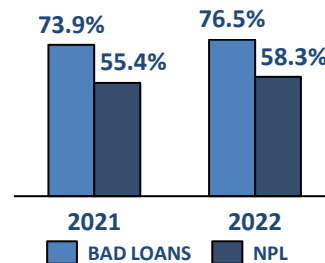


IMPROVING ASSET QUALITY

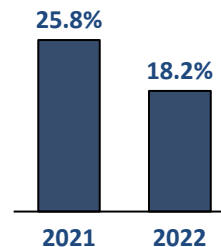
NPL RATIOS



COVERAGE RATIOS



TEXAS RATIO⁽¹⁾



AMPLE LIQUIDITY

LCR

161%

NSFR

>100%

LOANS / DEPOSITS

86.6%

(1) Net NPLs/(net equity-intangible assets).



THE 2022-2025 BUSINESS PLAN DEFINES SPECIFIC SUSTAINABLE ACTIONS AND INTRODUCES ESG GOALS INTO ALL MAJOR BPS PROCESSES AND PROCEDURES

ENVIRONMENT

2.124 LOANS IN THE **GREEN BOND** PORTFOLIO, WITH **34.000** TONS CO2 EQ AVOIDED

>90% CORPORATE LOANS PORTFOLIO WITH A FULL ANALYSIS OF **GHG EMISSIONS** AND **PHYSICAL RISKS**

98% **RENEWABLE ENERGY** FOR BPS BUILDINGS

SOCIAL

208 NEW RECRUITS, OF WHOM **80%** <29 YEARS OLD

99% EMPLOYEES WITH **PERMANENT CONTRACT**

135 ACCESS POINTS IN **LOW-POPULATED AREAS**

+4.800 **STAKEHOLDERS ENGAGED** ON ESG MATTERS

100% EMPLOYEES WITH **ESG TRAINING**



GOVERNANCE

+800 € M IN THE ESG SEGMENT OF **PROPRIETARY PORTFOLIO**

+60% **BUDGET** FOR ESG INTEGRATION AND ESG RISK MANAGEMENT

NEW ESG CREDIT POLICY

NEW RISK METRICS FOR **ESG SCORING** OF **CLIENTS**

MULTI-LAYERED ESG GOVERNANCE

SINCE 2004 SUPPORTER OF THE
UN GLOBAL COMPACT



SINCE 2018 FOUNDING MEMBER OF
THE UN GLOBAL COMPACT
NETWORK ITALIA



SINCE 2022 MEMBER OF ITALIAN
SUSTAINABLE INVESTMENT
FORUM



② FY 2022 FINANCIAL RESULTS

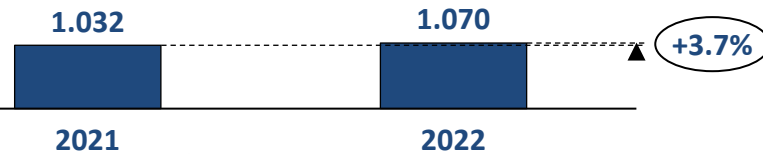
- P&L ANALYSIS
- FUNDING STRUCTURE
- CUSTOMER LOANS AND ASSET QUALITY
- FINANCIAL PORTFOLIO
- INDIRECT FUNDING
- CAPITAL EVOLUTION AND POSITION

STEADY IMPROVEMENT IN OPERATING PERFORMANCE



TOTAL INCOME (€M)

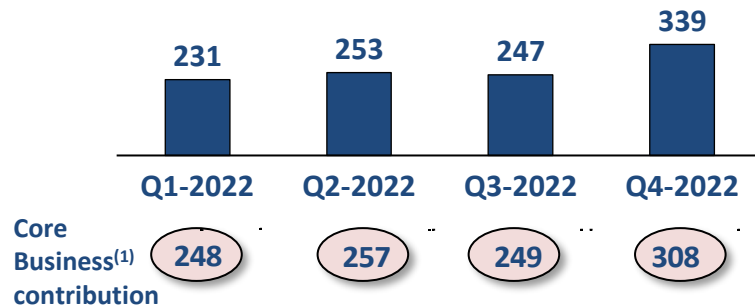
Yearly Evolution



Core
Business⁽¹⁾
contribution

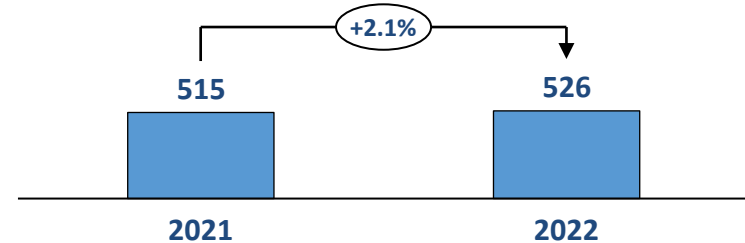


Quarterly Evolution

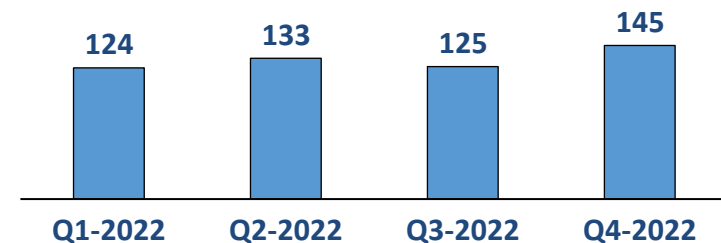


OPERATING COSTS (€M)

Yearly Evolution

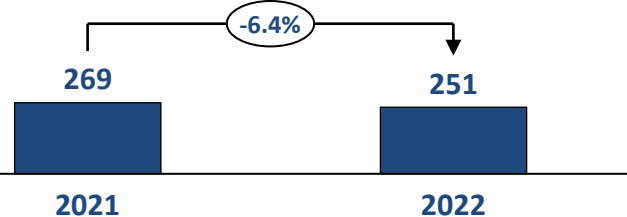


Quarterly Evolution

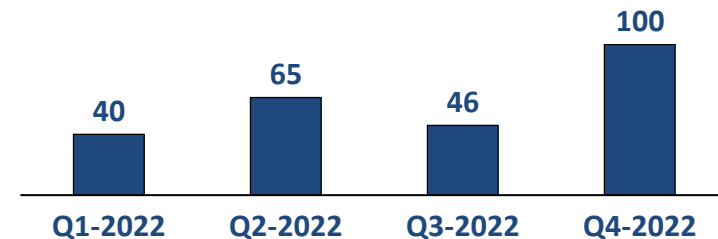


NET RESULT (€M)

Yearly Evolution



Quarterly Evolution



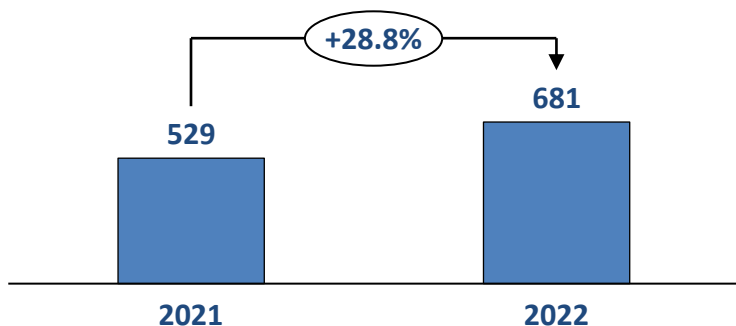
(1) Core business = NII+ NF&C

VERY POSITIVE NII EVOLUTION Y/Y, WITH A PROMISING 2023 AHEAD



NET INTEREST INCOME (€M)

Yearly Evolution

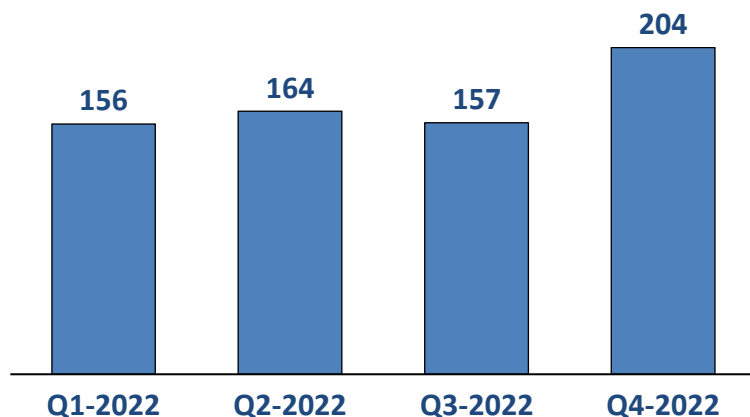


NII / Tot Assets

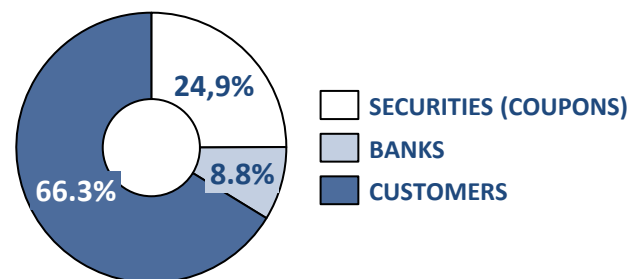
0.96%

1.18%

Quarterly Evolution



NET INTEREST INCOME BREAKDOWN⁽¹⁾



(1) BPS individual management data as at 31/12/2022.

2022 MAIN DRIVERS

- ✓ INCREASING CUSTOMER MARGIN Y/Y THANKS TO HIGHER AVERAGE LOANS VOLUMES AND MARGINAL INCREASE OF COMMERCIAL SPREAD. BENEFIT FROM THE ACQUISITION OF TAX CREDIT (40€ M)
- ✓ HIGHER CONTRIBUTION FROM THE GROUP'S PROPRIETARY PORTFOLIO MAINLY THANKS TO THE EXPOSURE TO FLOATING RATES NOTES (CCTs) AND INFLATION-LINKED SECURITIES (62.3€ M FY)
- ✓ OVERALL POSITIVE NET CONTRIBUTION OF TLTRO III EQUAL TO 35 €M

2023 GUIDANCE

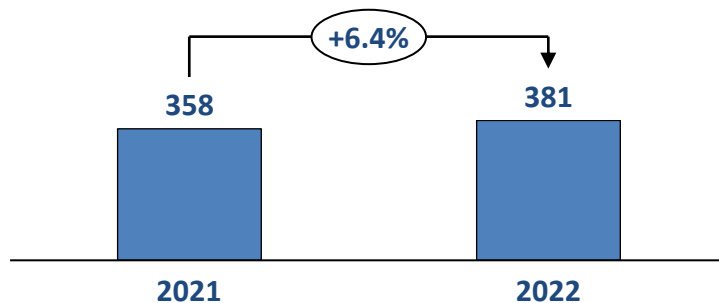
- ✓ ENVISAGED DOUBLE-DIGIT GROWTH OF NII IN 2023
- ✓ 2023 NII EXPECTED INCREASE +5% EVERY +50 BP MONETARY POLICY'S RATE

SOLID GROWTH OF NET FEES AND COMMISSIONS

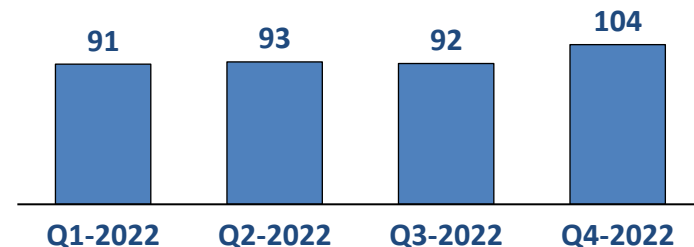


NET FEES (€M)

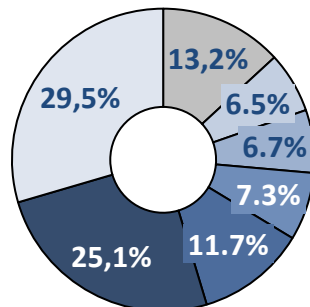
Yearly Evolution



Quarterly Evolution



2022 BREAKDOWN



- FEES FROM ASSET UNDER MANAGEMENT
- FEES FROM ASSET UNDER CUSTODY
- FEES FROM INSURANCE PRODUCTS
- FEES FROM GUARANTEES
- FEES FROM MAINTENANCE AND MANAGEMENT OF CURRENT ACCOUNTS
- FEES FROM COLLECTION AND PAYMENT SERVICES
- OTHER COMMISSIONS (MAINLY CUSTOMER LOANS)

- ✓ VERY STRONG PERFORMANCE OF COMMISSIONS RELATING TO CUSTOMER LOANS, COLLECTION AND PAYMENT SERVICES AND MAINTENANCE AND MANAGEMENT OF CURRENT ACCOUNT
- ✓ THE CONTRIBUTION FROM THE PLACEMENT OF WEALTH MANAGEMENT AND BANCASSURANCE PRODUCTS GREW Y/Y IN SPITE OF THE NEGATIVE MARKET DYNAMICS

POSITIVE FINANCIAL ASSETS CONTRIBUTION



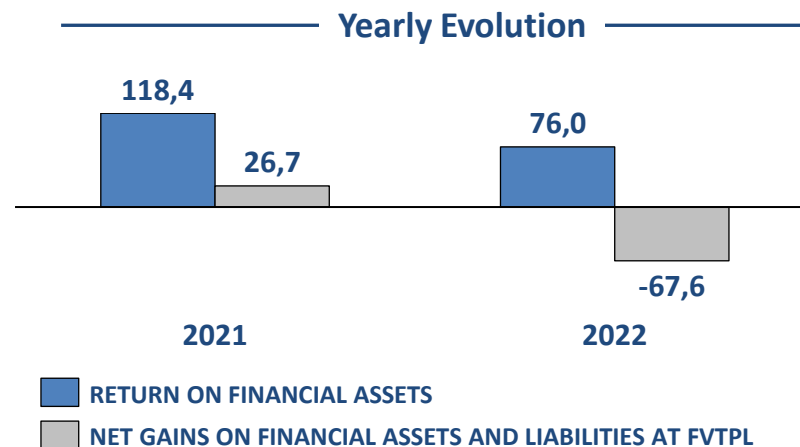
BREAKDOWN OF RETURN ON FINANCIAL ASSETS (€M)

	2021	2022	YoY		Q3-2022	Q4-2022	Var.	
			Δ € M	Δ%			Δ € M	Δ%
DIVIDENDS AND SIMILAR INCOME	5.2	6.5	1.3	24.1%	0.4	0.4	0.0	-11.6%
NET TRADING INCOME	63.7	28.4	-35.2	-55.4%	1.8	23.9	22.1	-
NET HEDGING INCOME	0.2	-0.2	-0.4	-	0.1	-0.2	-0.3	-
NET GAINS FROM SALES OR REPURCHASES	49.3	41.3	-8.0	-16.2%	2.1	0.5	-1.6	-77.6%
RETURN ON FINANCIAL ASSETS	118.4	76.0	-42.4	-35.8%	4.4	24.5	20.1	452.6%
NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL	26.7	-67.6	-94.3	-	-6.6	6.6	13.1	-
O/W LOANS	4.2	-10.5	-14.7	-	2.1	4.7	2.6	126.8%
O/W OTHER (MAINLY FUNDS AND SICAV)	22.5	-57.1	-79.7	-	-8.6	1.9	10.5	-

✓ OVERALL POSITIVE RETURN OF FINANCIAL ASSETS (76 €M)

✓ FVTPL MARK TO MARKET LOSSES FOR AROUND 68 €M MAINLY RELATED TO:

- FIXED INCOME FUNDS AND SICAV (AROUND 57 €M RELATED TO A STOCK OF 700 €M)
- LOANS (AROUND 11 €M RELATED TO A STOCK OF 362 €M)

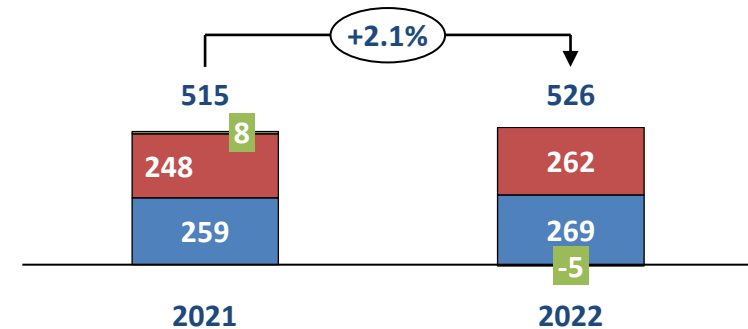


COST DISCIPLINE IN SPITE OF SIGNIFICANT SRF/DGS CHARGES AND INFLATIONARY PRESSURES



OPERATING COSTS¹ (€M)

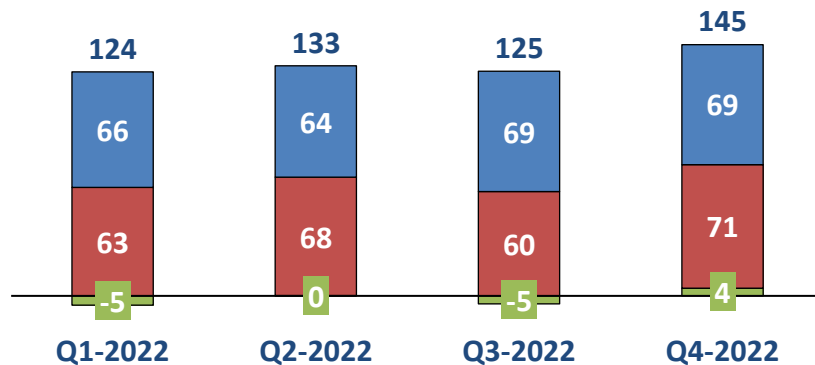
Yearly Evolution



SRF/DGS CHARGES

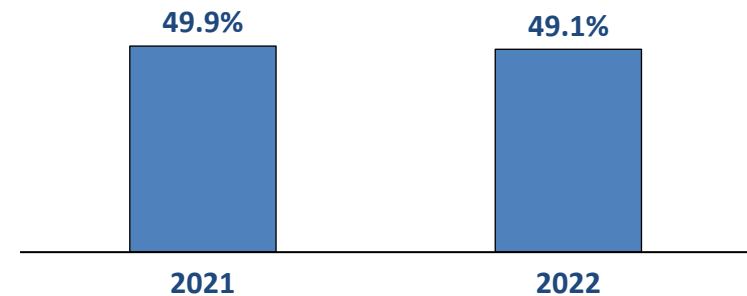


Quarterly Evolution

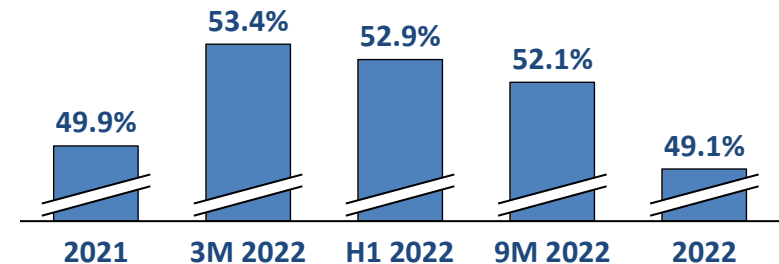


COST / INCOME RATIO (%)

Yearly Evolution



C/I Evolution



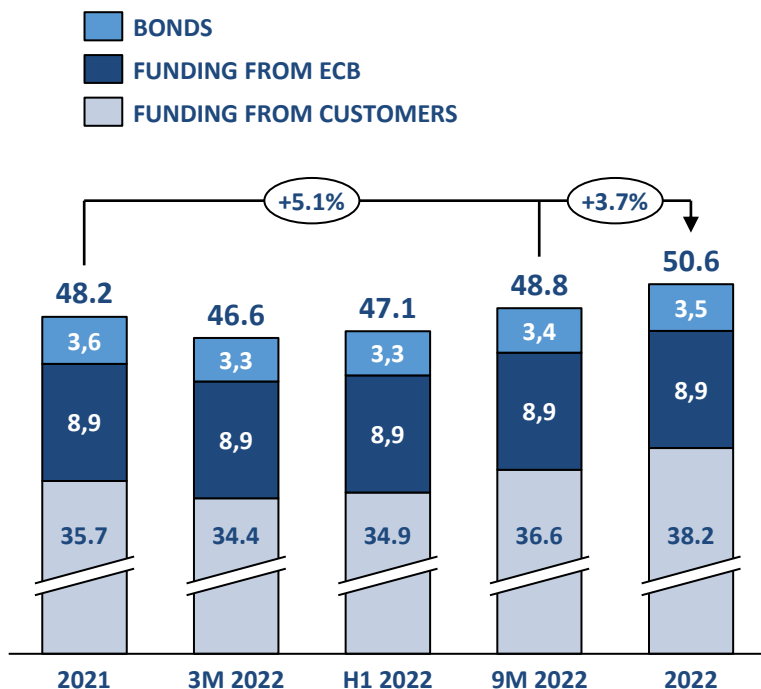
PERSONNEL EXPENSES OTHER ADMINISTRATIVE EXPENSES OTHER

(1) Operating costs are considered net of System charges.

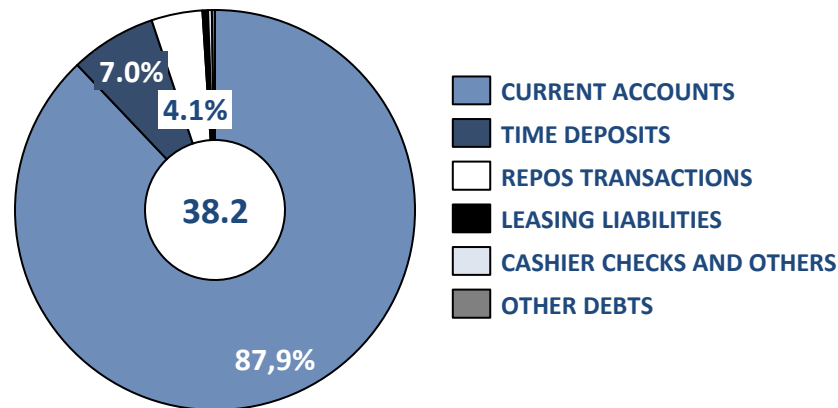
FUNDING STRUCTURE



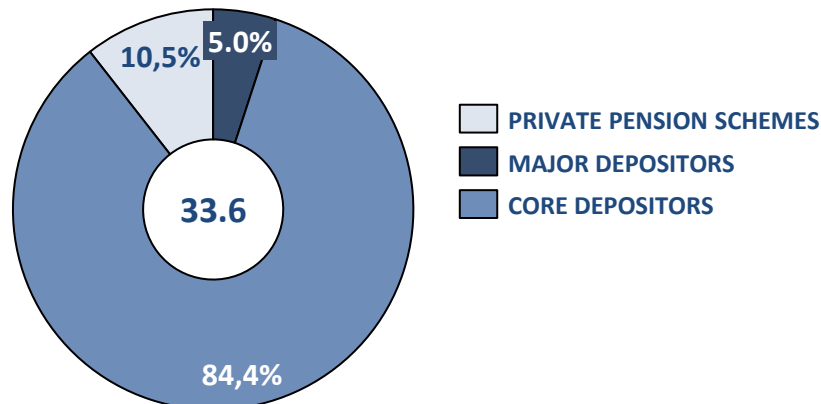
TOTAL FUNDING (€BN)



FUNDING FROM CUSTOMERS / BREAKDOWN BY TECHNICAL FORM (€ BN)



CURRENT ACCOUNTS / BREAKDOWN BY TYPE OF CUSTOMER (€ BN)



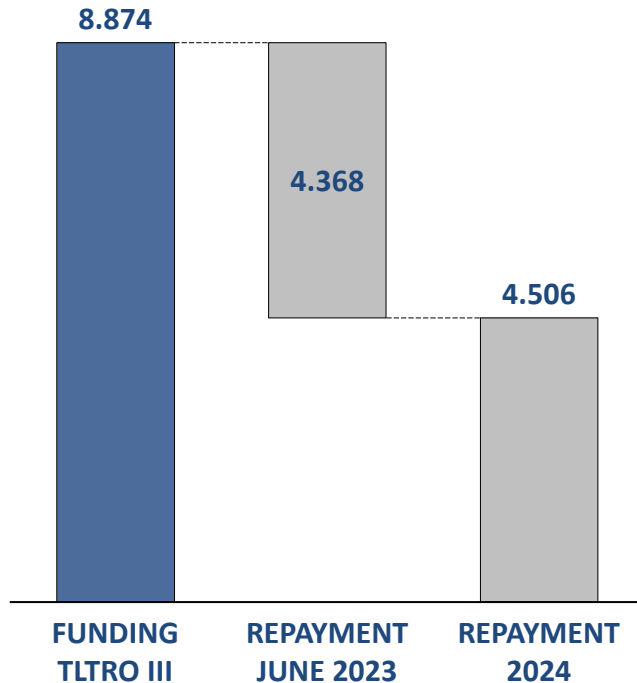
✓ DIRECT FUNDING UP Y/Y, WITH NO SUBSTANTIAL REPRICING OF SIGHT DEPOSITS AND INCREASING RECOURSE TO TIME DEPOSITS

✓ OVERALL FUNDING PLAN'S TARGETS ACHIEVED WITH OVER 730 €M OF BONDS PLACED TO RETAIL CUSTOMERS

FOCUS ON ECB FUNDING



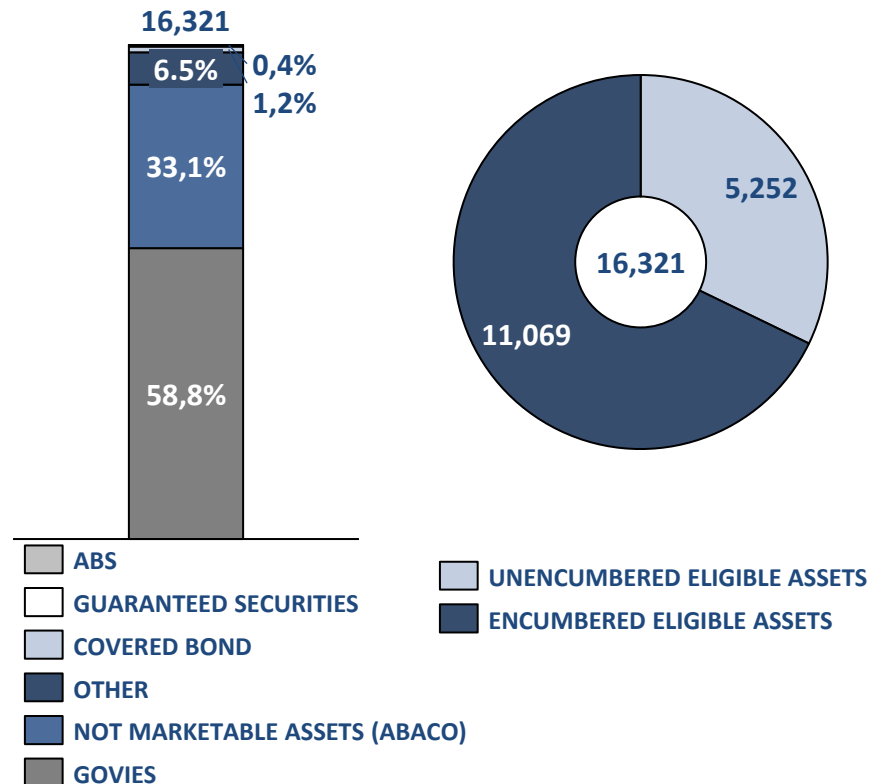
FUNDING TLTRO III



✓ POSITIVE CONTRIBUTION OF TLTRO III FUNDING YTD (≈35 €M) THANKS TO THE NEGATIVE AVERAGE RATE APPLIED (-0.39%)

ELIGIBLE ASSETS (€M)

BPS individual management data

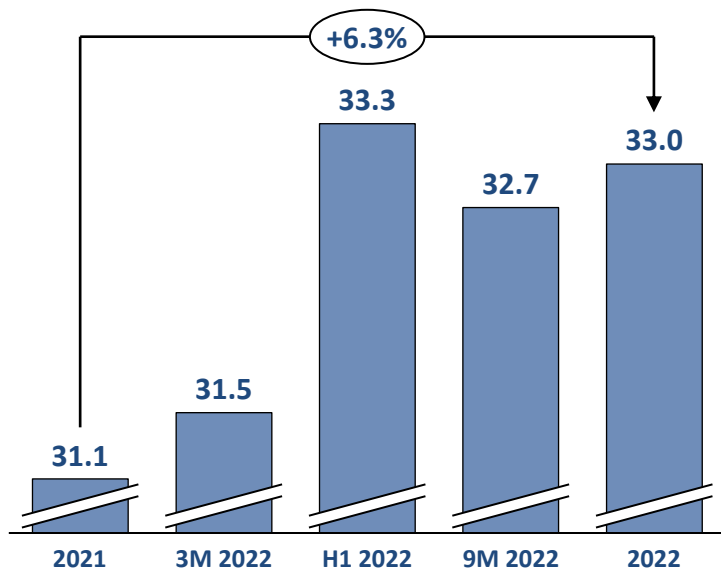


✓ OVER 5 €BN OF UNENCUMBERED ELIGIBLE ASSETS

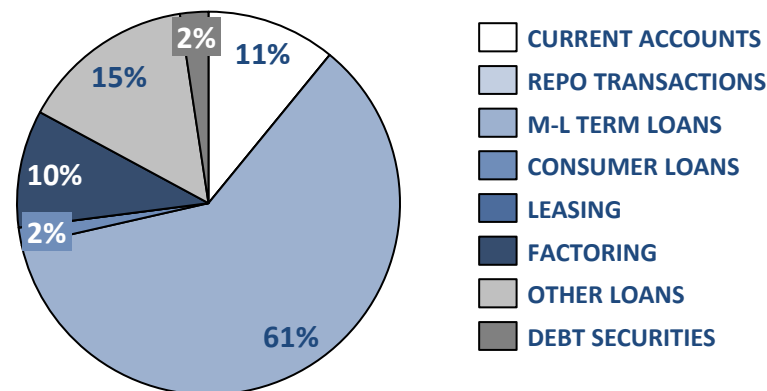
SIGNIFICANT GROWTH OF LENDING ACTIVITY



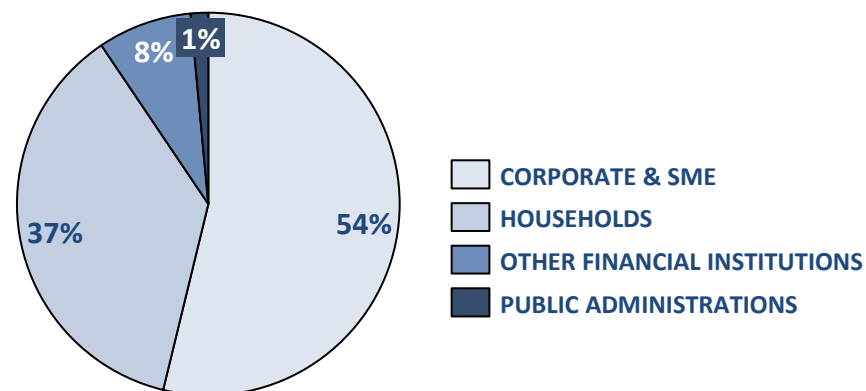
NET CUSTOMER LOANS (€BN)



NET LOANS BY TYPE AS AT 31/12/2022



NET LOANS BY TYPE OF CUSTOMER AS AT 31/12/2022



- ✓ REMARKABLE GROWTH OF MEDIUM-LONG TERM LOANS, IN PARTICULAR MORTGAGES
- ✓ STRONG FACTORING ACTIVITY
- ✓ AROUND 30% OF LOANS ARE RELATED TO BPS SUISSE, FACTORIT AND BNT

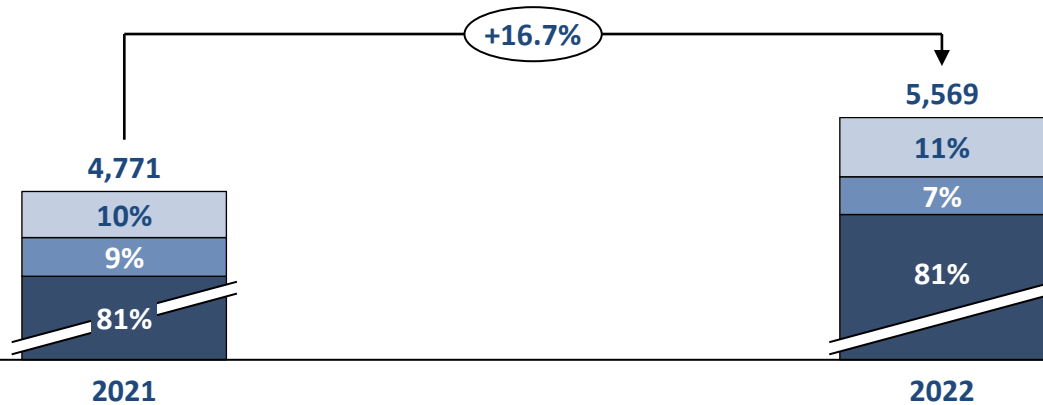
FOCUS ON NEW LENDING



NEW DISBURSEMENTS (€M)

Yearly Evolution

FACTORIT SUISSE BPS



FOCUS ON INSTALLMENT LOANS

BPS individual management data

INSTALLMENT LOANS NEW DISBURSEMENTS (€ M)	2021	2022
TOTAL	3,483	3,646
of which MORTGAGE LOANS	1,192	1,509
of which OTHER UNSECURED LOANS	2,185	2,015
of which PERSONAL LOANS	106	121

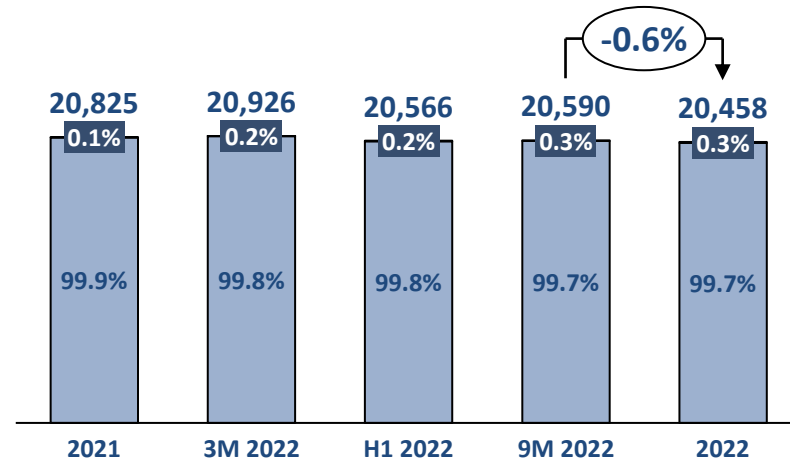
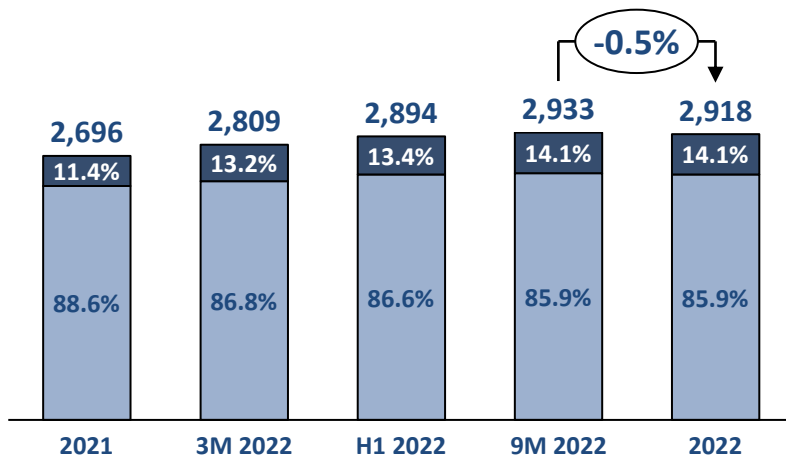
NEW LENDING TO A
LARGE EXTENT WITH
VARIABLE RATE

FOCUS ON STATE-GUARANTEED LOANS



DISBURSEMENTS (€M)

NR. OF FINALIZED PROPOSALS



% OF TOTAL LOANS BOOK

10.8 11.1 10.6 11.0 10.9

M.C.C. SCHEMES SACE

SOUND ASSET QUALITY...



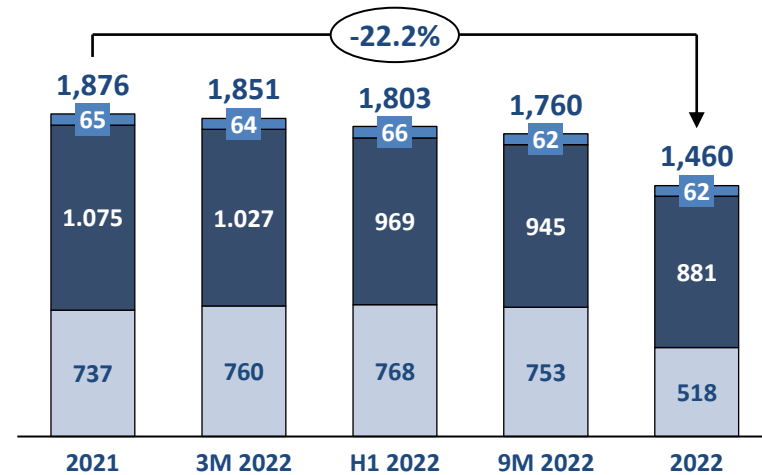
NPL MANAGEMENT

- ✓ FURTHER DERISKING CARRIED OUT THANKS TO DISPOSALS AND INTERNAL WORKOUT
- ✓ VERY HIGH COVERAGE
- ✓ NET NPL RATIO EQUAL TO 1.8% (i.e. 609 € M of net exposure)

NPL COVERAGE (%)

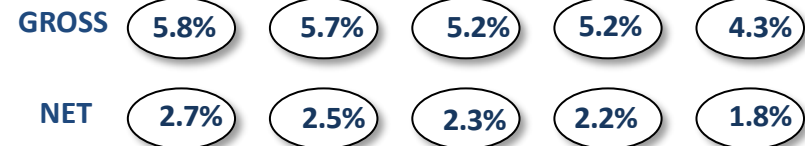
	2021	2022
BAD LOANS	73.9%	76.5%
UTP	45.2%	51.2%
PAST DUE	14.3%	7.8%
TOTAL NPLs	55.4%	58.3%

GROSS NPL STOCK (€M)



PAST DUE UNLIKELY TO PAY BAD LOANS

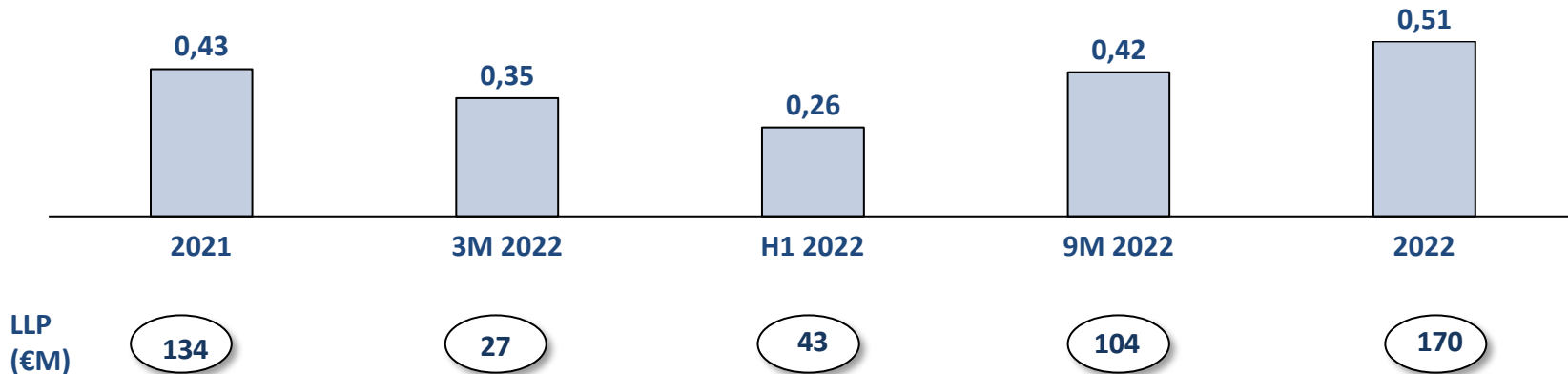
NPL Ratio



...WITH COST OF RISK UNDER CONTROL...



EVOLUTION OF COST OF RISK (%)



CREDIT QUALITY INDICATORS

BPS individual management data

	2021	3M 2022	H1 2022	9M 2022	2022
DEFAULT RATE	1.12%	1.04%	0.93%	0.96%	1.07%
DANGER RATE	9.62%	9.86%	10.46%	8.84%	9.53%
CURE RATE	6.13%	7.44%	7.92%	7.20%	9.64%

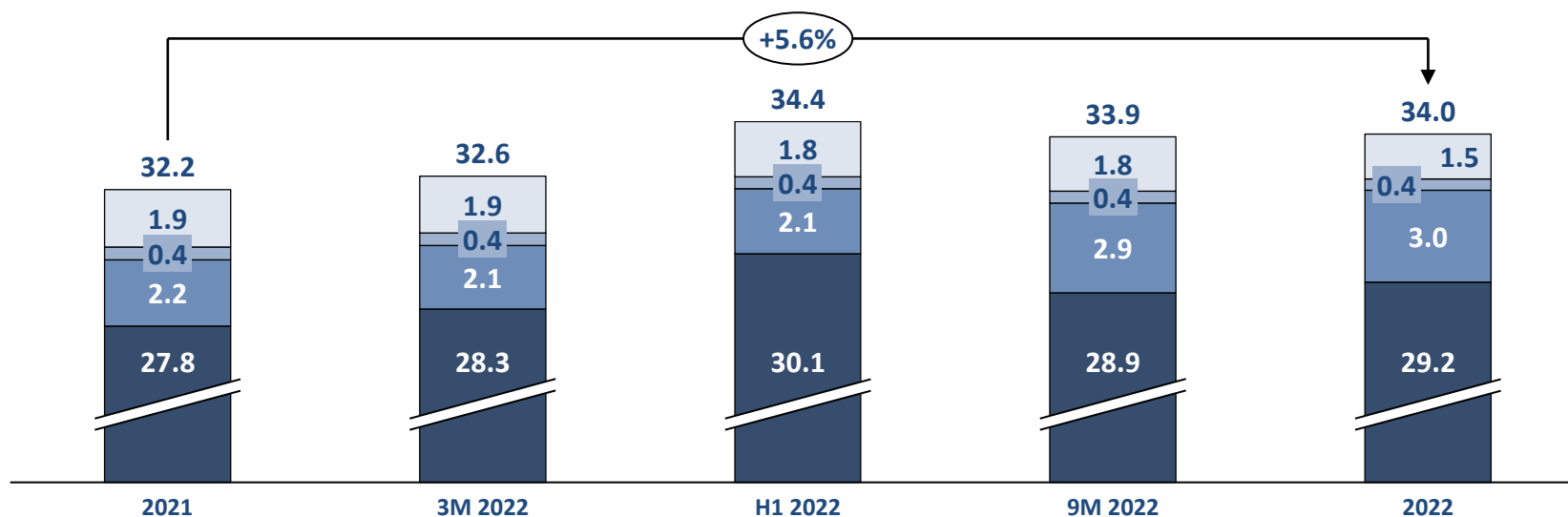
...AND REFLECTING A CONSERVATIVE APPROACH



FOCUS ON STAGING (€BN)

Gross Customer Loans

STAGE 1 STAGE 2 FAIR VALUE STAGE 3



- ✓ INCREASED ALLOCATION IN STAGE 2 FOR PRUDENTIAL REASONS RELATED TO THE RUSSIAN/UKRAIN AND ENERGY PRICES CRISES
- ✓ 60 €M OF MANAGEMENT OVERLAYS: A BUFFER FOR THE POSSIBLE DETERIORATION OF CREDIT QUALITY

FINANCIAL ASSETS PORTFOLIO

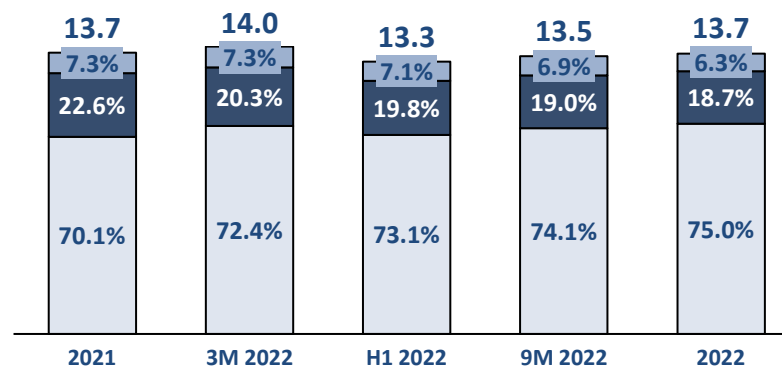
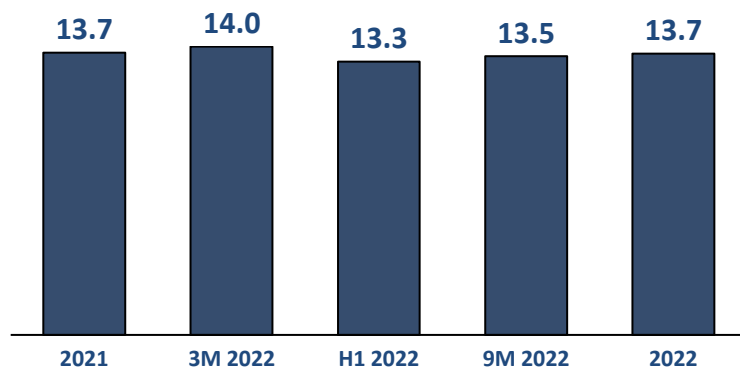


SECURITIES PORTFOLIO (€BN)

BREAKDOWN BY PORTFOLIO (%)

Quarterly Evolution

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



BREAKDOWN BY TYPE OF ASSETS (%)

€ BN	2021	3M 2022	H1 2022	9M 2022	2022	% ON TOTAL
BONDS	12.7	13.0	12.3	12.6	12.8	93.3%
EQUITY	0.2	0.2	0.2	0.2	0.1	1.1%
OTHER (MAINLY FUNDS AND SICAV)	0.9	0.9	0.8	0.8	0.8	5.6%
TOTAL	13.7	14.0	13.3	13.5	13.7	100.0%

✓ PROPRIETARY PORTFOLIO PRUDENTLY ALLOCATED

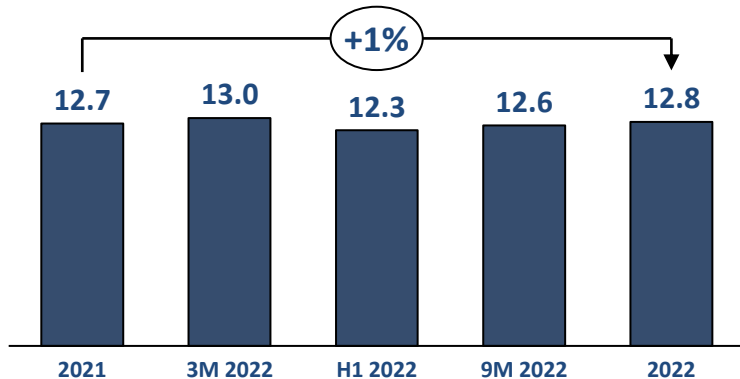
FOCUS ON THE BOND COMPONENT



BONDS (€BN)

KEY FEATURES

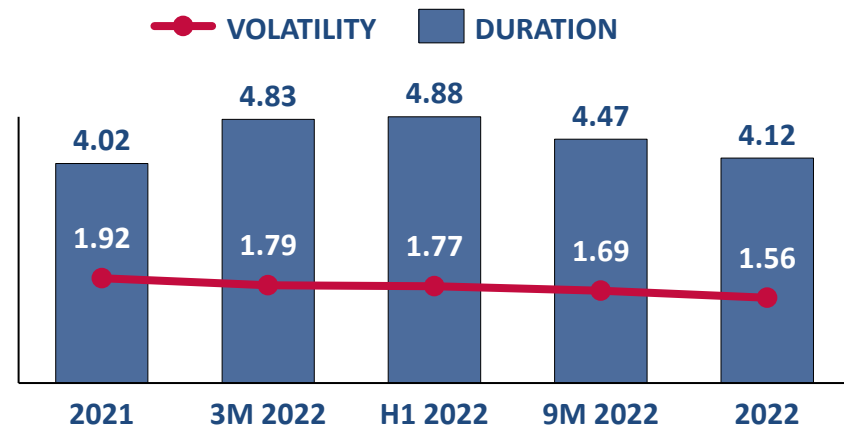
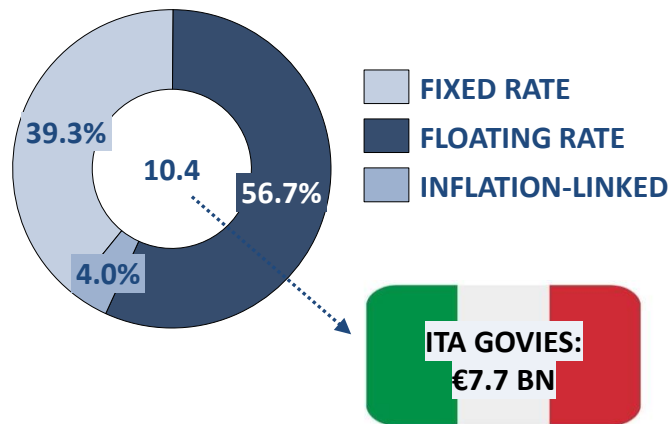
Quarterly Evolution



- ✓ INCIDENCE OF ITALIAN GOVERNMENT BONDS IN AREA 55% OF OVERALL PORTFOLIO
- ✓ SIGNIFICANT FLOATING-RATE COMPONENT (AROUND 5.9 €BN OF CCTs)
- ✓ VERY LOW VOLATILITY (MODIFIED DURATION OF 1.6%)

GOVERNMENT BONDS⁽¹⁾: EVOLUTION BY TYPE OF RATE – FY 2022

GOVERNMENT BONDS⁽¹⁾: EVOLUTION OF DURATION AND VOLATILITY

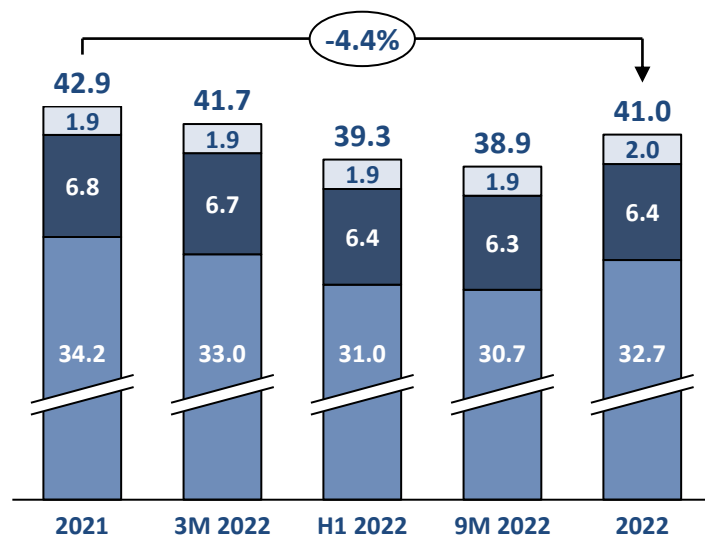


(1) BPS individual management data as at 31/12/2022

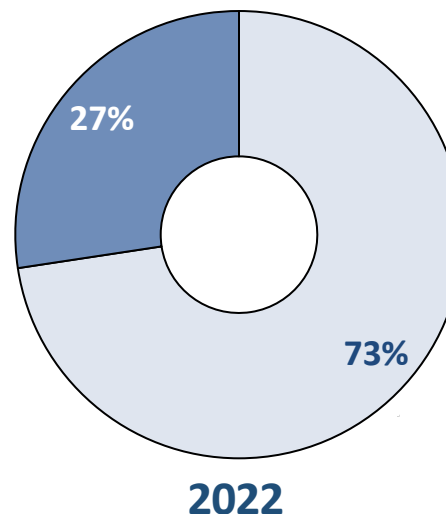
INDIRECT FUNDING: POSITIVE NEW INFLOWS OF ASSET UNDER MANAGEMENT DESPITE NEGATIVE MARKETS DYNAMIC



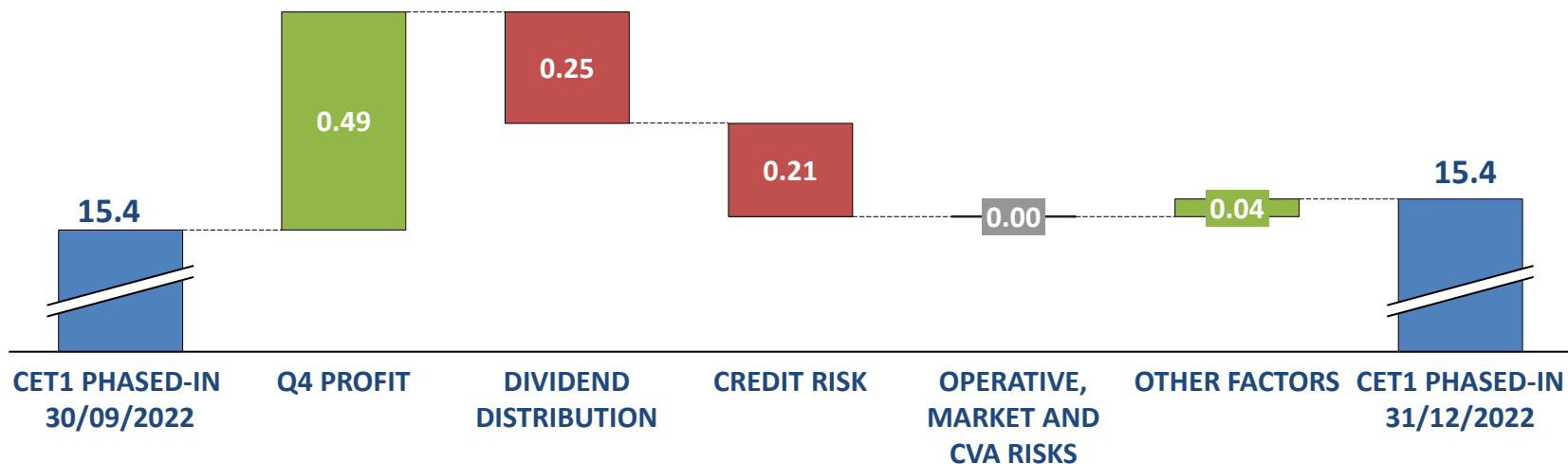
INDIRECT FUNDING (€BN)



AUM BREAKDOWN (€BN)



- ✓ NET NEW INFLOWS FOR ASSET UNDER MANAGEMENT PRODUCTS ARE POSITIVE (OVER 480 €M) IN SPITE OF NEGATIVE MARKETS DYNAMICS (AFFECTING OVERALL AUM)
- ✓ BANCASSURANCE BUSINESS ALSO POSITIVE WITH NEW INFLOWS AROUND 90 €M



MAIN DRIVERS RELATED TO THE BANK'S OPERATING ACTIVITY:



PROFIT FOR THE PERIOD (NET OF 50% DIVIDEND PAYOUT): +24 BPS



INCREASE OF RWAs: -21 BPS

...CONFIRMING THE LARGE BUFFER OVER REGULATORY REQUIREMENTS



CET 1 RATIO [Phased-in]

15.4%

LEVERAGE RATIO [Phased-in]

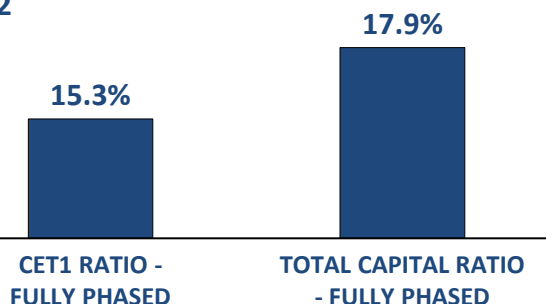
5.1%

TEXAS RATIO

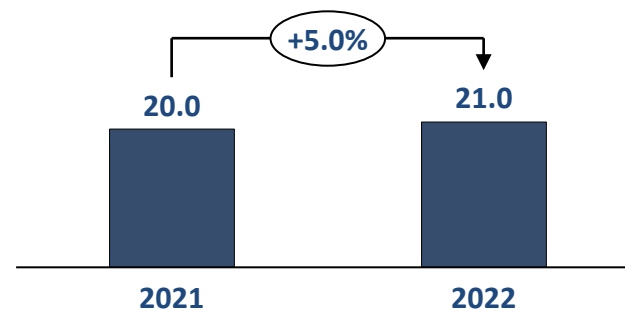
18%

CET 1 RATIO & TOTAL CAPITAL RATIO (%)

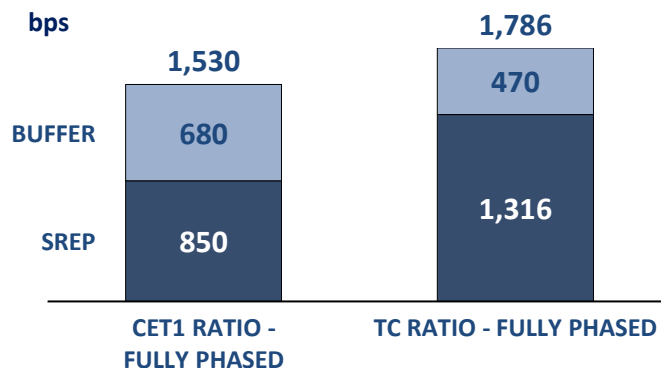
■ 2022



RWA (€BN)



BUFFER OVER 2023 SREP REQUIREMENTS



2023 SREP REQUIREMENTS

TOTAL CAPITAL RATIO 13.16%

CET1 RATIO 8.50%



③ FINAL REMARKS

THE 2022 FY SOLID RESULTS CONFIRM THAT THE BANK IS WELL ON TRACK TO ACHIEVE 2022-2025 BUSINESS PLAN “NEXT STEP” GOALS FOCUSING ON



MANAGEMENT OF THE COMMERCIAL SPREAD IN RESPONSE TO RISING INTEREST RATES, LEVERAGING ON THE GROUP'S DISTINCTIVE PRESENCE IN CORPORATE LENDING (BPS «BANCA CHE FA BANCA»)



GROWTH IN WEALTH MANAGEMENT AND BANCASSURANCE, FURTHER EXPLORING UNDER-PENETRATED AREAS OF VALUE AND CAPITALISING ON THE NEW AGREEMENT WITH UNIPOL AND ARCA VITA



LEVERAGE ON BPS CENTRES OF EXCELLENCE, IN PARTICULAR INTERNATIONAL SERVICES, ASSISTING CUSTOMERS IN THE EVOLVING ECONOMIC ENVIRONMENT (E.G. MARKETS STABILISATION/REBOUND, RECONFIGURATION OF INTERNATIONAL SUPPLY CHAINS, ...)



④ ANNEXES

KEY MILESTONES IN BPS HISTORY



FOUNDATION AS
ONE OF THE FIRST
ITALIAN
COOPERATIVE
BANKS

1871

ESTABLISHED BPS
SUISSE AND THE
BPS BANKING
GROUP

1995

ENTRY AS A
SIGNIFICANT BANK
IN THE ECB'S SSM

2014

TRANSFORMATION
INTO JOINT-STOCK
COMPANY

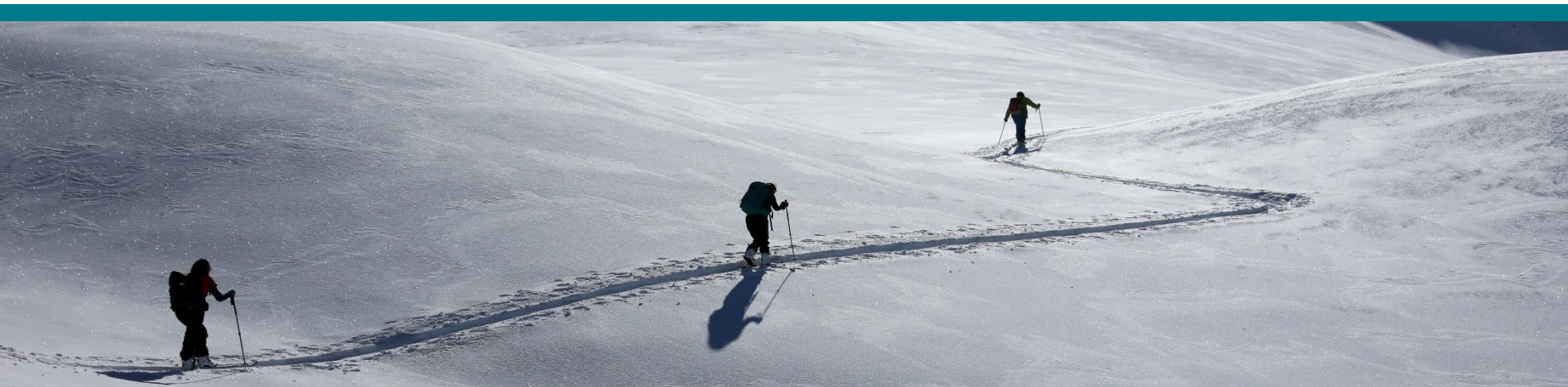
2021

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

2010
ACQUISITION OF
THE CONTROLLING
STAKE OF
FACTORIT

2017
FULL ACQUISITION
OF BNT BANK

2022
FULL ACQUISITION
OF FACTORIT



GEOGRAPHICAL DISTRIBUTION



**Banca Popolare
di Sondrio**

FOUNDED IN 1871

484 POINTS OF SALES:

- 352 BRANCHES
- 132 «TESORERIE» (LIGHT BRANCHES)

WITH A PRESENCE IN:

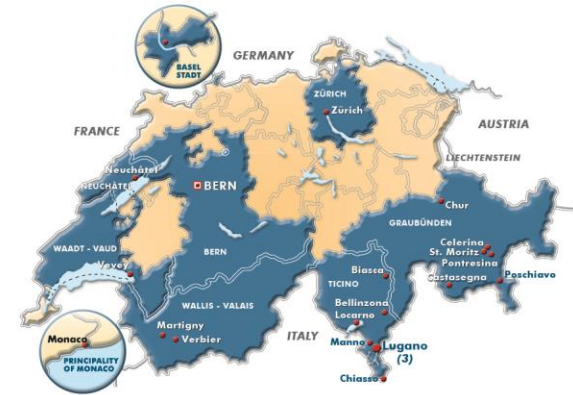
- 35 PROVINCES
- 9 REGIONS

**BANKING GROUP'S
EMPLOYEES: 3,456**



Number of branches
in the region

NOTE: Company's data as of 31/12/2022



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



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

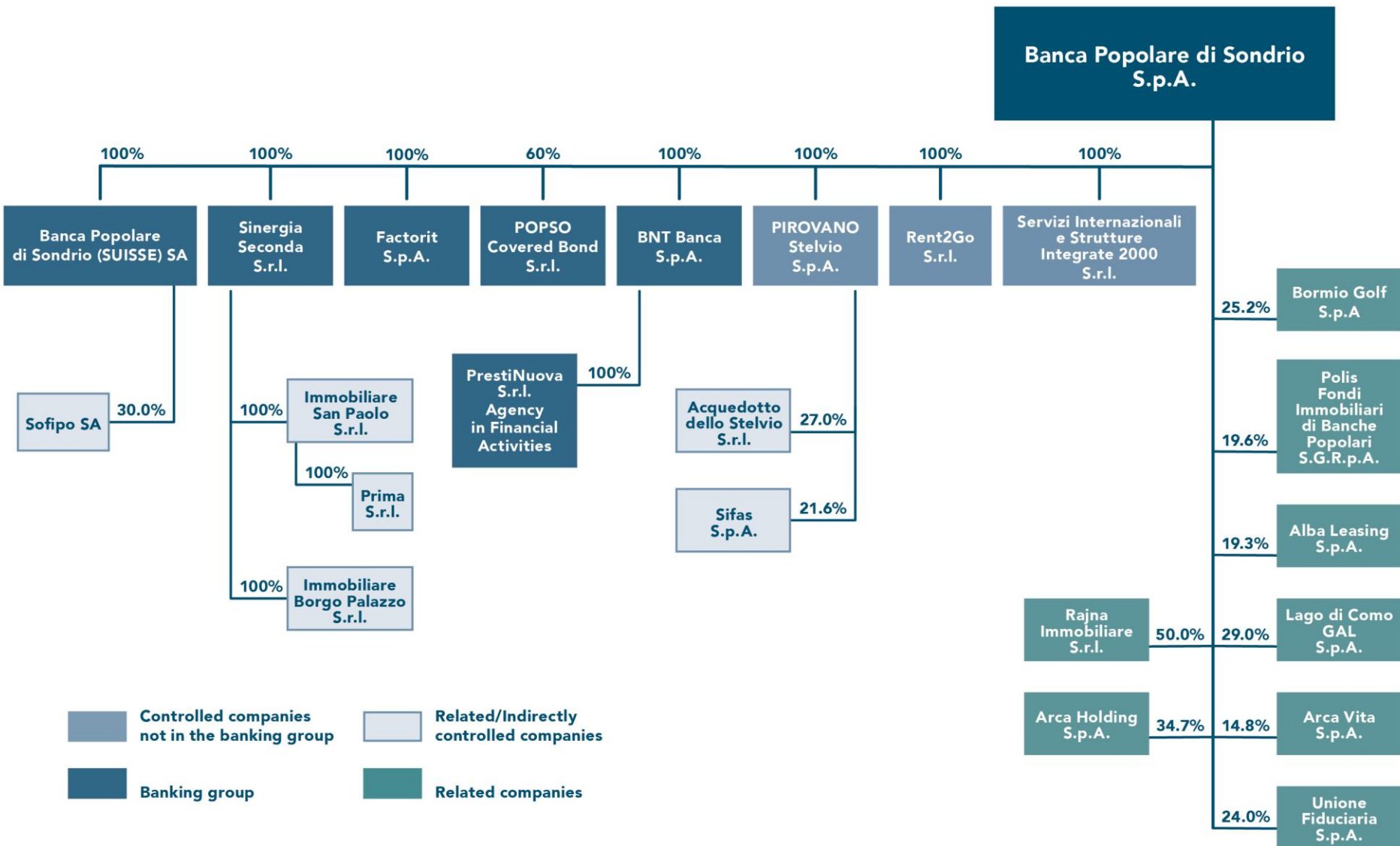
Banca della Nuova Terra

Offices in

- MILANO • PALERMO • CATANIA • CALTANISSETTA
- NAPOLI • PRATO • LAMEZIA TERME (CZ)

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

GROUP STRUCTURE



FINANCIAL STATEMENT: BALANCE SHEET ASSETS



THOUSANDS OF EUROS

ASSETS		31/12/2022	31/12/2021
10.	CASH AND CASH EQUIVALENTS	6,990,689	5,652,733
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	1,254,070	1,432,185
	a) financial assets held for trading	179,665	204,294
	c) financial assets mandatorily at fair value through profit or loss	1,074,405	1,227,891
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2,555,705	3,102,150
40.	FINANCIAL ASSETS AT AMORTISED COST	43,870,637	42,717,673
	a) loans and receivables with banks	1,865,249	3,276,349
	b) loans and receivables with customers	42,005,388	39,441,324
50.	HEDGING DERIVATIVES	248	-
60.	FAIR VALUE CHANGE IN HEDGED FINANCIAL ASSETS (+/-)	(198)	-
70.	EQUITY INVESTMENTS	322,632	339,333
90.	PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	650,908	579,446
100.	INTANGIBLE ASSETS	36,669	31,013
	of which:		
	- goodwill	16,997	12,632
110.	TAX ASSETS	342,647	330,343
	a) current	17,654	8,658
	b) deferred	324,993	321,685
130.	OTHER ASSETS	1,830,354	831,273
TOTAL ASSETS		57,854,361	55,016,149

FINANCIAL STATEMENT: BALANCE SHEET LIABILITY & EQUITY



THOUSANDS OF EUROS

LIABILITY AND EQUITY		31/12/2022	31/12/2021
10.	FINANCIAL LIABILITIES AT AMORTISED COST	53,152,710	50,178,641
	a) due to banks	11,381,703	10,874,856
	b) due to customers	38,122,246	35,603,482
	c) securities issued	3,648,761	3,700,303
20.	FINANCIAL LIABILITIES HELD FOR TRADING	115,871	104,339
40.	HEDGING DERIVATIVES	227	2,446
60.	TAX LIABILITIES	32,359	39,872
	a) current	3,160	4,258
	b) deferred	29,199	35,614
80.	OTHER LIABILITIES	834,629	986,522
90.	PROVISION FOR POST-EMPLOYMENT BENEFITS	35,597	40,190
100.	PROVISIONS FOR RISKS AND CHARGES:	295,528	289,062
	a) loans commitments and	63,204	43,225
	b) pensions and similar	167,827	191,565
	c) other provisions	64,497	54,272
120.	VALUATION RESERVES	(68,086)	32,437
150.	RESERVES	1,790,468	1,555,718
160.	SHARE PREMIUM	78,978	79,005
170.	SHARE CAPITAL	1,360,157	1,360,157
180.	TREASURY SHARES (-)	(25,402)	(25,457)
190.	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	4	104,583
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)	251,321	268,634
TOTAL LIABILITIES AND EQUITY		57,854,361	55,016,149

FINANCIAL STATEMENT: INCOME STATEMENT



THOUSANDS OF EUROS

ITEMS	31/12/2022	31/12/2021
10. INTEREST AND SIMILAR INCOME	834,558	642,068
of which: interest calculated using the effective interest method	824,601	633,565
20. INTEREST AND SIMILAR EXPENSE	(153,491)	(113,144)
30. NET INTEREST INCOME	681,067	528,924
40. FEE AND COMMISSION INCOME	401,174	374,802
50. FEE AND COMMISSION EXPENSE	(20,584)	(17,148)
60. NET FEE AND COMMISSION INCOME	380,590	357,654
70. DIVIDENDS AND SIMILAR INCOME	6,464	5,208
80. NET TRADING INCOME	28,404	63,650
90. NET HEDGING INCOME	(181)	243
100. NET GAINS FROM SALES OR REPURCHASES OF:	40,825	46,616
a) financial assets at amortized cost	28,972	32,878
b) financial assets at fair value through other comprehensive income	11,848	13,756
c) financial liabilities	5	(18)
110. NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	(67,588)	26,726
b) other financial assets mandatorily measured at fair value	(67,588)	26,726
120. TOTAL INCOME	1,069,581	1,029,021
130. NET IMPAIRMENT LOSSES FOR CREDIT RISK RELATING TO:	(152,865)	(139,186)
a) financial assets at amortized cost	(152,505)	(140,195)
b) financial assets at fair value through other comprehensive income	(360)	1,009
140. NET GAINS FROM CONTRACTUAL CHANGES WITHOUT DERECOGNITION	3,565	(6,099)
150. NET FINANCIAL INCOME	920,281	883,736
180. NET FINANCIAL INCOME AND INSURANCE INCOME	920,281	883,736
190. ADMINISTRATIVE EXPENSES:	(580,243)	(561,012)
a) personnel expenses	(272,331)	(269,900)
b) other administrative expenses	(307,912)	(291,112)
200. NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES	(34,225)	(848)
a) commitments for guarantees given	(19,937)	15,124
b) other net provisions	(14,288)	(15,972)
210. DEPRECIATION AND NET IMPAIRMENT LOSSES ON PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	(45,268)	(37,359)
220. AMORTISATION AND NET IMPAIRMENT LOSSES ON INTANGIBLE ASSETS	(17,212)	(16,675)
230. OTHER NET OPERATING INCOME	85,379	71,300
240. OPERATING COSTS	(591,569)	(544,594)
250. SHARE OF PROFITS OF INVESTEEs	27,768	35,901
260. NET FAIR VALUE LOSSES ON PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS MEASURED	(2,762)	(882)
280. NET GAINS ON SALES OF INVESTMENTS	172	384
290. PRE-TAX PROFIT FROM CONTINUING OPERATIONS	353,890	374,545
300. TAXES ON INCOME FOR THE YEAR FOR CONTINUING OPERATIONS	(102,569)	(99,525)
310. POST-TAX PROFIT FROM CONTINUING OPERATIONS	251,321	275,020
330. NET PROFIT (LOSS) FOR THE PERIOD	251,321	275,020
340. NET (PROFIT) LOSS OF THE PERIOD ATTRIBUTABLE TO MINORITY INTERESTS	-	(6,386)
350. NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF PARENT BANK	251,321	268,634
EARNINGS (LOSS) PER SHARE	0.554	0.593
DILUTED EARNINGS (LOSSES) PER SHARE	0.554	0.593

FINANCIAL STATEMENT: RECLASSIFIED P&L



(in thousands of euro)	31/12/2022	31/12/2021	(+/-)	% change
Net interest income	681,067	528,924	152,143	28.76
Dividends and similar income	6,464	5,208	1,256	24.12
Net fee and commission income	380,590	357,654	22,936	6.41
Net gains on financial assets [d]	69,565	113,211	-43,646	-38.55
Result of other financial assets at FVTPL	-67,588	26,726	-94,314	-
of which Loans	-10,460	4,198	-14,659	-
of which Other	-57,128	22,528	-79,655	-
Total income	1,070,098	1,031,723	38,375	3.72
Net impairment losses [a] [d]	-169,754	-134,372	-35,382	26.33
Net financial income	900,344	897,351	2,993	0.33
Personnel expenses [b]	-269,146	-258,701	-10,445	4.04
Other administrative expenses [c]	-262,003	-248,007	-13,996	5.64
Other net operating income [b]	82,194	61,610	20,584	33.41
Net accruals to provisions for risks and charges [a]	-14,288	-15,972	1,684	-10.54
Depreciation and amortisation on tangible and intangible assets	-62,480	-54,034	-8,446	15.63
Operating costs	-525,723	-515,103	-10,620	2.06
Operating result	374,621	382,247	-7,626	-2.00
Charges for the stabilization of the banking System [c]	-45,909	-43,105	-2,804	6.51
Share of profits of investees and net gains on sales of investments	25,178	35,403	-10,225	-28.88
Pre-tax profit from continuing operations	353,890	374,545	-20,655	-5.51
Income taxes	-102,569	-99,525	-3,044	3.06
Net profit (loss) for the period	251,321	275,020	-23,699	-8.62
Net (profit) loss of the period attributable to minority interests	0	-6,386	6,386	-
Net profit (loss) for the period attributable to the owners of Parent bank	251,321	268,634	-17,313	-6.44

Notes:

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

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

Net impairment losses is made up of the sum of items 130 and 140 in the income statement.

The results at 31/12/2022 have been subject to the following reclassifications:

[a] reclassified net provisions for credit risk for commitments and guarantees issued for 19.937 € million initially included in item net accruals to provisions for risks and charges [a] commitments for guarantees given] showing them among net impairment losses;

[b] reclassified personnel expenses and other operating income by netting them off against the proceeds of the retirement employees fund for 3.185 € million;

[c] charges for the stabilization of the banking Systems were separated from other administrative expenses;

[d] reclassified losses related to NPL disposals for 0.517 € million initially included in item gains/losses on financial assets valued at amortized cost showing them among net impairment losses.

The results at 31/12/2021 have been made consistent with those of 2022.

FINANCIAL STATEMENT: RECLASSIFIED P&L QUARTERLY EVOLUTION



(in million of euro)	Q4 - 2022	Q3 - 2022	Q2 - 2022	Q1 - 2022	Q4 - 2021
Net interest income	203.8	156.9	164.1	156.2	138.6
Dividends and similar income	0.4	0.4	5.4	0.2	0.6
Net fee and commission income	104.2	91.8	93.1	91.5	98.8
Net gains on financial assets [d]	24.2	4.0	24.3	17.1	37.6
Result of other financial assets at FVTPL	6.6	-6.6	-34.0	-33.6	1.6
of which Loans	4.7	2.1	-4.3	-13.0	-2.8
of which Other	1.9	-8.6	-29.7	-20.6	4.4
Total income	339.2	246.7	252.9	231.4	277.1
Net impairment losses [a] [d]	-65.9	-60.5	-16.1	-27.3	-43.1
Net financial income	273.3	186.2	236.8	204.1	234.0
Personnel expenses [b]	-69.1	-69.3	-64.2	-66.5	-67.1
Other administrative expenses [c]	-71.3	-60.1	-68.2	-62.5	-67.2
Other net operating income [b]	20.4	22.9	22.1	16.9	16.3
Net accruals to provisions for risks and charges [a]	-6.5	-1.5	-6.7	0.4	-14.5
Depreciation and amortisation on tangible and intangible assets	-18.2	-16.8	-15.5	-12.0	-14.7
Operating costs	-144.8	-124.8	-132.5	-123.7	-147.1
Operating result	128.5	61.4	104.2	80.4	86.9
Charges for the stabilization of the banking System [c]	-2.9	-3.0	-10.0	-30.0	-8.4
Share of profits of investees and net gains on sales of investments	10.6	5.3	2.6	6.7	9.8
Pre-tax profit from continuing operations	136.3	63.7	96.8	57.1	88.3
Income taxes	-36.2	-17.5	-32.0	-16.8	-19.4
Net profit (loss) for the period	100.0	46.2	64.8	40.3	68.9
Net (profit) loss of the period attributable to minority interests	0.0	0.0	0.0	0.0	-1.7
Net profit (loss) for the period attributable to the owners of Parent bank	100.0	46.2	64.8	40.3	67.2

Notes:

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

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

Net impairment losses is made up of the sum of items 130 and 140 in the income statement.

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

LOANS TO CUSTOMERS

NON PERFORMING AND PERFORMING EXPOSURES



31-12-2022

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	(4.29%)	1,460,176	851,581	(1.84%)	608,596	58.32%
of which Bad loans	(1.52%)	517,931	396,094	(0.37%)	121,837	76.48%
of which Unlikely to pay	(2.59%)	880,694	450,688	(1.3%)	430,006	51.17%
of which Past due	(0.18%)	61,551	4,798	(0.17%)	56,753	7.80%
Performing exposures	(95.71%)	32,557,337	145,754	(98.16%)	32,411,583	0.45%
Total loans to customers	(100%)	34,017,513	997,335	(100%)	33,020,179	2.93%

31-12-2021

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	(5.82%)	1,875,969	1,039,163	(2.69%)	836,806	55.39%
of which Bad loans	(2.29%)	736,657	544,367	(0.62%)	192,290	73.90%
of which Unlikely to pay	(3.34%)	1,074,758	485,596	(1.9%)	589,162	45.18%
of which Past due	(0.2%)	64,554	9,200	(0.18%)	55,354	14.25%
Performing exposures	(94.18%)	30,340,809	118,297	(97.31%)	30,222,512	0.39%
Total loans to customers	(100%)	32,216,778	1,157,460	(100%)	31,059,318	3.59%

RATINGS



Fitch Ratings

Rating updated on
27 JULY 2022

Long term: **BB+**
Short term: **B**
OUTLOOK: **STABLE**

Fitch Ratings		
	Long Term	Short Term
INVESTMENT GRADE	AAA	F1+
	AA+	
	AA	
	AA-	
	A+	F1 or F1+
	A	F1
	A-	F2 or F1
	BBB+	F2
	BBB	F3 or F2
	BBB-	F3
SPECULATIVE GRADE	BB+	B
	BB	
	BB-	
	B+	
	B	
	B-	
	CCC+	
	CCC	C
	CCC-	
	CC	
	C	
	RD	RD
	D	D



Rating updated on
14 NOVEMBER 2022
Long term: **BBB (low)**
Short term: **R-2 (middle)**
OUTLOOK: **STABLE**

DBRS Morningstar		
	Long Term	Short Term
INVESTMENT GRADE	AAA	R-1 (high)
	AA (high)	
	AA	R-1 (mid)
	AA (low)	
	A (high)	R-1 (low)
	A	
	A (low)	
	BBB (high)	R-2 (high)
	BBB	R-2 (mid)
	BBB (low)	R-2 (low) or R-3
SPECULATIVE GRADE	BB (high)	R-4
	BB	
	BB (low)	
	B (high)	
	B	R-5
	B (low)	
	CCC	
	CC	
	C	
	D	D

■ BPS

■ ITALY



Rating updated on
23 MARCH 2022
Long term: **BBB-**
OUTLOOK: **POSITIVE**

Scope Ratings		
	Long Term	Short Term
INVESTMENT GRADE	AAA	S-1+
	AA+	
	AA	
	AA-	S-1+ or S-1
	A+	
	A	S-1 or S-2
	A-	
	BBB+	S-2
	BBB	S-2 or S-3
	BBB-	
SPECULATIVE GRADE	BB+	S-3
	BB	S-3 or S-4
	BB-	
	B+	S-4
	B	
	B-	
	CCC	
	CC	
	C	
	D	



- ❑ *This document has been prepared by Banca Popolare di Sondrio for information purpose only and does not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advice or recommendation with respect of such securities or other financial instruments.*
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- ❑ *The document may contain forward-looking statements, which are therefore inherently uncertain. All forward-looking statements rely on a number of assumptions, expectations, projections and provisional data concerning future events and are subject to significant risks and uncertainties, many of which are outside the company's control. There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of future performance. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. The information and opinions contained in this Presentation are provided as at the date hereof and are subject to change without notice.*
- ❑ *Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2), Maurizio Bertoletti, in his capacity as manager in charge of financial reporting declares that the accounting information contained in this Presentation reflects the group's documented results, financial accounts and accounting records.*

www.popso.it



Banca Popolare di Sondrio

FOUNDED IN 1871

THE BANKING GROUP IN THE HEART OF THE ALPS



BPS (SUISSE)

Banca Popolare di Sondrio (SUISSE)

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Rent2Go

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PrestiNuova

Agency in Financial Activities
of BNT Banca

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PIROVANO

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