



**Banca Popolare
di Sondrio**

FONDATA NEL 1871

**BUSINESS PLAN
2025 – 2027**

«Our Way Forward»

Sondrio, 12th March 2025



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 - 3 «Our Way Forward»: 2025-27 Business Plan Targets**
 - 4 «Our Way Forward»: Strategic guidelines of the 2025-27 Business Plan**
 - 5 Conclusions and Q&A**
-

1

BPS 2027: Perspective and key figures



A background image of a snowy mountain landscape. A winding trail leads up a slope, and several hikers are visible on the trail. The sky is light blue with soft white clouds. The overall scene is bright and serene.

“

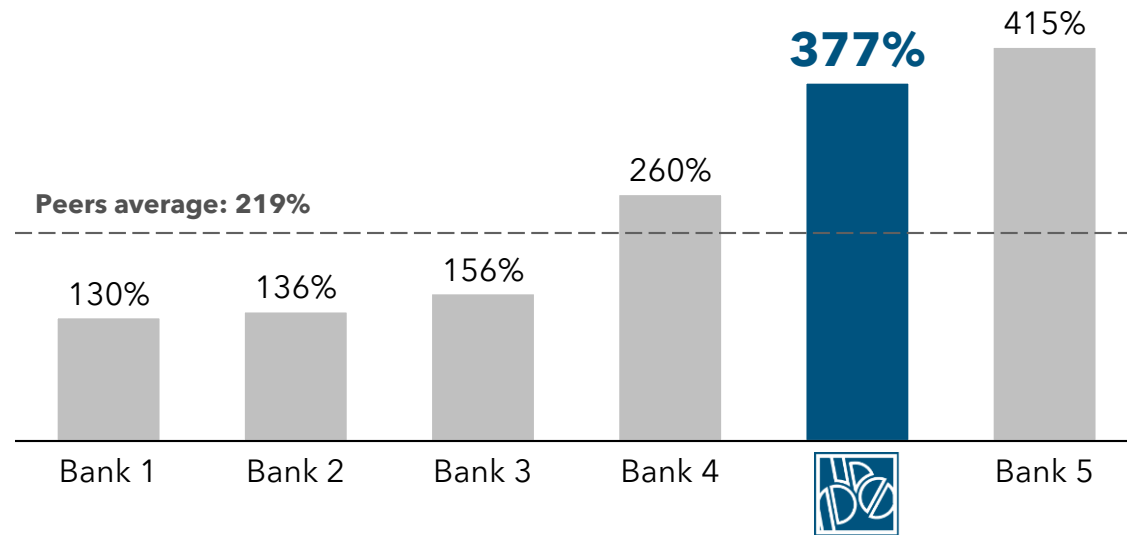
An **independent, agile, and efficient bank** with a **distinctive culture**, translating its strong local presence and customer proximity into **long-term value** for **all stakeholders**

”

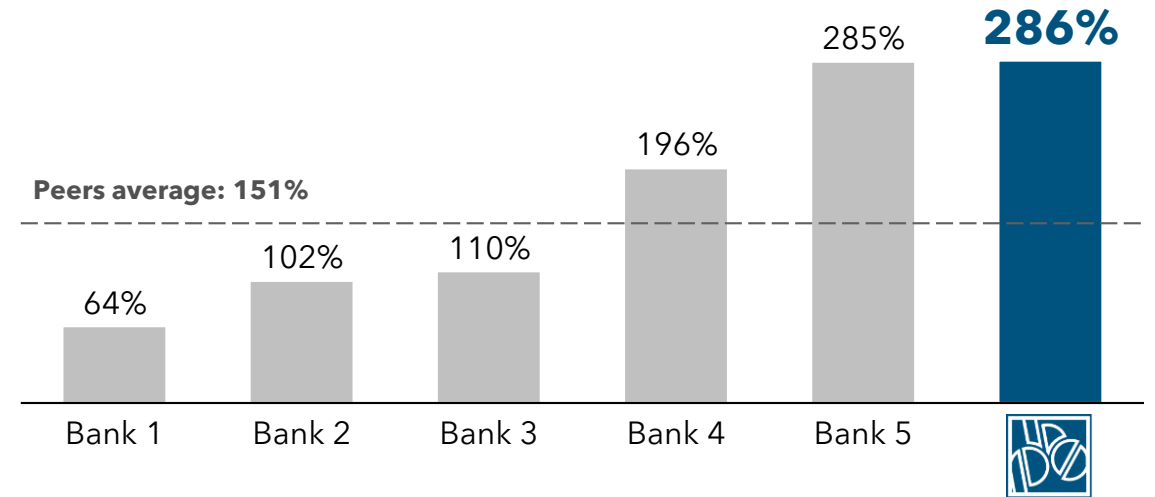


A history of value creation and resilience: 150 years of profit generation, dividends, and regional and international organic growth

Total shareholder return¹
Delta 2019-2024 EoY



Share price²
Delta 2019-2024 EoY



- BPS has **generated and distributed profit in each of its accounting years³**
- **Value generation** was almost **entirely self-funded and organic**
- The results confirm the **soundness of BPS's business model**, which has allowed to **double its assets organically** over the **last 15 years**, while maintaining **one of the best costs of risk in the System** even in times of distress

Source: S&P Capital IQ, Bloomberg, BPS financials. Peer group consisting of ISP, UCG, BPER, BBPM, Credem

1. Sum of the increase in share price and dividend payout per share over the period, assuming dividends are re-invested in the stock | 2. Delta share price between year-end 2024 and year-end 2019; price of represented banks adjusted for capital increases in the analysed period | 3. Excluding 2019 earnings, not distributed as per ECB recommendation



Based on our history and the work done over the last three years, the new 2025-27 Business Plan allows us to enhance value creation on a stand-alone basis

>14%

**ROE
2027**

vs. 16,1% 2024

~42%

**Cost/Income
2027**

vs. 39% 2024

1,1%

**Net NPL ratio
2027**

vs. 1,1% 2024

~1,5€BN

**Cumulative
dividends 2025-27¹**
vs. 744€MM 2022-24

85%

Payout ratio 2025-27
vs. 63% 2024

~10%

**Dividend Yield²
per year, 2025-27**
vs. 5,7% 2022-24³

~580€MM

**Net profit
2027**

vs. 575€MM 2024

~1,8€BN

**Cumulative net profit
2025-2027¹**

vs. 1,3€BN 2022-2024

>14%

**CET1 Ratio
2027**

vs. 15,4% 2024

Source: BPS Financials and Business Plan projections

1. Values shown assume completion of the project to enhance the value of BPS's merchant acquiring business, which could take place compatibly with the close of the 2025 financial year, with an expected impact of ~100 €MM (see slide 31) - in the event of failure to complete this project, cumulative 2025-27 net profit would be ~1,7€BN, while cumulative 2025-27 dividends would be ~1,4 €BN | 2. Based on the market capitalization on February 28th, 2025 | 3. Based on the market capitalization on the last day of the year of dividend distribution

2

A successful journey leveraging a distinctive business model



Industrial and managerial continuity have enabled us to develop a banking model closely aligned with our customers' and our territories' needs



Geographical presence of the BPS Group



491 Branches in Italy

- Strong roots in Lombardy (4th bank in terms of branches) and solid position in Rome area
- Present in Italy's main economic centres in Northern regions

20 Branches in Switzerland

- Bank active in territories with strong connections to Northern Italy

1 Branch in the Principality of Monaco

51 Desks abroad with external partners in 44 countries

Key figures of our ecosystem

- ~950k** Customers, of which **~250k** Businesses served
- 1.579** Foreign correspondent banks
- 1.618** Institutions served
- 3.705** Employees
- ~137k** Shareholders

Product factories and high value partnerships

Factoring 	Insurance 	Asset Management
Salary/Pension-backed loans 	Leasing 	Payments



The banking model developed along this path is distinctive: strong local ties, exceptional service quality, customer loyalty and pervasive «entrepreneurial» culture



A unique DNA

1

EMBEDDED IN THE ITALIAN ENTREPRENEURIAL LANDSCAPE

- Leading bank in selected **key areas of the Italian economy**
- Presence in **Switzerland / Principality of Monaco** to cover important business areas and in **44 countries** to support the **internationalisation** of Italian companies
- **Product factories of excellence and multi-functional**, integrated into the Bank's service model

2

VERSATILITY, QUALITY AND TRUST IN CUSTOMER RELATIONSHIPS

- **Short decision-making chain and tailor-made solutions** through high employees' empowerment, resulting in a superior relationship
- **High customer loyalty** that aims to create value over time

3

ETHICS AND CORPORATE CULTURE BEYOND PROCESSES

- **Strong corporate ethics**, based on **entrepreneurship**, resourcefulness and work culture
- **Sense of belonging** among employees who share a common purpose, also thanks to expansion through constant **organic growth**
- **Consolidated and cohesive management** with a significant track record and long experience in the Bank's workforce

GDP per capita, BPS territories vs. Italian average, €k

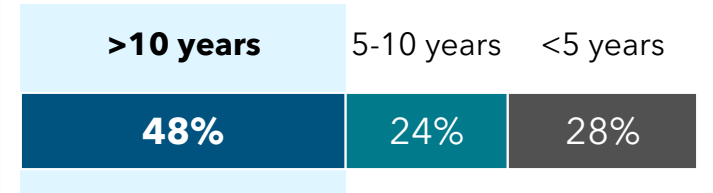


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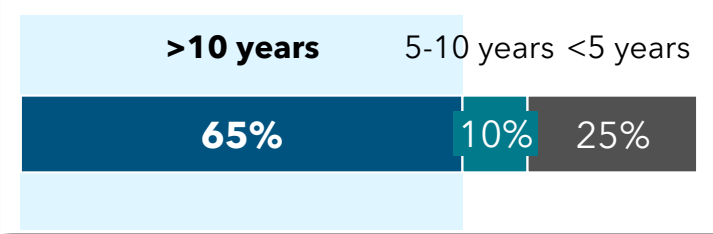


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Longevity of the relationship with BPS % customers, 2024



Duration of the employment with BPS % employees, 2024



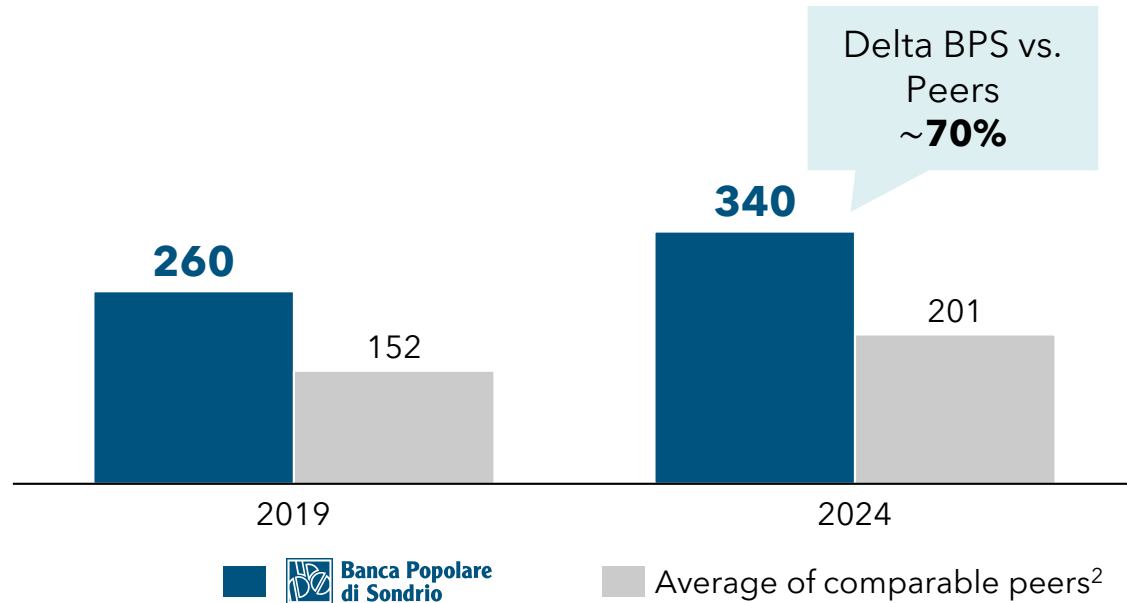
Source: BPS proprietary data, Istat.



These factors unlocked a Network productivity twice as high as the average of Italian banks ...

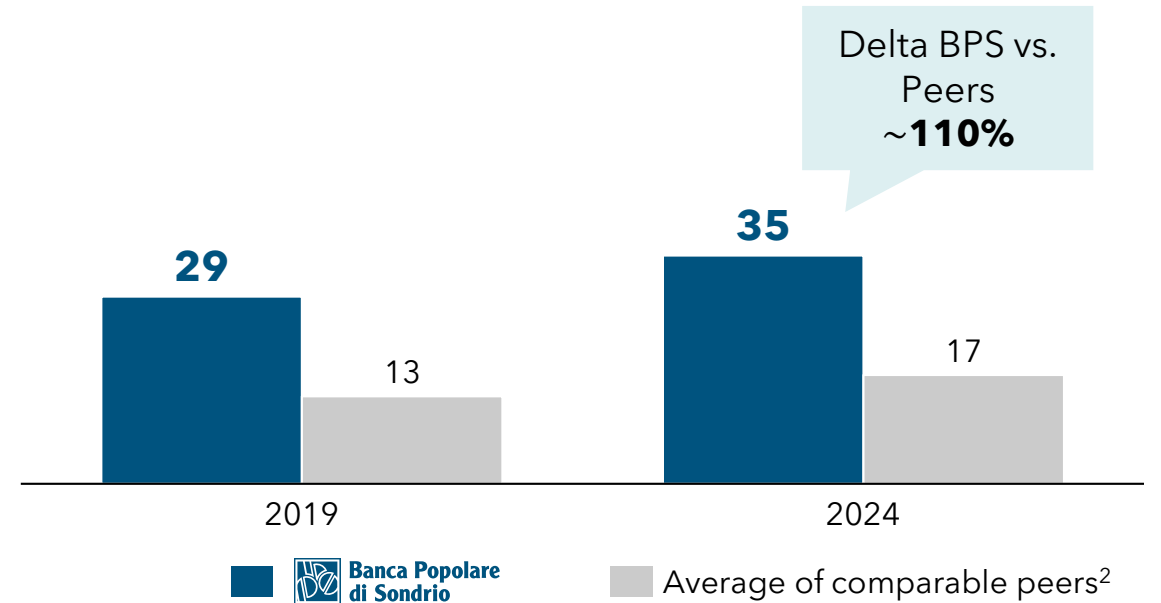
Productivity per Branch

Gross banking product¹ per Branch, €MM



Productivity per employee

Gross banking product¹ per employee, €MM



- **BPS's productivity increase** is based on improving the performance of a **constantly expanding Network**, in contrast to the rationalization efforts made by peers

Source: balance sheet data of the represented Banks - where available, 2024YE results were used; in the absence of this, the latest available 2024 interim data were used.

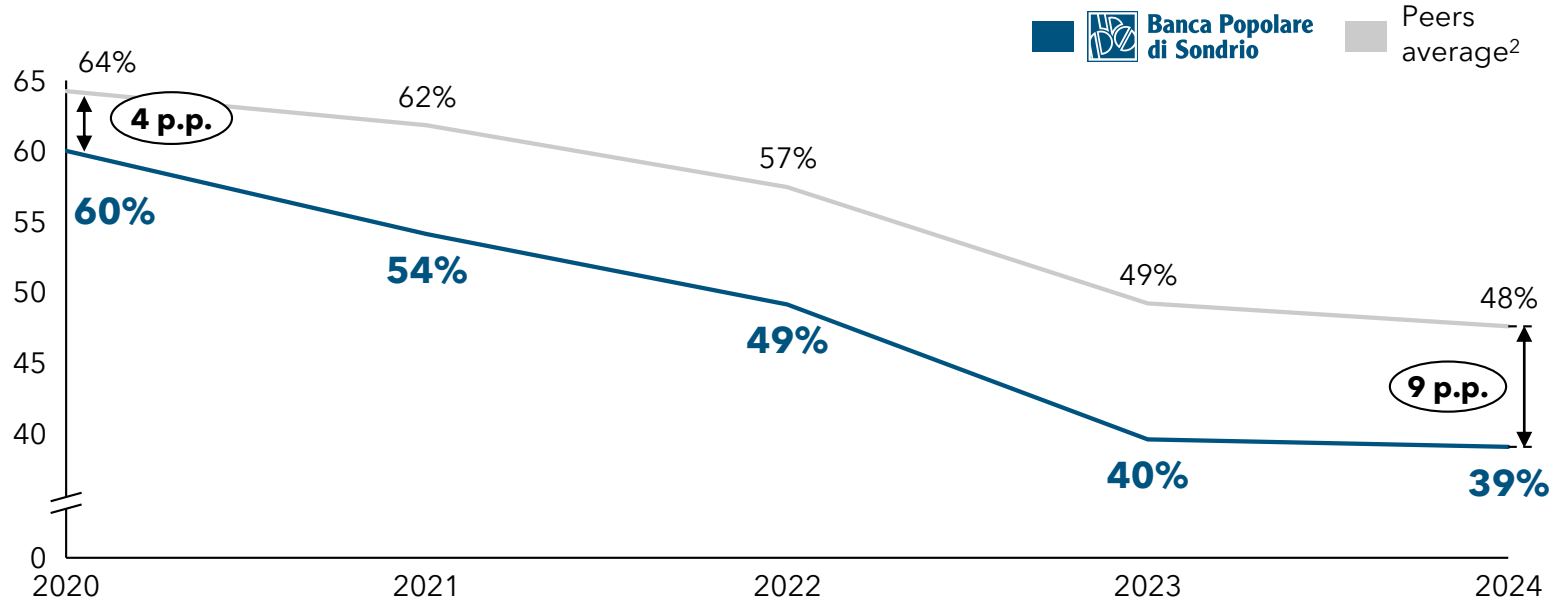
1. Includes gross loans to customers, direct customer deposits, indirect deposits (including insurance deposits) | 2. Peers considered: BPER, BBPM, MPS, Credem, Iccrea, CCB; ISP and UCG excluded from the sample due to limited comparability of the business model



... an operational efficiency in line with large national and international banking groups and significantly better than comparably sized banks ...

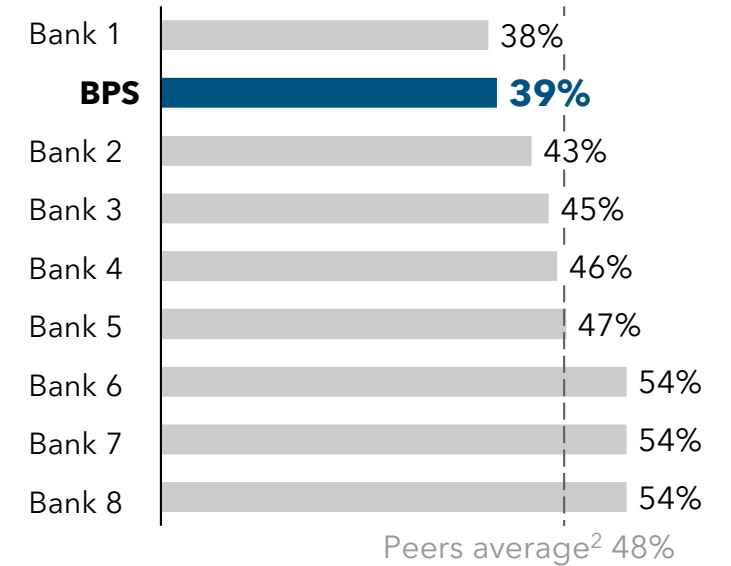
Evolution of BPS operational efficiency vs. market

Cost/Income ratio¹



Operational efficiency - focus 2024

Cost/Income ratio¹



- **BPS is best-in-class in terms of efficiency**, with the second best Cost/Income among leading banks in the Italian market
- **The advantage vs. peers is increasing** (from 4 p.p. to 9 p.p. delta vs. the peers' average), confirming the soundness of our business model
- BPS is characterised by an intrinsic **ability to manage its volumes in an agile and efficient manner**: the ratio of Operating Costs to Gross Banking Product stands at 0,5% (vs. ~0,9% peers average)

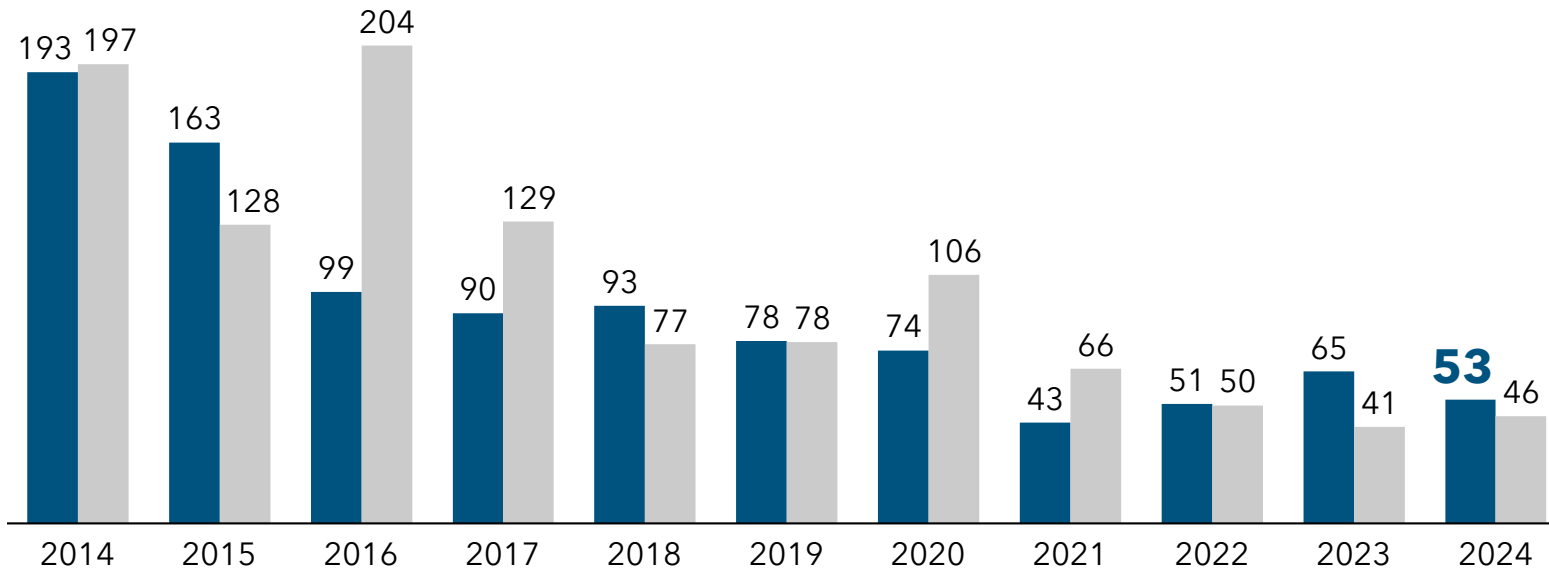
Source: Financial statements of represented banks

1. Ratio of operating costs to total revenues from reclassified income statements | 2. Banks included in the Peers average: Unicredit, Intesa Sanpaolo, Credem, Monte dei Paschi di Siena, Banco BPM, BPER, Cassa Centrale Banca, Iccrea.

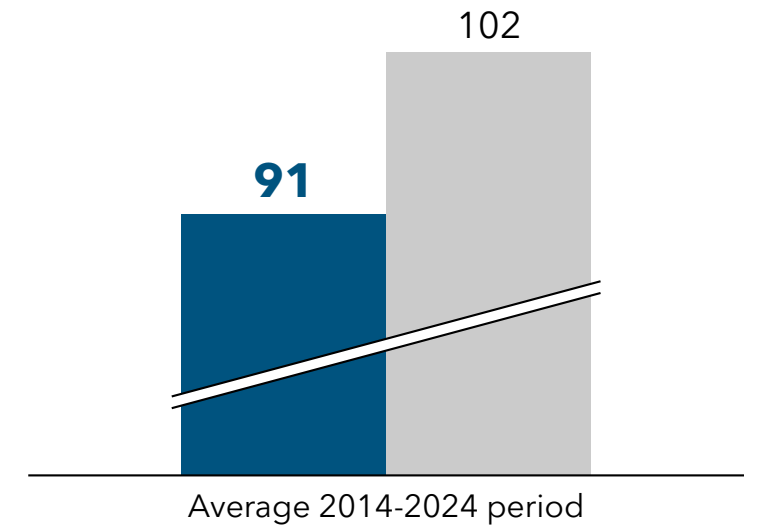


... and a more resilient credit quality even in economic downturns, which avoided Shareholder dilution to sustain de-risking

Comparison of annual cost of risk vs. System Basis points



Average cost of risk 2014-24 Basis points



- **BPS' cost of risk** is structurally **below average**, reflecting the **good quality of its customer base** and risk management processes
- The **methodical control of risk** allowed the Bank to manage the de-risking process **without any capital increase** or **value loss through large-scale disposals**

Source: BPS financials, Prometeia - Bank Balance Sheet Forecasts. For BPS, the cost of risk stated was used. For the System average, the ratio between loan adjustments and average loan volume for the year was calculated (arithmetic mean of the values for the year in question and the previous year). Time horizon chosen in line with the entry into force of the Single Supervisory Mechanism (SSM).



Our approach to banking: organic and progressive growth, integrated into the local ecosystem – a unique case within the Italian banking landscape

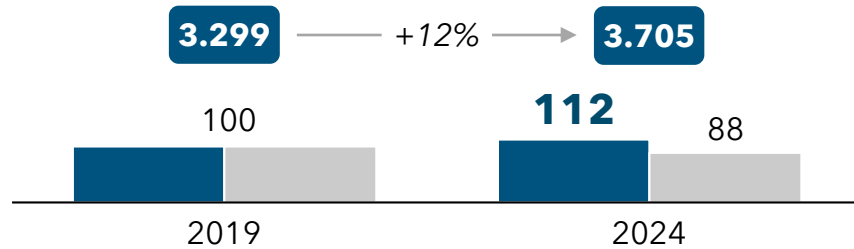
Branch Network and employees' evolution

#Branches and #employees. Data 2019 = 100.

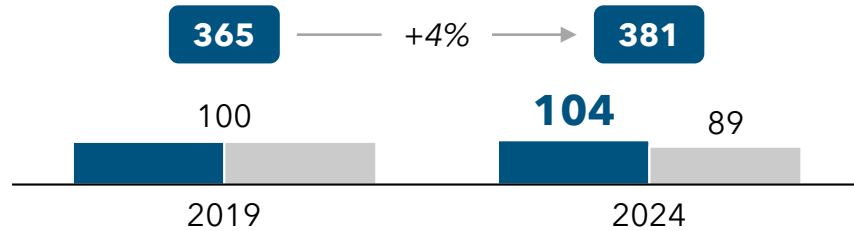
xx BPS Year-end data



Employees



Branches



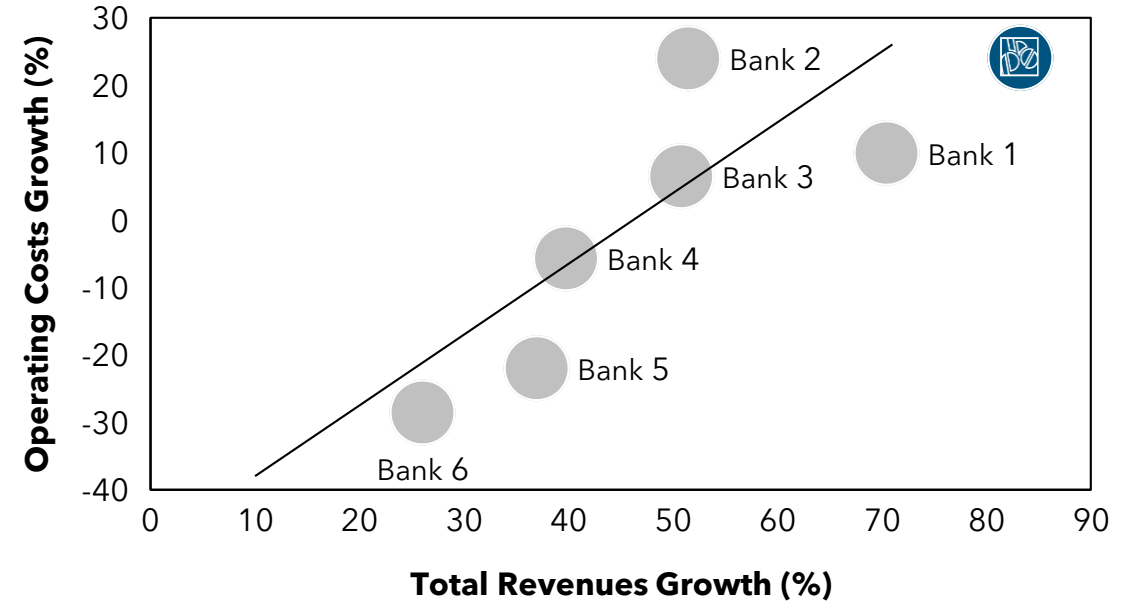
Banca Popolare di Sondrio

Average of comparable peers¹

- Over the past five years, **85%** of BPS's new hires are **under-30**, with a focus on new skills
- Territorial expansion** has focused on traditionally underserved areas, such as the regions of the **North-East**

Efficiency and profitability of the business model

Percentage change in revenues and costs. Delta 2024²-2019



- The approx. **85% growth in total revenues**, against a cost increase of approx. 25%, allowed the Bank to **reduce the cost/income ratio** by approx. **20 p.p.**

Source: Financial statements of the represented banks - where available, 2024YE results were used; in the absence of this, the latest available 2024 interim data were used.

1. Peers taken into account: UCG, BBPM, MPS, Credem, Iccrea, CCB; ISP and BPER excluded from the sample due to M&A dynamics in the period considered | 2. CCB data in 2024 annualised based on the latest available half-yearly report



The soundness of this approach is confirmed by the results of the last three years, steadily growing and exceeding the Plan's forecasts on main industrial indicators

Performance vs. targets of previous Business Plan

Year-end data

	2021	2024	2025 Target (from 2022-25 Plan)	BPS growth (2021-24)	Peers' growth ¹ (2021-24)
Net interest income², €MM	529	1.090	✓ 667	> +27% CAGR	vs. +22% CAGR
Net fee and commission income, €MM	358	435	443	> +7% CAGR	vs. +2% CAGR
Cost / Income, %	54%	39%	✓ 52%		
Return on Equity, %	9%	16%	✓ 9%		
Net NPL ratio, %	2,7%	1,1%	✓ 2,1%		
Cost of risk, basis points	43	53	47		
CET1 Ratio, %	15,8%	15,4%	15,6%		

Source: Financial statements of the represented banks - where available, 2024 year-end results were used; in the absence of such data, the latest available interim data for 2024 were used

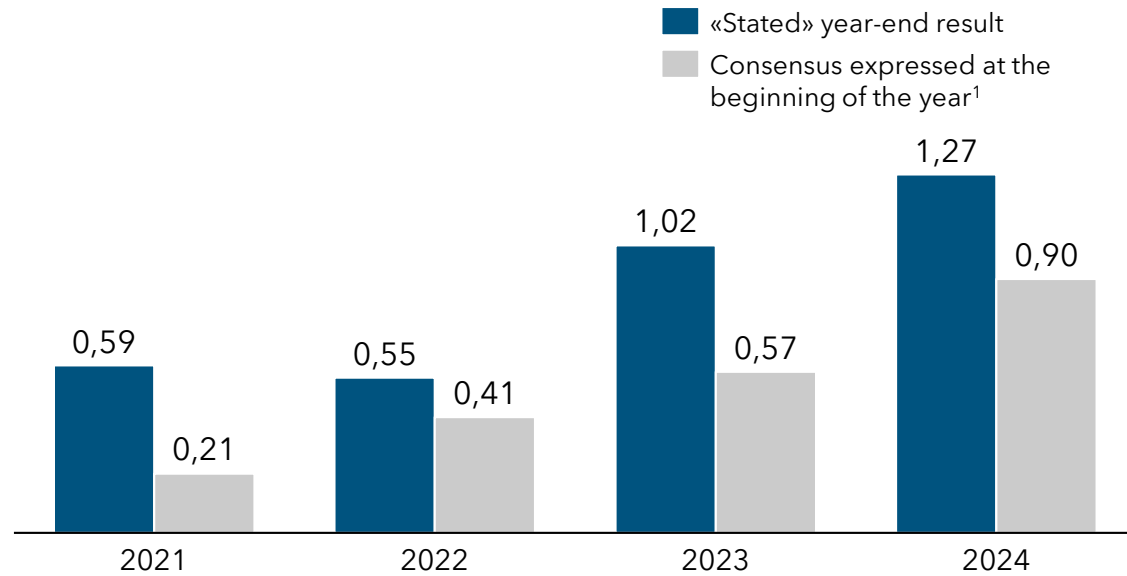
1. Considered peers: Unicredit, BBPM, MPS, Credem, Iccrea, CCB; ISP and BPER excluded from the sample due to M&A dynamics | 2. Expected average 3-month Euribor from the Plan is 1,0% for 2025 versus an average of 3,6% for 2024



Our approach has allowed us to consistently beat market expectations

Year-end profit vs. forecast consensus¹

EPS, €



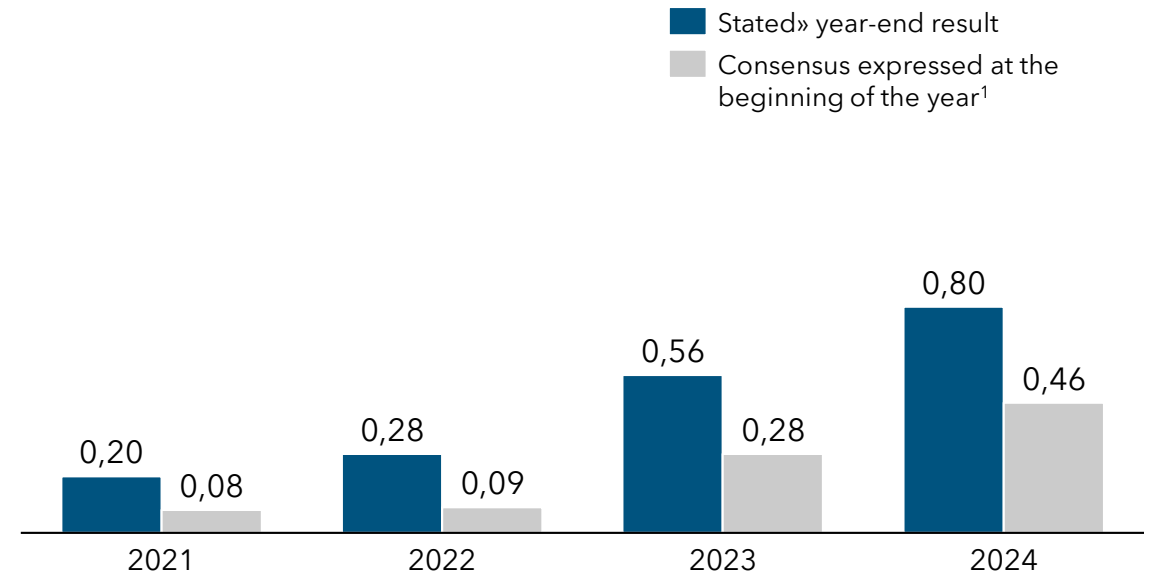
- **BPS has consistently exceeded market expectations** for profit generation: **+64% vs. consensus**, on average, over the last 4 years, even before the increase in reference rates

Source: S&P - Capital IQ

1. Average of expectations from financial analysts covering BPS

Dividends distributed vs. forecast consensus¹

Dividend per share, €

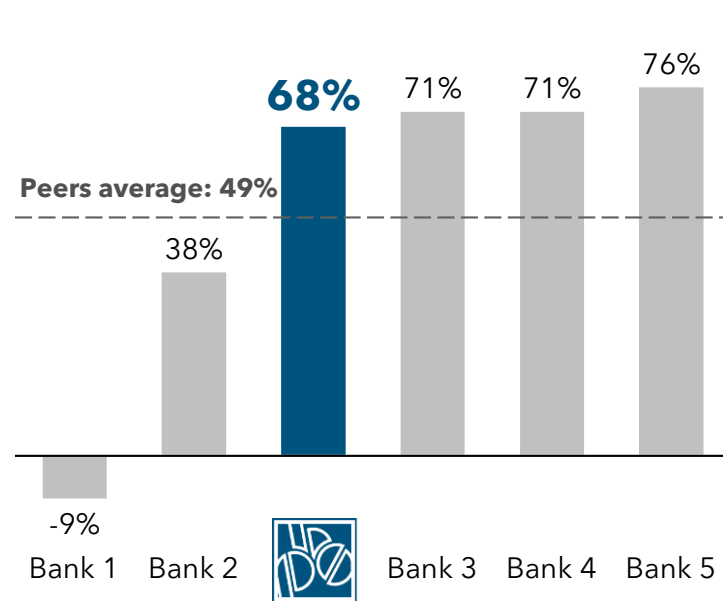


- **Industrial results above targets** translated into a **distribution of value to shareholders** beyond expectations (+102% vs. consensus, on average, over the last 4 years)

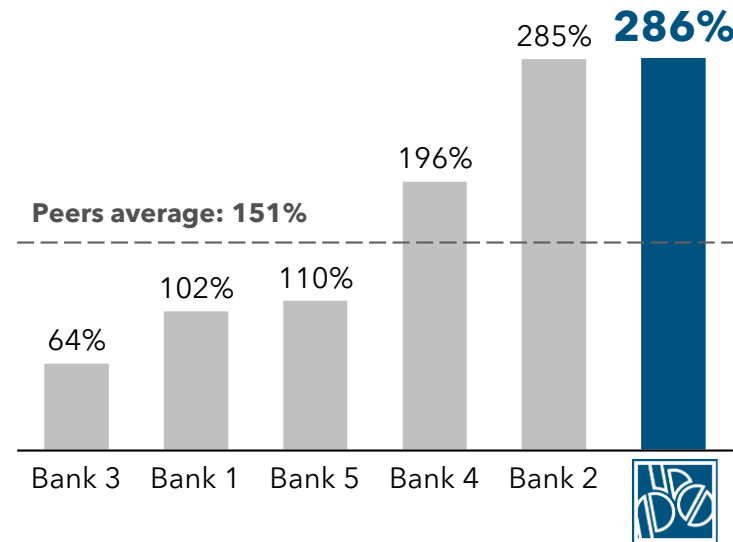


In summary, our business model has generated significant value for our Shareholders over a medium-term horizon ...

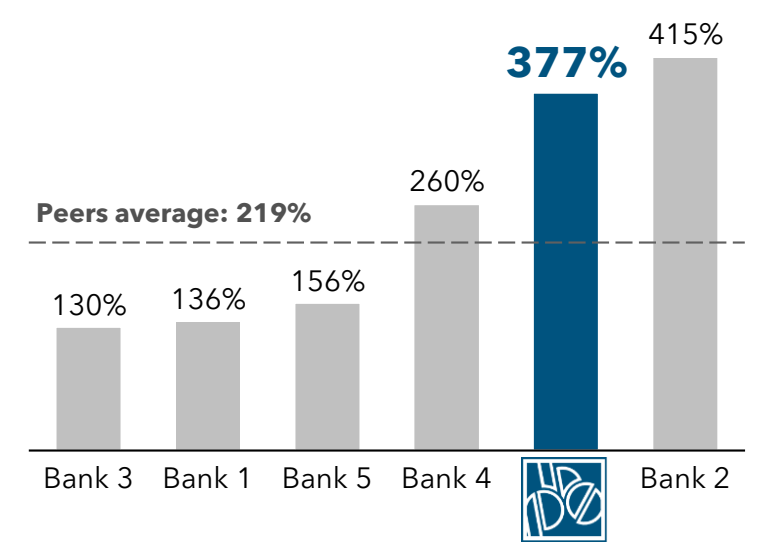
Cumulative tangible book value per share¹
Delta 2019-2024



Share price²
Delta 2019-2024



Total shareholder return³
Delta 2019-2024



- Value creation for investors has been driven by the Bank's strong **ability to generate profits**, as well as by the **absence of capital increases** diluting our Shareholders

Source: S&P Capital IQ, Bloomberg. Peer group composed of ISP, UCG, BPER, BBPM, Credem

1. Calculated as the ratio between the book equity (from which intangible assets are subtracted) and the number of shares outstanding; the value of cumulative dividends is also added | 2. Price of BPER adjusted for the capital increase in the analysed period | 3. Sum of the increase in share price and dividend distribution per share over the period considered, assuming that dividends are re-invested in the stock

Note: For the cumulative tangible book value per share, the delta is calculated between 2019 EoY and 2024 Q2.



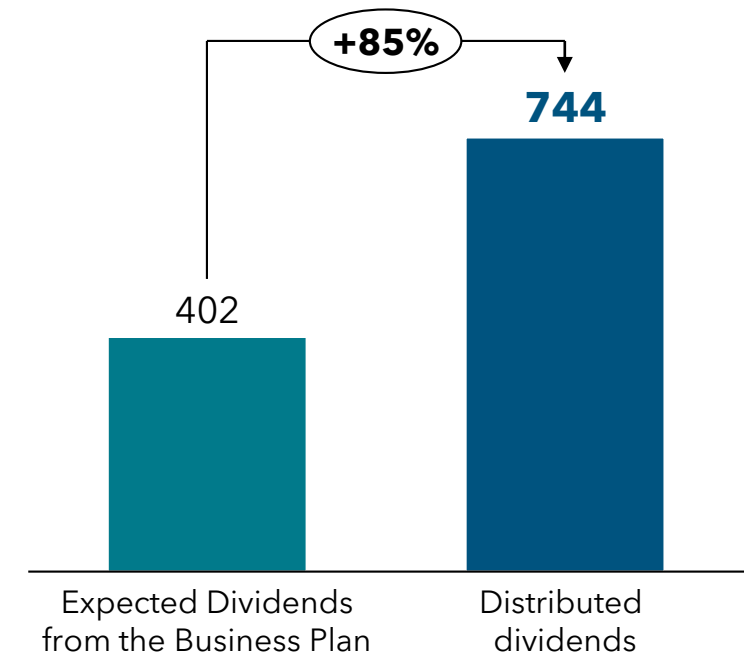
... and has allowed us to increase dividends distribution while maintaining distinctive capital soundness

Generated value and distribution to BPS Shareholders

Net Profit (€MM)	137	107	269	251	461	575
Payout ratio (%)	-	26%	34%	51%	55%	63%
Dividend per share (€)	-	0,06	0,20	0,28	0,56	0,80
EPS¹ (€)	0,30	0,24	0,59	0,55	1,02	1,27

Request by the ECB to cancel/limit the distribution of dividends considering the uncertainty arising from COVID-19

Distributed dividends Cumulative 2022-2024, €MM



- We have a track record of **regular dividend distribution** (always in cash), maintained even during the most challenging times
- In the post-COVID period, we **quadrupled the 2021 dividend** while keeping the **CET1% consistently above 15%**

1. Calculated as net profit over the number of shares outstanding in the market.

3

«Our Way Forward»: 2025-27 Business Plan Targets

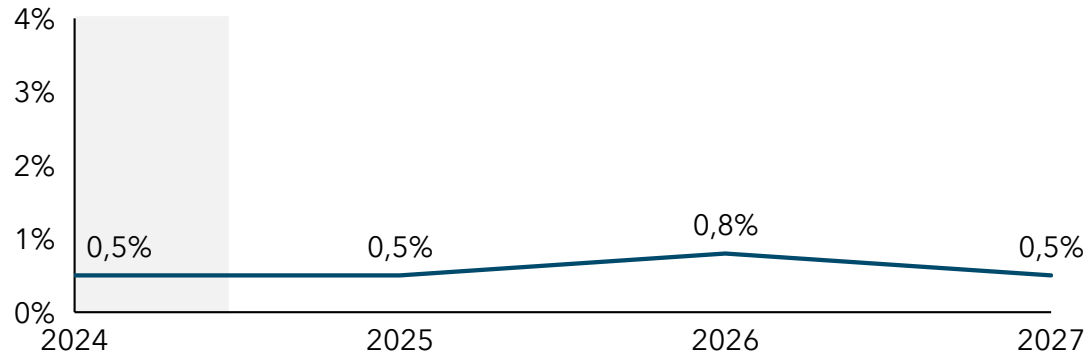




The 2025-27 scenario assumes the normalization of rates with contained inflation and growth

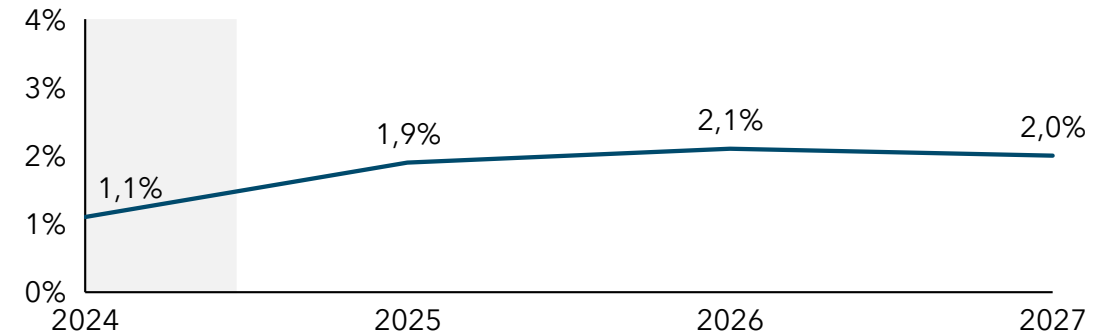
Italian GDP

Annual variation at constant prices, %



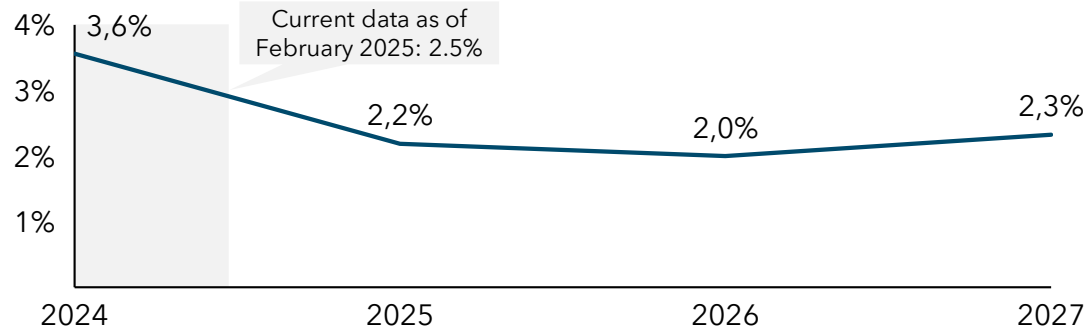
Inflation rate

Annual variation of the consumer price index, %



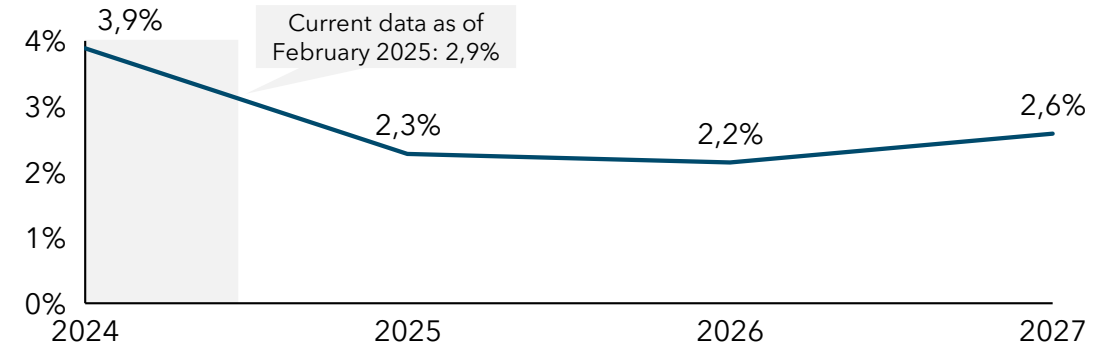
Euribor 3M

Average annual rate, %



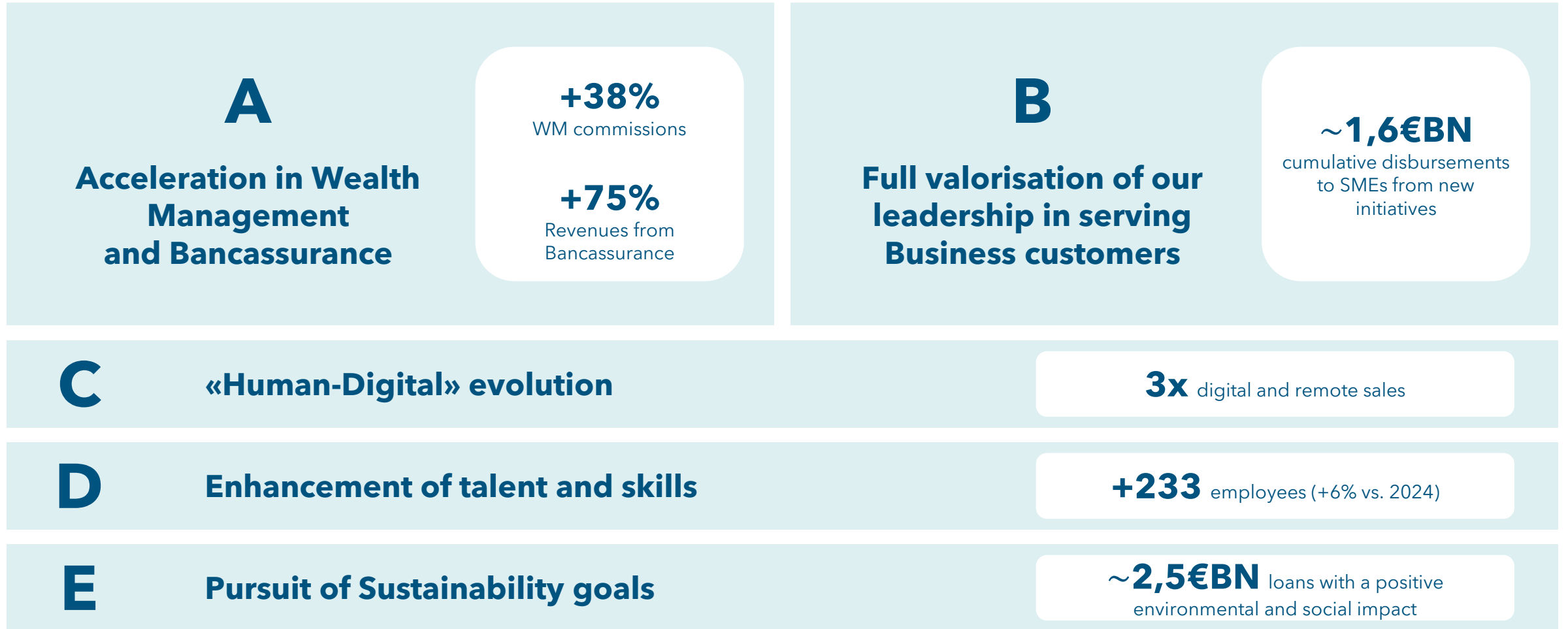
MRO Rate (Main Refinancing Operations)

Average annual rate, %



Source: Prometeia Forecast Report, December 2024; Source of specific data as of February 2025: Euribor-rates.eu; ECB

Strategic Guidelines of the 2025-27 Business Plan





Based on our track record, we are confident that we can increase profits by 40% over the three-year horizon and double Shareholders' remuneration...

>14%

**ROE
2027**

vs. 16,1% 2024

~42%

**Cost/Income
2027**

vs. 39% 2024

1,1%

**Net NPL ratio
2027**

vs. 1,1% 2024

~1,5€BN

**Cumulative
dividends 2025-27¹**
vs. 744€MM 2022-24

85%

Payout ratio 2025-27
vs. 63% 2024

~10%

**Dividend Yield²
per year, 2025-27**
vs. 5,7% 2022-24³

~580€MM

**Net profit
2027**

vs. 575€MM 2024

~1,8€BN

**Cumulative net profit
2025-2027¹**

vs. 1,3€BN 2022-2024

>14%

**CET1 Ratio
2027**

vs. 15,4% 2024

Include approximately
100€MM of one-off income
for the valuation of the
acquiring business in 2025

nexi

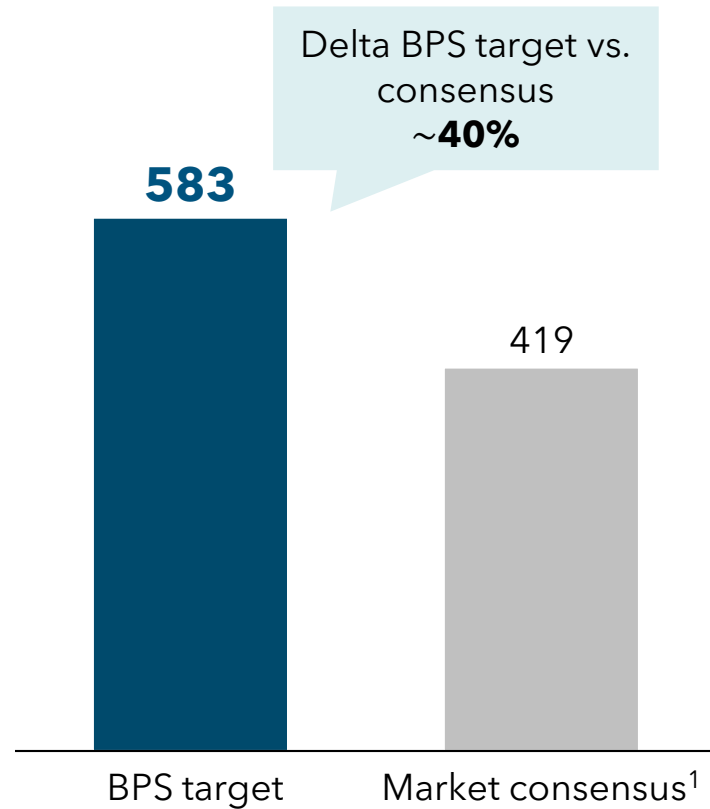
Source: BPS Financials and Business Plan projections

1. Values shown assume completion of the project to enhance the value of BPS's merchant acquiring business, which could take place compatibly with the close of the 2025 financial year, with an expected impact of ~100 €MM (see slide 31) - in the event of failure to complete this project, cumulative 2025-27 net profit would be ~1,7€BN, while cumulative 2025-27 dividends would be ~1,4 €BN | 2. Based on the market capitalization on February 28th, 2025 | 3. Based on the market capitalization on the last day of the year of dividend distribution



... showing a better growth trajectory than market consensus

Net profit 2027 €MM



1. Consensus expressed prior to February 6, 2025

Comparison vs. market consensus on main P&L items €MM



	BPS 2024	BPS 2027 forecast		
	Year-end actuals	New Business Plan	Market consensus ¹	Upside vs. consensus
Net interest income	1.090	1.029	924	+11%
Net fee and commission income	435	505	478	+6%
Operating Costs	(646)	(684)	(666)	+3%
Net adjustments to loans and fin. assets	(185)	(147)	(222)	-34%

Overview of the evolution of the main P&L and Balance Sheet indicators



Overview of Business Plan KPIs

€BN - %

		2024	2025 (Guidance)	2027 (Target)	CAGR 2024 - 2027	
Income Statement	P&L aggregates	Core revenues	1,52	> 1,45	1,53	+0,2%
		<i>of which Net interest income</i>	1,09	> 1,00	1,03	-1,9%
		<i>of which Net fee and commission income</i>	0,43	> 0,45	0,50	+5,1%
		Result of financial activity	0,13	> 0,12	0,11	-6,0%
		Total revenues	1,66	~1,60	1,64	-0,3%
		Net adjustments to loans and fin. assets	-0,18	< -0,16	-0,15	-7,4%
		Operating Costs	-0,65	~ -0,67	-0,68	+1,9%
		Profit before tax	0,84	> 0,90	0,85	+0,5%
	Net profit	0,57	~0,65¹	0,58	+0,5%	
	 KPI	RoE	16%	17% ¹	14%	n.a.
Cost/Income ratio		39%	42%	42%	n.a.	
Cost of risk, basis points		53	45	38	n.a.	
Balance Sheet	Balance Sheet aggregates	Net loans to customers	35,0	~34,8	38,6	+3,3%
		Direct customers funding	44,5	~43,6	44,4	0%
		Indirect deposits (incl. insurance deposits)	54,3	> 55,0	59,9	+3,3%
		Financial assets	12,8	> 13,0	13,2	+1,1%
	 KPI	CET1 ratio	15,4%	15,4%	14,4%	n.a.
		Total Capital Ratio	18,2%	18,1%	16,9%	n.a.
		Net NPL ratio	1,1%	1,2%	1,1%	n.a.

Note: Data referring to Banca Popolare di Sondrio Group

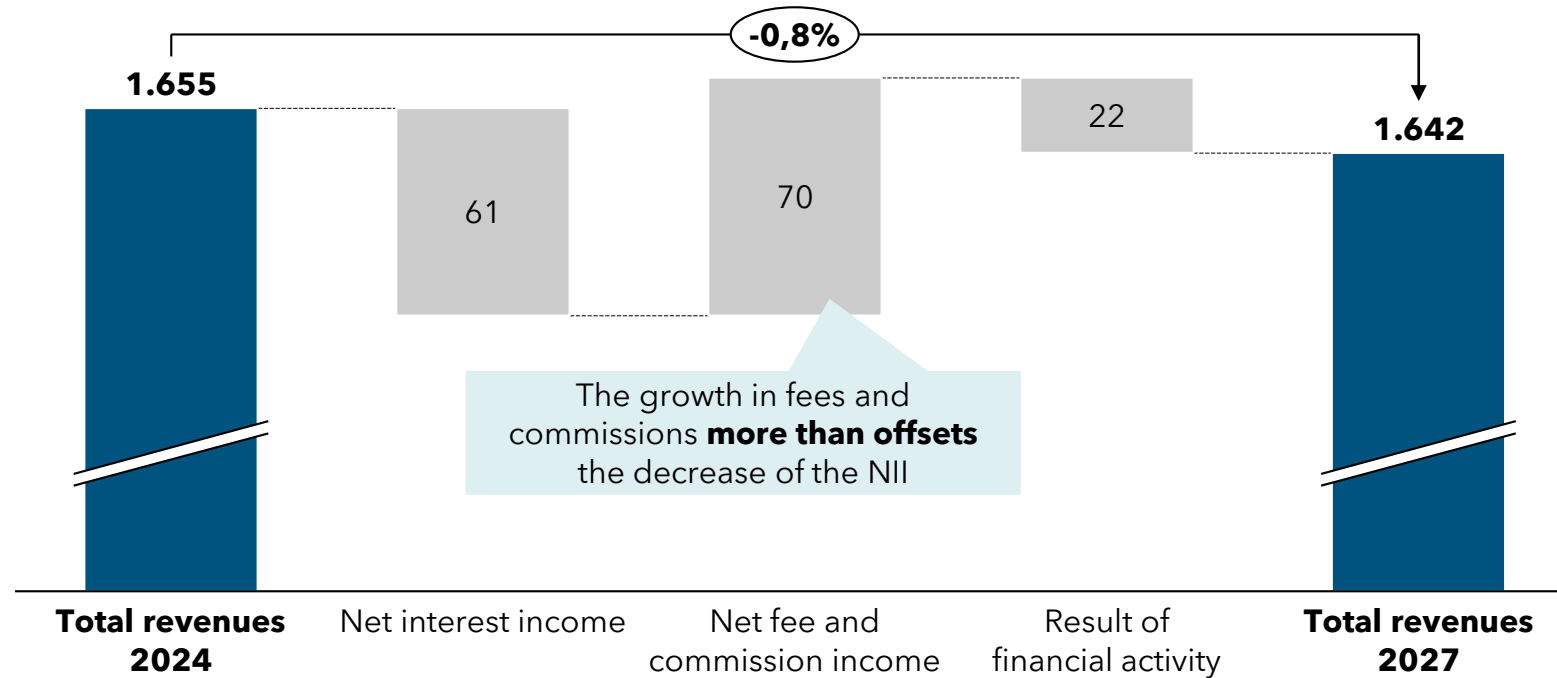
1. Values shown assume completion of the project to enhance the value of BPS's merchant acquiring business, which could take place compatibly with the close of the 2025 financial year, with an expected impact of ~100 €MM (see slide 31) - in the event of failure to complete this project, 2025 profit before tax would be ~0,80€BN, 2025 net profit would be ~0,54€BN, and RoE would be ~14%



The excellent core profitability recorded in 2024 is confirmed for the next 3-years Plan horizon

Evolution of Total revenues

€MM, delta 2027-2024 of each item



Key highlights

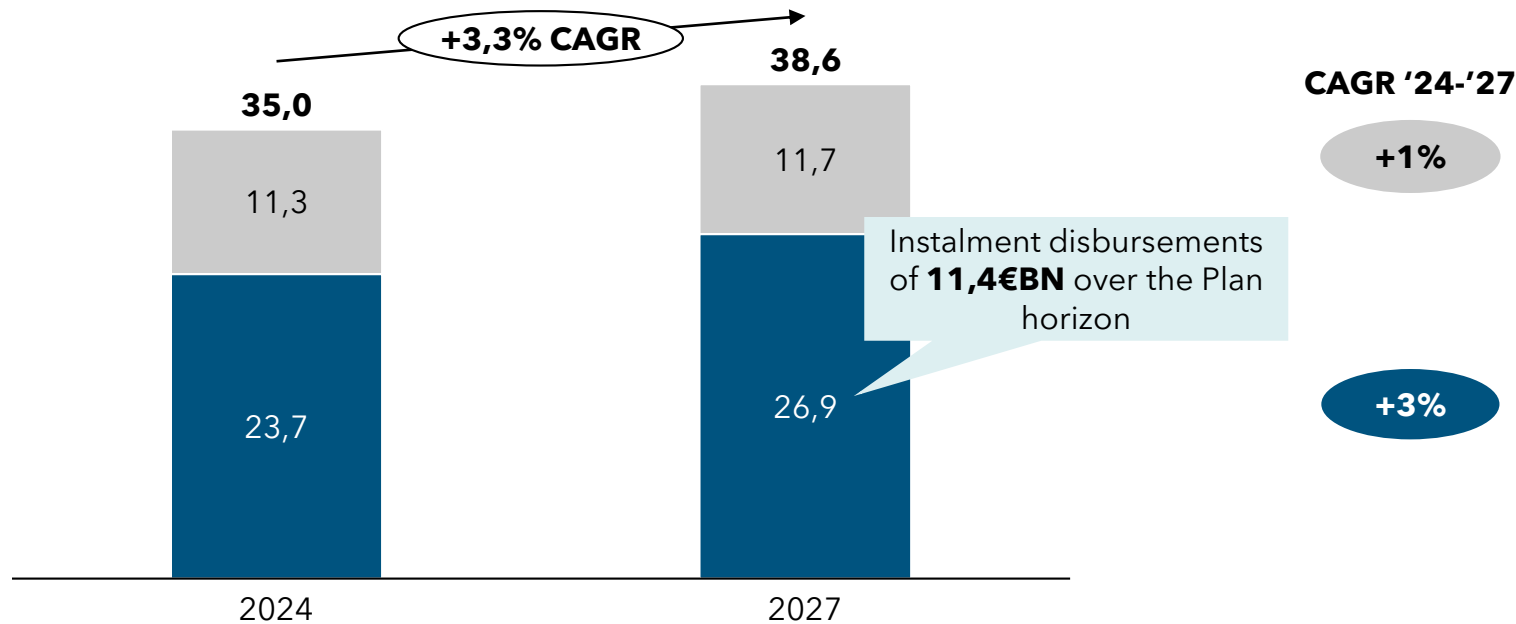
- **Resilient NII** thanks to appropriate **managerial actions** and **contained rate sensitivity**
- **Confirmed growth trend of commissions** (+5% CAGR) consistent with the value enhancement opportunities in **Wealth Management / Bancassurance**
- The **result of financial activity** is projected conservatively (excluding extraordinary capital gains) and is mainly linked to the core activities of the **subsidiaries** and the **International Service**
- Approximately **15% contribution** of **product factories** to the Group's total revenues by 2027

Note: Data referring to Banca Popolare di Sondrio Group



Expected lending growth is fully consistent with the Bank's proven track record of overperformance vs. Market

Net loans to customers €BN



■ of which BPS ■ of which subsidiaries

Note: Data referring to Banca Popolare di Sondrio Group
Sources: Prometeia, Bank Balance Sheet Forecasts, 2025Q1

Key highlights

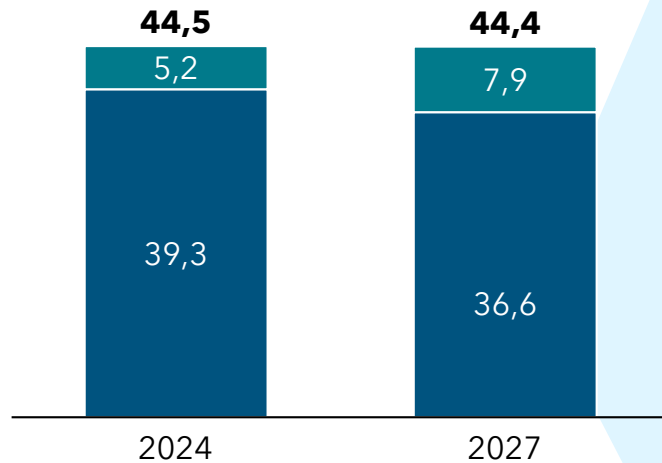
- **Growth of net loans** in the next three years averaging **+3,3% per year**
- **Realistic objective** since:
 - **market projections** are **improving** (-1,6% in 2021-24, expected +0,3% in 2024-27)
 - historically, the **Bank** has **grown more than the market** (in particular, +4,1% CAGR 2021-24)
- Growth driven by **lending to «core» customer base** (households and local businesses) by the **Parent** Company
- **Growth trend** of **cross-selling** confirmed in **factoring, BPS Suisse** business, **consumer credit**



Customer funding remains stable, confirming the historically lower volatility compared to peers

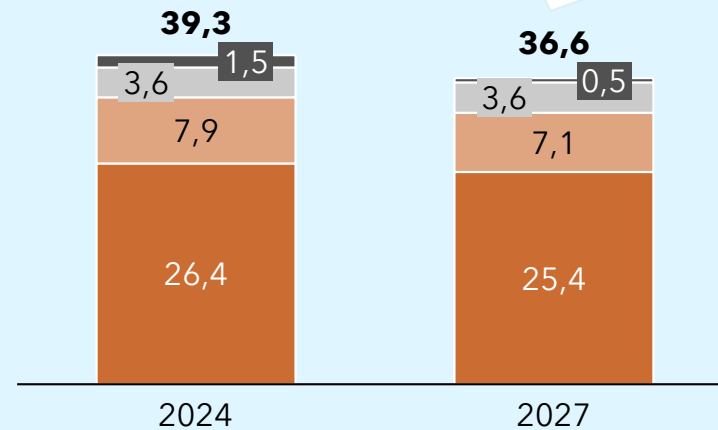
Customer funding mix €BN

- Customer deposits
- Debt securities



Focus: Customer deposits €BN

Conversion of approximately **1€BN** towards **assets under management** over the Plan horizon



- Core customers¹
- Institutional customers²
- Subsidiaries' customers
- Repo

MREL	30,3%	29,7%
LCR	168%	170%
NSFR	130%	131%

Key highlights

- **Direct customer funding** is expected to remain stable throughout the three-year horizon
- **Reduction of the sight component** due to **conversion** into **assets under management**, in line with the relevant Business Plan initiative
- **Sound funding profile** composed predominantly of **sight and term deposits** (Core customers¹ - CAGR +4% in the last 5 years) which has allowed to adequately address a context of **high-rate volatility**
- The contribution from **institutional customers²** is also expected to remain at **significant** levels based on historically recorded trends
- Significant **bond issuances** of approximately 5€BN over the Plan horizon, of which approximately 4€BN to institutional investors

Note: Data referring to Banca Popolare di Sondrio Group

1. Ordinary customers including Retail and Businesses | 2. Includes private pensions funds and main depositors

NII resilience is driven by limited sensitivity to reference rates and by commercial actions enabled by our strong positioning with customers



Evolution of Net interest income

€MM

Euribor 3M¹

Average annual rate

3,6%

-130 basis points

2,3%

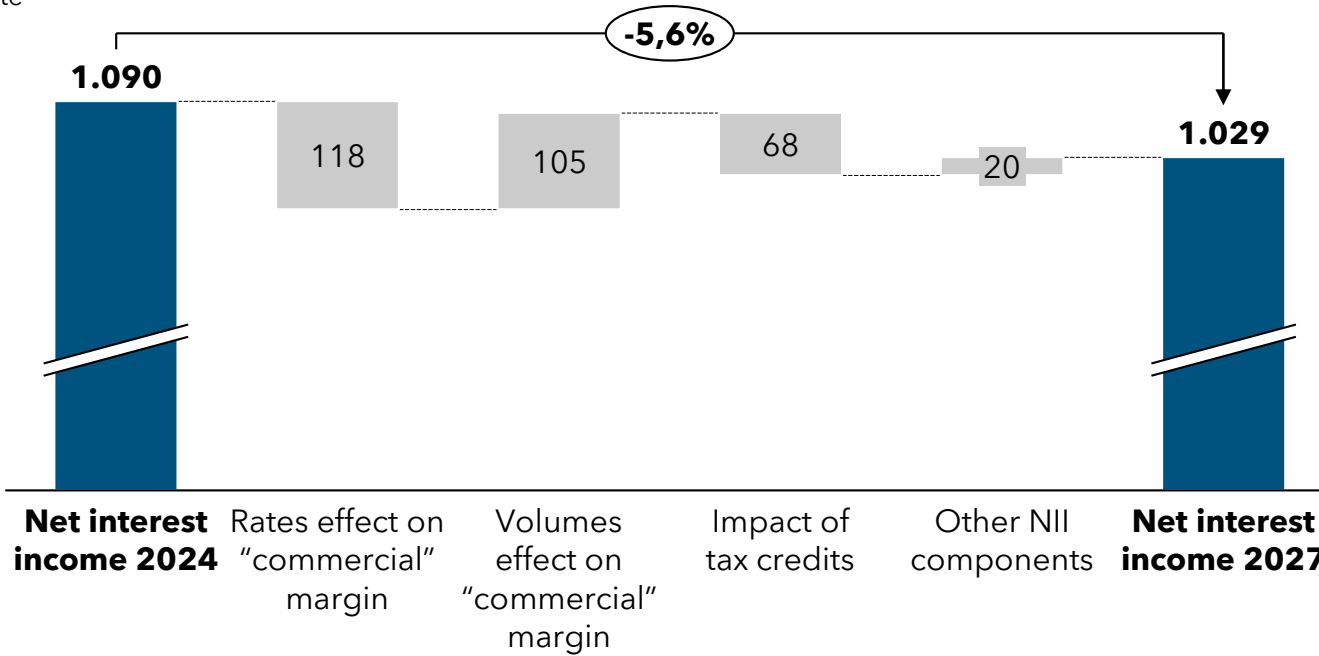
Commercial Spread

Average annual rate

2,9%

-70 basis points

2,2%



Key highlights

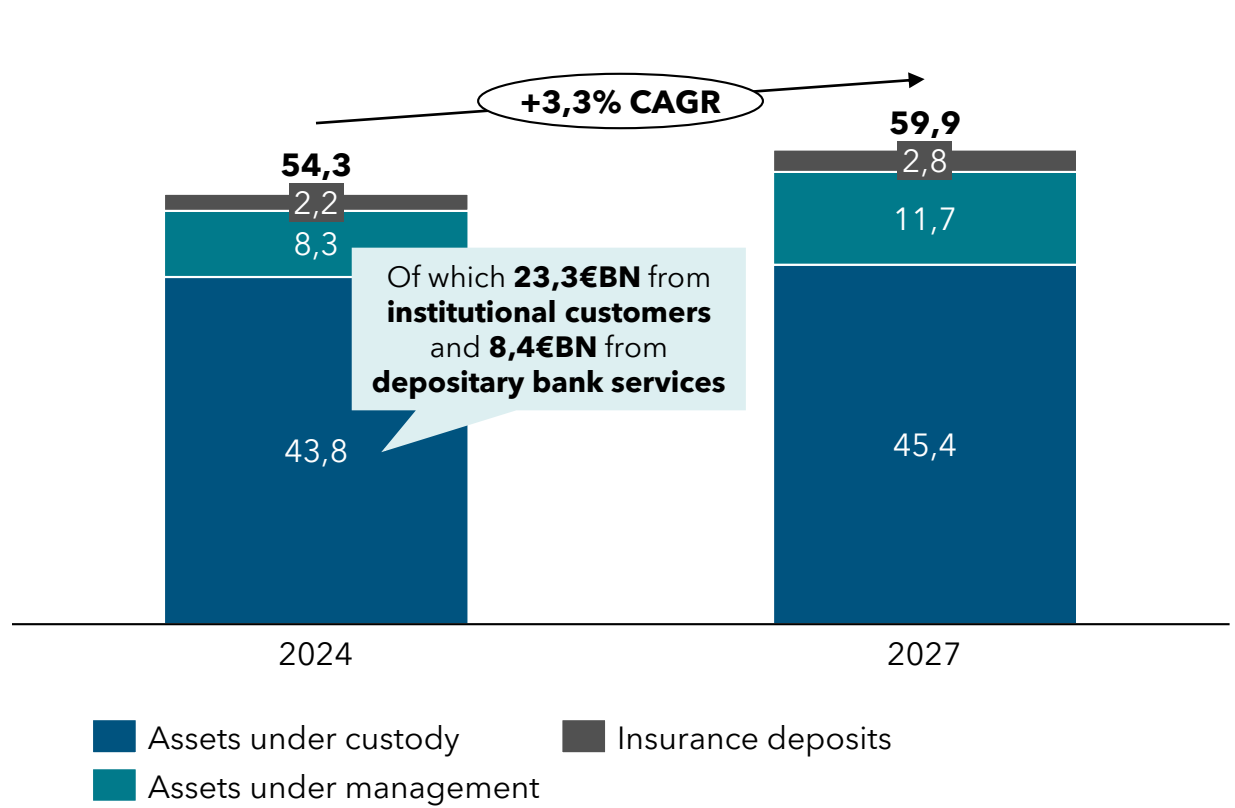
- **Limited exposure** to the reduction of market rates, with **sensitivity equal to -3,5%** on a further 50bps shock of reference rates
- Further **mitigation of the impact of rates** through the implementation of **managerial actions** aimed at:
 - **streamlining the cost of sight deposits**
 - defending the **commercial spread** on instalment loans leveraging **territorial presence** and **customer loyalty**
 - **proactively managing the profile of assets and liabilities**
- Additional benefit deriving from **tax credit management** with a total contribution of approx. **285€MM** over the three-year horizon (vs. 230€MM in 2021-24, decreasing in 2027 vs. 2024)

Note: Data referring to Banca Popolare di Sondrio Group
1. Prometeia Forecast Report, December 2024

The increase in indirect deposits is driven by an acceleration in Wealth Management and Bancassurance



Indirect deposits €BN



Key highlights

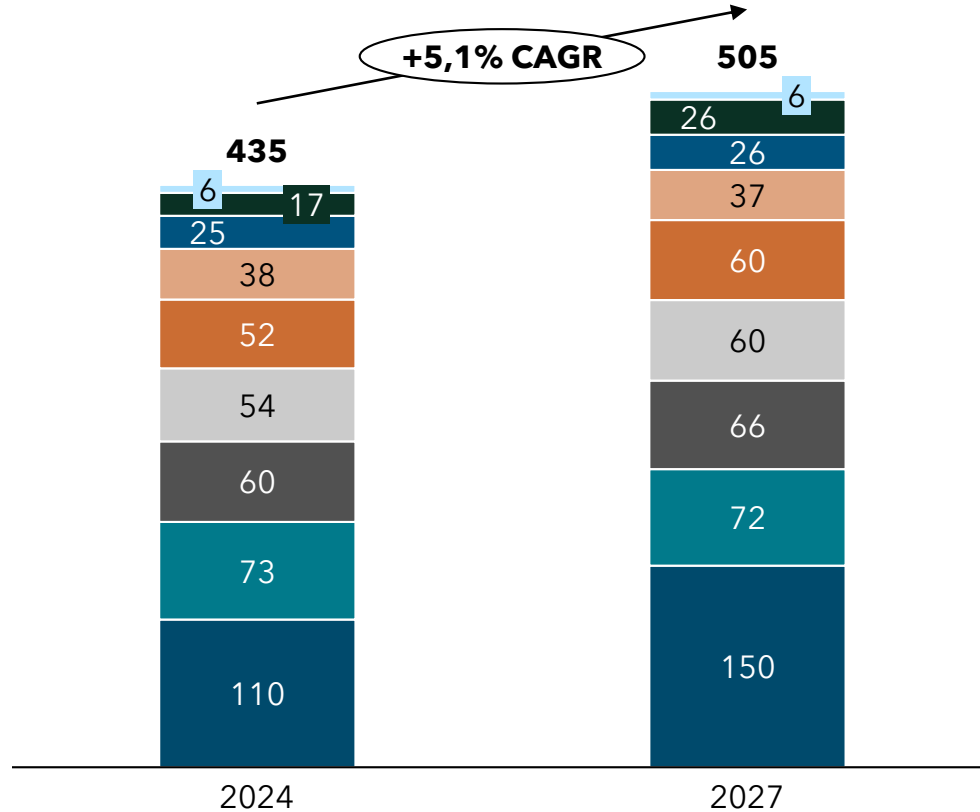
- **Indirect deposits up by +10%** 2027 vs. 2024, driven by **AuM** (+12% CAGR, especially growth in third-party fund and portfolio management components) and **insurance deposits** (+9% CAGR)
- **Assets under custody slightly increasing** due to market effect; includes securities administration activities on behalf of institutional customers (private pension funds and depositary bank services)

Note: Data referring to Banca Popolare di Sondrio Group



Expanding commissions is our primary goal – the target increase is in line with the Bank's additional growth potential

Net fee and commission income €MM



CAGR '24-'27

- +1,1%** Other
- +15,7%** Bancassurance and Pension
- +2,0%** Institutions and Treasury
- 0,2%** Factoring (Factorit)
- +5,0%** International Service
- +3,5%** CA Management and Other Services
- +3,3%** Loans
- 0,5%** Collections and Payments
- +11,0%** Wealth Management and Order Collection

Key highlights

- **Net fee and commission income** expected to **grow** (+5,1% CAGR) in **continuity** with **2022-24**, but with a further boost
- Expected **growth** to 2027 supported by the **Bancassurance** and Pension segment (+15,7% CAGR) and **indirect deposits** (+11,0% CAGR), consistently with Business Plan initiatives
- **Diversified business** characterised by the significant and solid contribution of various segments, including indirect deposits, collections and payments, loans and current accounts
- Significant **contribution** of some of the Bank's **distinctive areas**, including **International Service** (12% of total), **Factoring** (7% of total) and **Institutions and Treasury Management** (5% of total)

Note: Data referring to Banca Popolare di Sondrio Group

Focus on the merchant acquiring business enhancement project in partnership with Nexi¹



~100€MM²
One-off P&L impact
expected in 2025

Renewal of partnership
for
15 years

Enhancement of the merchant acquiring business as part of the renewal of the partnership with Nexi

- **Transfer** of the merchant acquiring business unit to the **Nexi Group**
- **Renewal** of the **partnership** for **15 years** through an exclusive distribution agreement for Nexi products and services
- Maintaining exposure to future business development with **margin sharing** by maintaining a compelling offering in a competitive industry

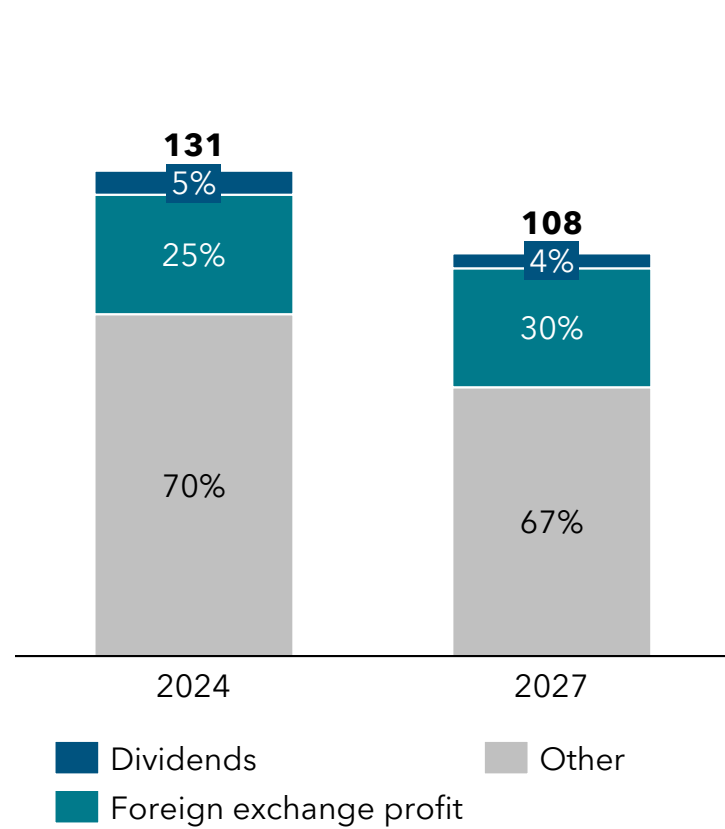
Disposal of BPS's historical shareholding in Nexi Payments

1. The project, already discussed in the competent bodies of both parties, was not completed within the hypothesised timeframe due to BPER's announcement of the OPS and the Bank's consequent subjection to the constraints of the so-called 'passivity rule'. The project, taking into account the timing of BPER's OPS and subject to the timely issuance of the legal authorisations, could be reasonably completed within a timeframe compatible with the end of the 2025 financial year | 2. Valuation of the business unit

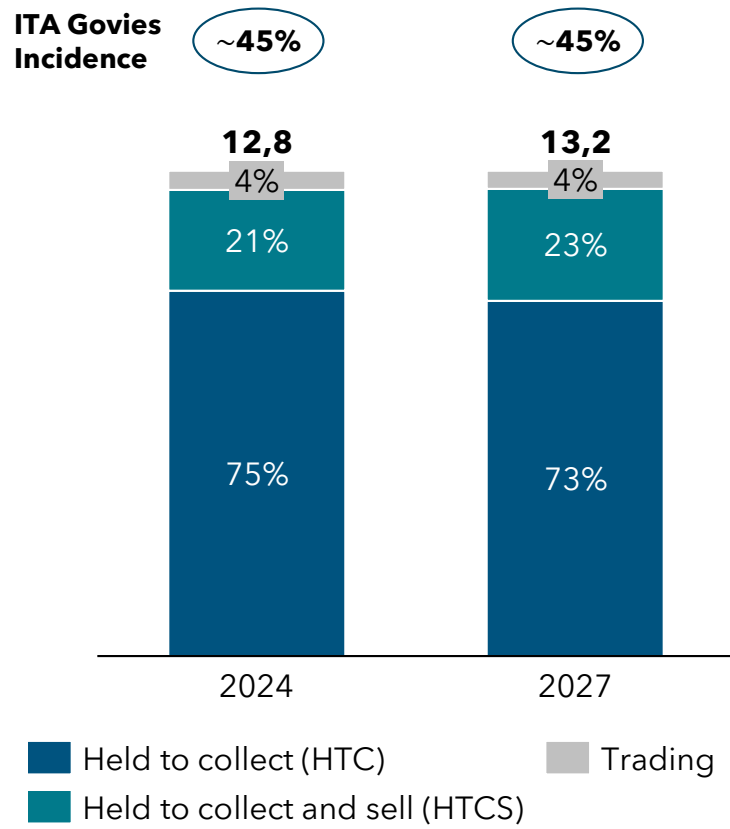


The securities portfolio remains stable throughout the Plan horizon. Strong contribution to revenues from financial activities

Result of financial activity €MM



Financial assets Stock in €BN, %



Key highlights

- Annual contribution from financial activities expected to be around **115€MM** - including **two stable components** related to market **dividends** and **exchange rate gains** generated by the **International Service**
- Expected results from the **hedging activities** of BPS Suisse (approx. 50€MM p.a.) also included
- **Financial assets** expected to **increase slightly** (+1,1% CAGR), with a predominance of the **HTC component** and maintaining adequate operational flexibility to seize market opportunities

Note: Data referring to Banca Popolare di Sondrio Group

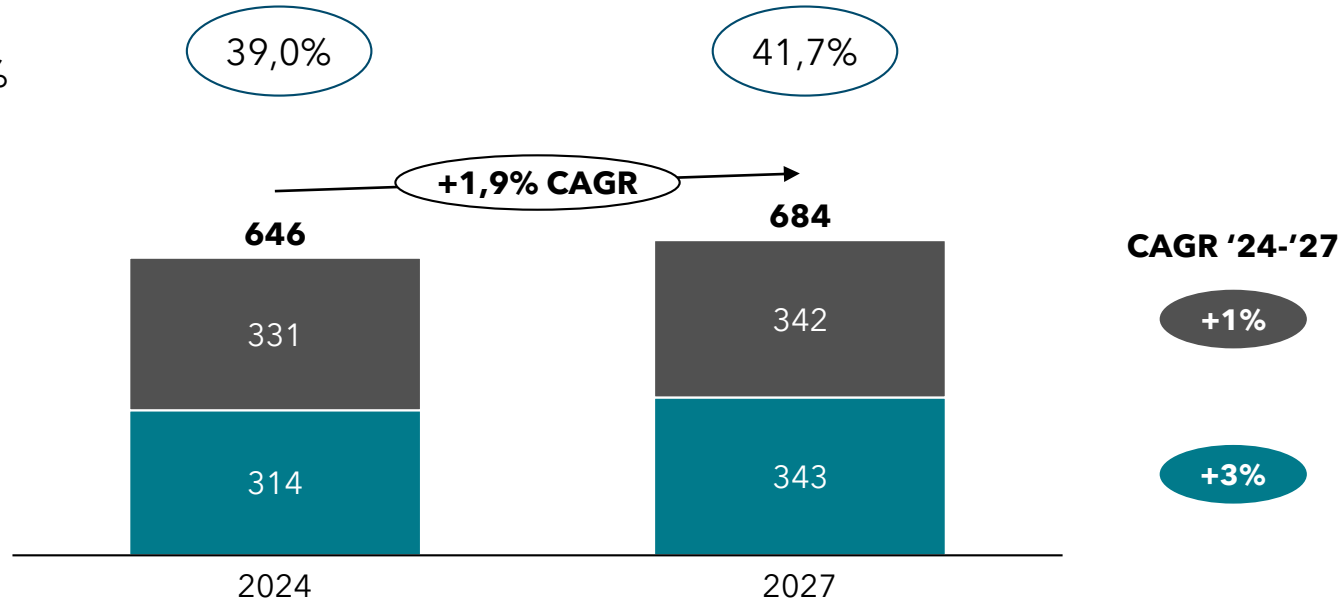


The Bank will keep growing while ensuring operational efficiency, with over 400€MM IT costs and investments envisaged over the Plan horizon

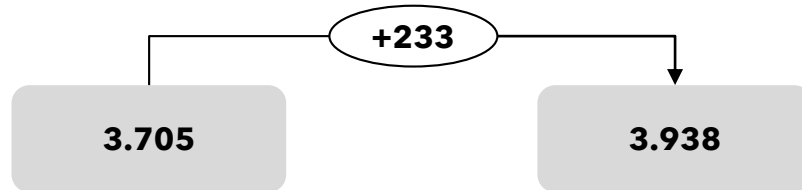
Operating costs €MM

■ Personnel expenses ■ Other operating costs

Cost / Income, %



Employees #HC



Note: Data referring to Banca Popolare di Sondrio Group

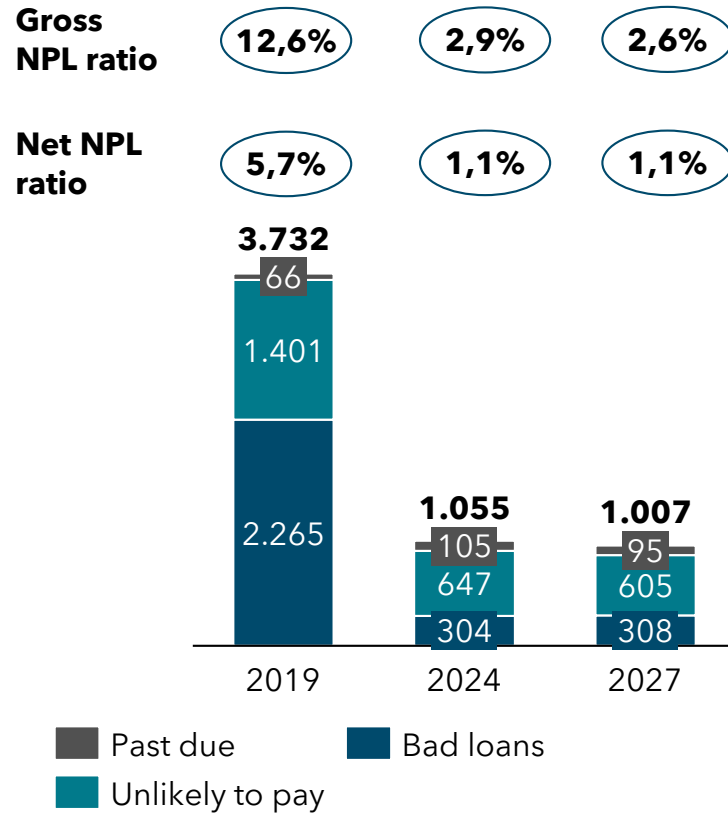
Key highlights

- Increase in **personnel expenses** related to the recruitment of new resources to support **Network expansion** and revenue generation as early as 2025, as well as **the Bank's innovation path**
- Estimated **406€MM IT costs and investments** over 2025-27 (approx. +30% over the previous three-year horizon, 25% CapEx), of which approx. **50% dedicated to 'change' projects** (evolution of the technological infrastructure, enabling digital initiatives)
- Other components expected to evolve in line with **inflation dynamics**

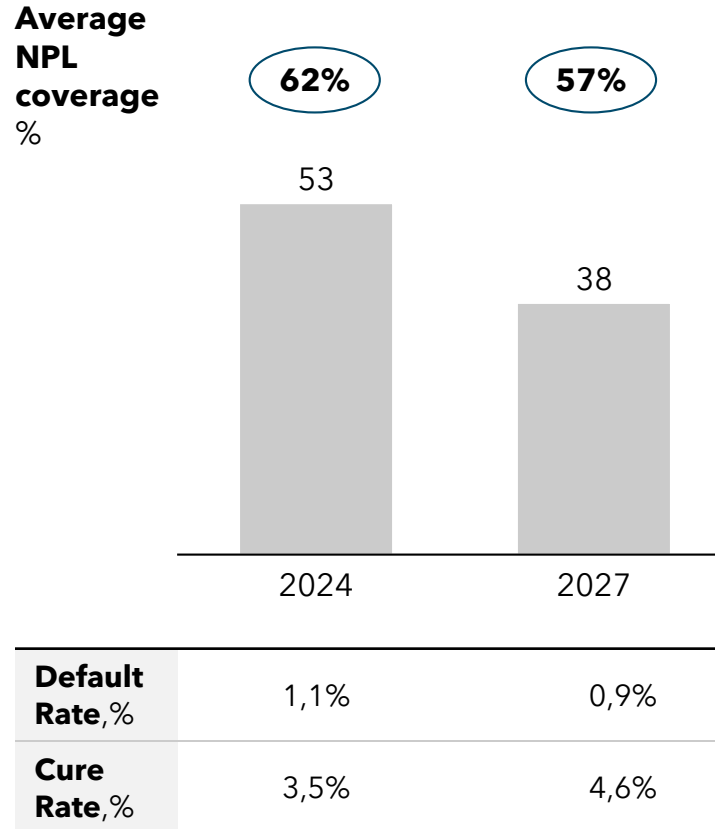


Following the recent de-risking process, the NPL ratio and coverage levels will remain in line with leading players in the market

NPL stock €MM



Cost of risk Basis points



Key highlights

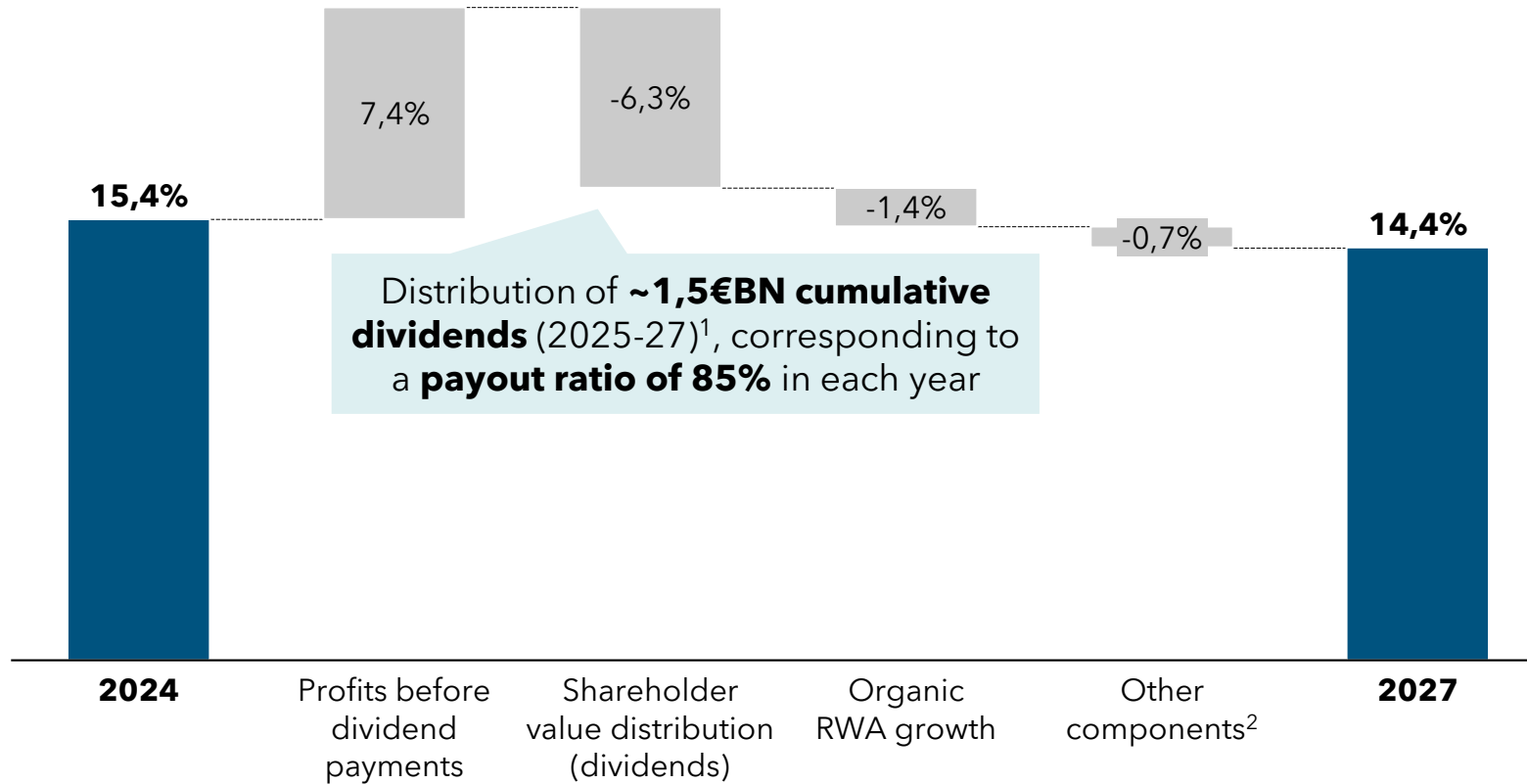
- **Net NPL ratio** firmly at **best-in-class** levels in the market, around 1%, following **significant de-risking activities** in recent years
- Declining **cost of risk**, expected to be **below 40 basis points** in 2027
- **Non-performing loans decreasing**, thanks to continued de-risking through internal **workout activities** and **disposals** amounting to **200€MM** over the three-year horizon
- **Coverage** still maintained at a **high level**, with LLPs stable around 150€MM per year

Note: Data referring to Banca Popolare di Sondrio Group



Capital ratios are expected to consistently remain above 14%, also in light of sustainable and accelerating dividend distribution for the Bank

Evolution of CET1 ratio %



Key highlights

- Capital ratios well **above 14%** in each year, even in the face of an accelerating **dividend distribution** (payout 85%)
- **Regulatory headwind** related to the implementation of **Basel IV** fully included (-75 basis points to 2027)
- **Capital management levers** available for the Bank but **not factored** into projections (synthetic securitisations, equity investment management, ...)

Note: Data referring to Banca Popolare di Sondrio Group

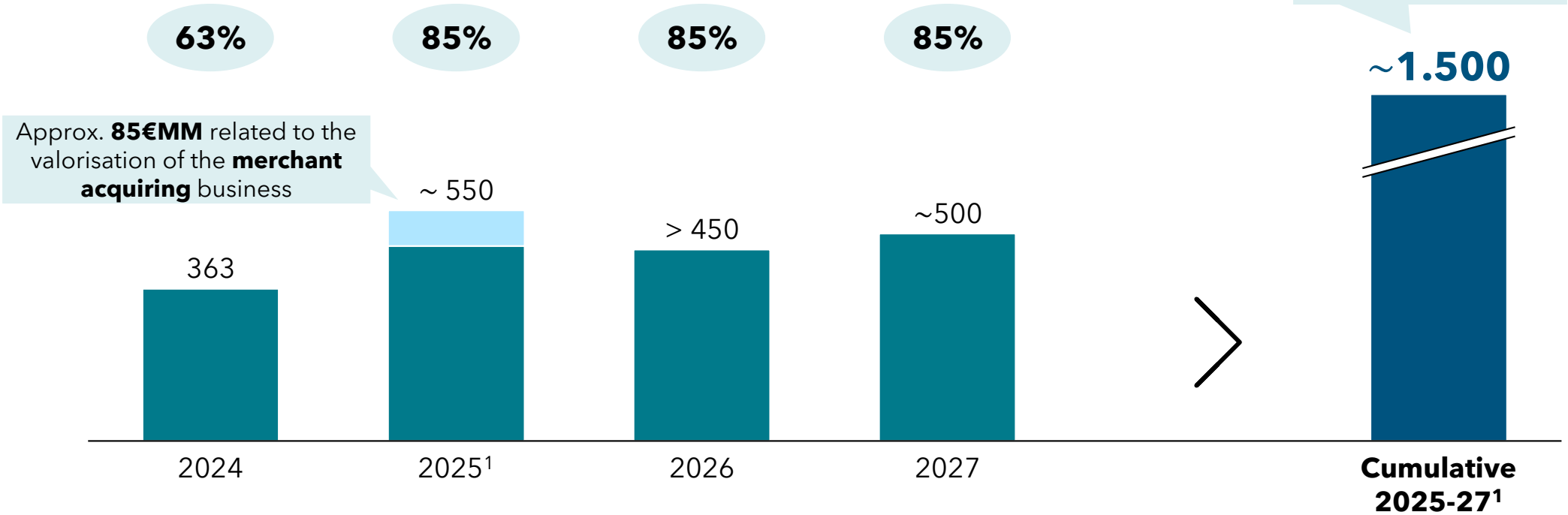
1. Values shown assume completion of project to valuation of BPS's merchant acquiring business, which could be realised compatibly with 2025 financial year end, with an expected impact of ~€100Mln (see slide 31) - if this project is not completed, cumulative 2025-27 dividends would be ~1,4€MM | 2. Includes contribution from valuation of RE portfolio at fair value, Basel IV, AIRB, FRTB, and other components (e.g. calendar provisioning, other deductions, ...)



The payout ratio is set to remain steady at 85% in each year of the Plan, while the CET1 ratio will consistently exceed regulatory requirements

Distribution of cash dividends over the Plan horizon €MM

Payout ratio, %



Note: Data referring to Banca Popolare di Sondrio Group

1. The values shown assume the completion of the project to enhance the value of BPS's merchant acquiring business, which could be realised compatibly with the close of the 2025 financial year, with an expected impact of ~100€MM (see slide 31) - in the event of failure to complete this project, the 2025 dividend would be ~470€MM and the 2025-27 cumulative dividends would be ~1,4€BN

4

«Our Way Forward»: Strategic guidelines of the 2025-27 Business Plan





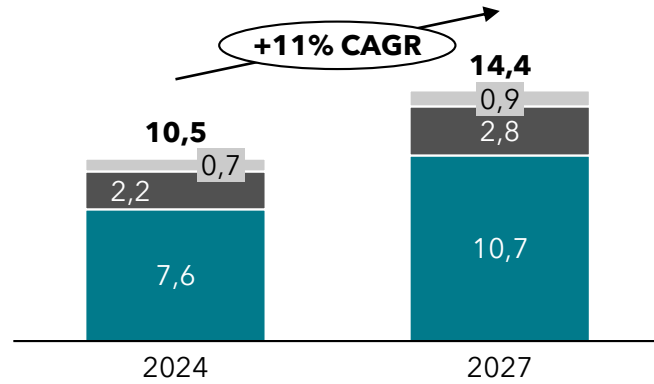


Acceleration in Wealth Management: double-digit growth in volumes and commissions

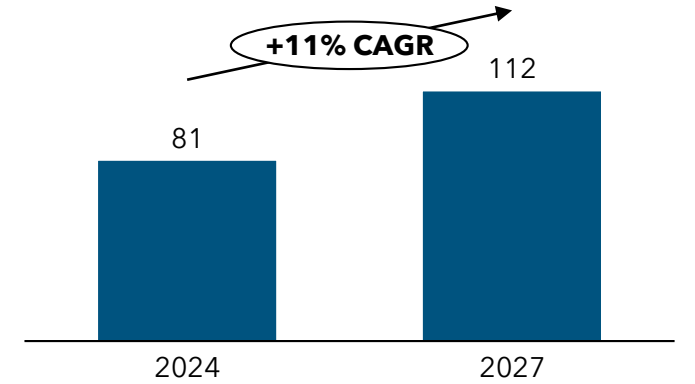
Business Plan targets



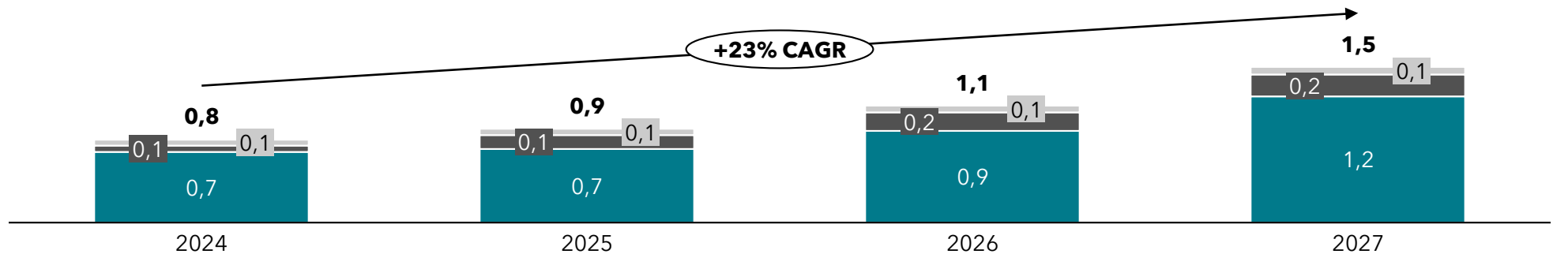
Assets under management / insurance deposits
€BN



Commissions
€MM



Net subscriptions
€BN



■ Third party funds and portfolio management ■ Life insurance ■ Pension funds



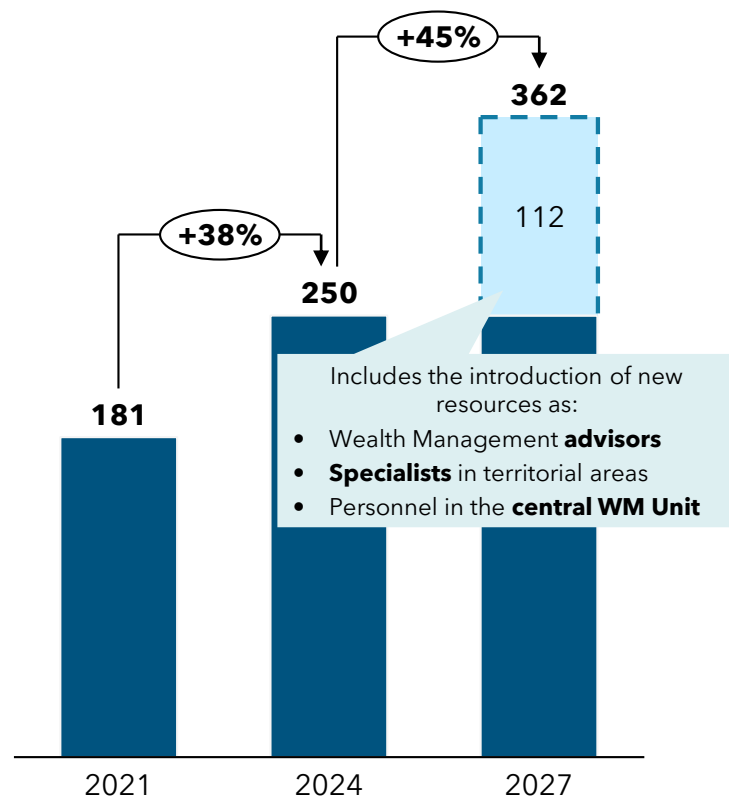
Growth will be driven by an enhancement of the Specialists team and a revitalization of our commercial strategy

Strengthening capabilities and personnel:

- Introduction of **90 new Wealth Management advisors** (hirings and conversions from transactional activities, leveraging process streamlining)
- Establishment of a team of **Specialists within territorial areas**, aimed at energizing and supporting the Network
- **Skill development** within the central WM Unit



Personnel dedicated to Wealth Management # HC

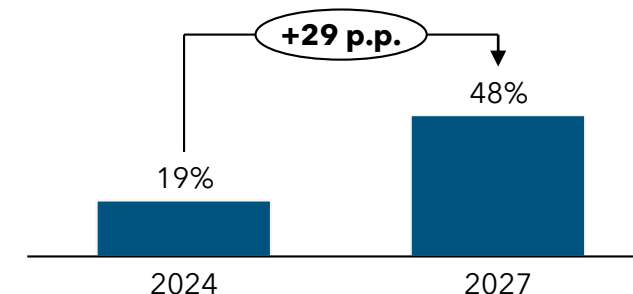


Enhancement of commercial focus:

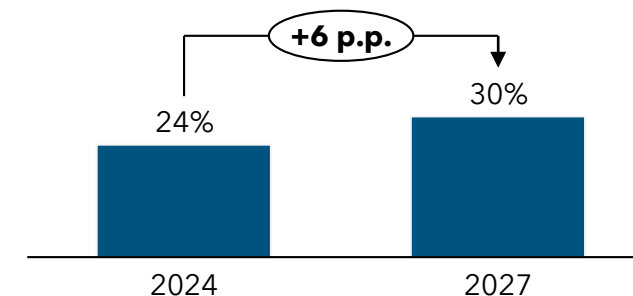
- **Enhancing client coverage** by broadening the allocation of **Affluent and Private** clients to Wealth Management advisors
- **Expansion of the product offering** for Private clients



Affluent and Private customers assigned to a WM advisor, %



Penetration of AuM¹ on total customers' assets² %

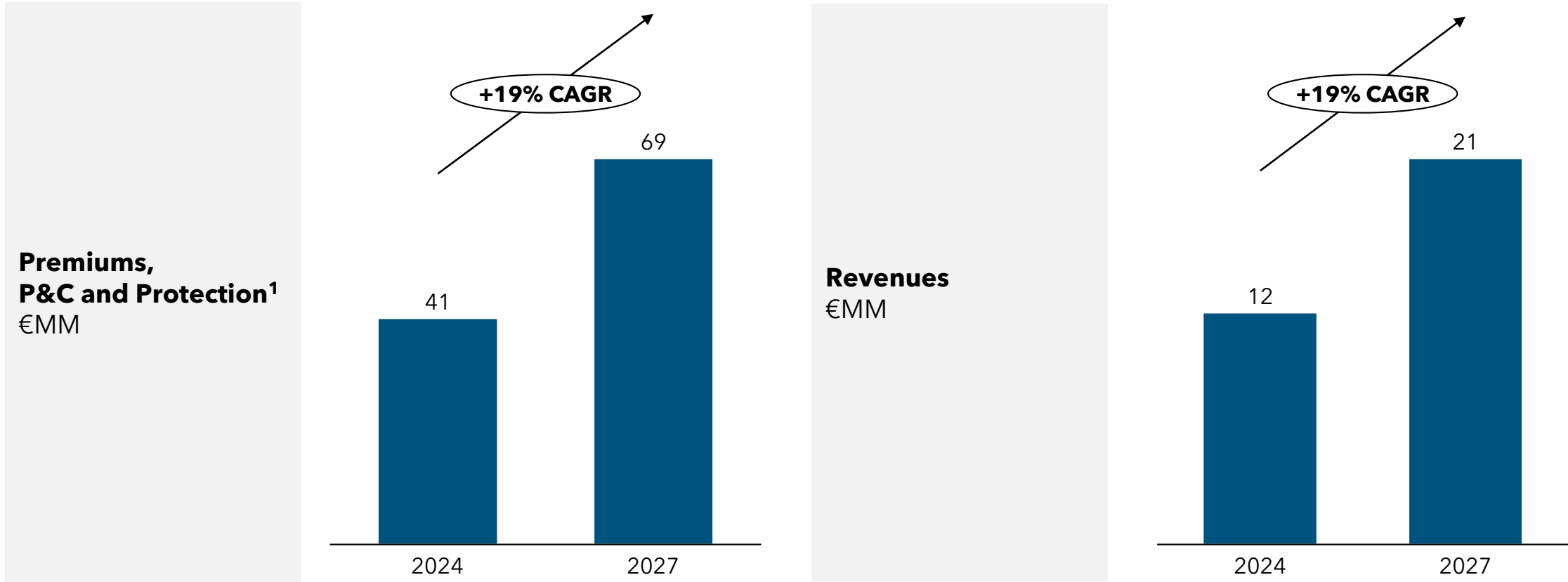


1. Includes third-party funds, portfolio management, Life Insurance and private pension funds | 2. Customers deposits, AuC and AuM (excluding institutional clients and BPS shares)



Acceleration in Bancassurance: continued growth in P&C and Protection driving revenue increase

Business Plan targets



1. In the Life Protection segment, reported values consider only the new production



Also for Bancassurance, strengthening of Specialists through a model designed for higher value-added segments

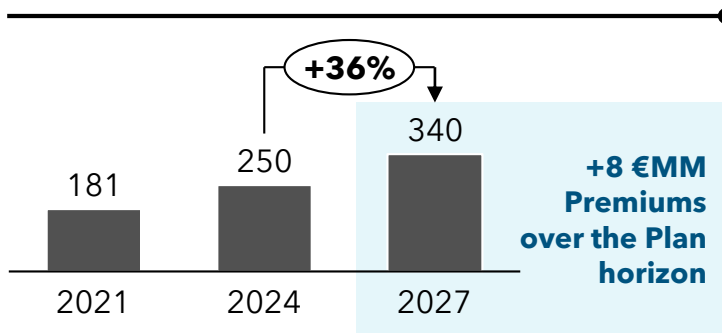


Integrated Wealth proposition for Affluent and Private customers

- Full integration of the insurance proposition within WM advisory for Affluent and Private customers, sustaining the growth on Health and P&C non-motor products

Wealth Management advisors

#

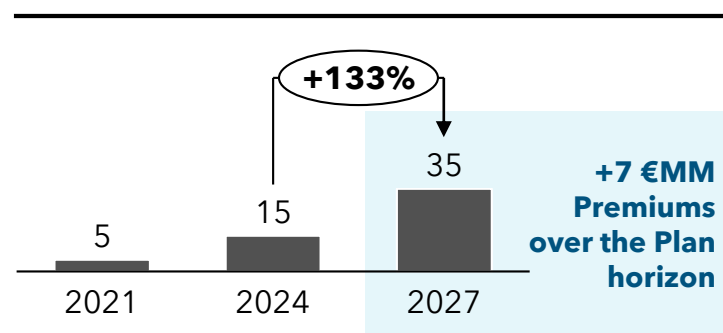


Dedicated offer for Small Businesses

- Intensification of sales activities by Insurance Specialists, with a focus on small economic operators and Small Businesses
- Boost of sales of catastrophe risk insurance products and corporate welfare coverage

Insurance Specialists

#



Increased productivity in the Retail segment

- Strengthening of specialized support, monitoring capabilities, and guidance to sales activities
- Focus on training to boost the commercial effectiveness of the Network

Increase in Branch effectiveness

%, Increase of insurance premiums per Branch

Health

+70% 2027 vs. 2024

P&C non-motor

+50% 2027 vs. 2024



Full valorisation of our leadership in serving Businesses: ~1,6€BN new incremental disbursements to SMEs, +22€MM revenues from new initiatives



18

Corporate Specialists
supporting the Branch
Network



International services

Strengthening of the **trade finance** and **transaction banking** proposition



Nexi/POS

Commercial initiatives dedicated to **business credit cards** and **POS**



Commercial boost on the **factoring proposition**, also through the launch of **new products**



Strengthening the **collaboration** to expand the **leasing proposition**



Agribusiness

Dedicated commercial proposition to the **agri-food sector**



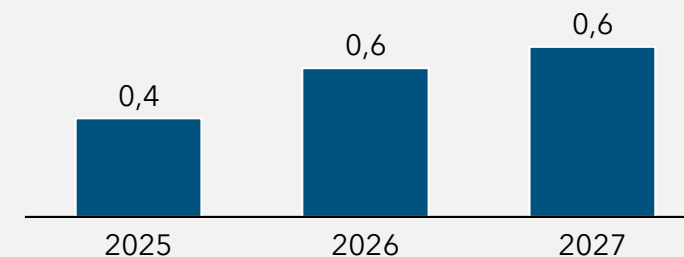
Corporate Finance

Development of an offer of **Corporate Finance** services with specialized partners

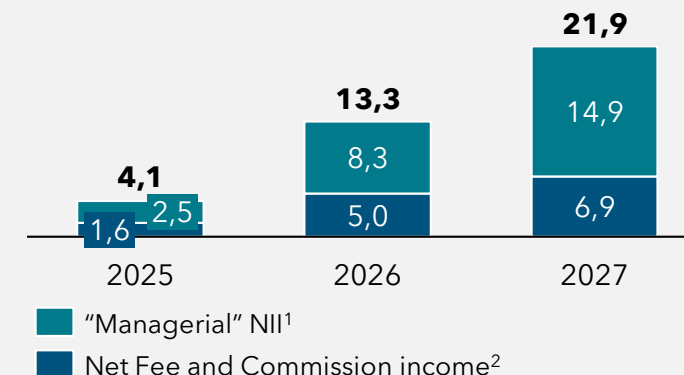
Business Plan targets



Disbursements from new initiatives, €BN



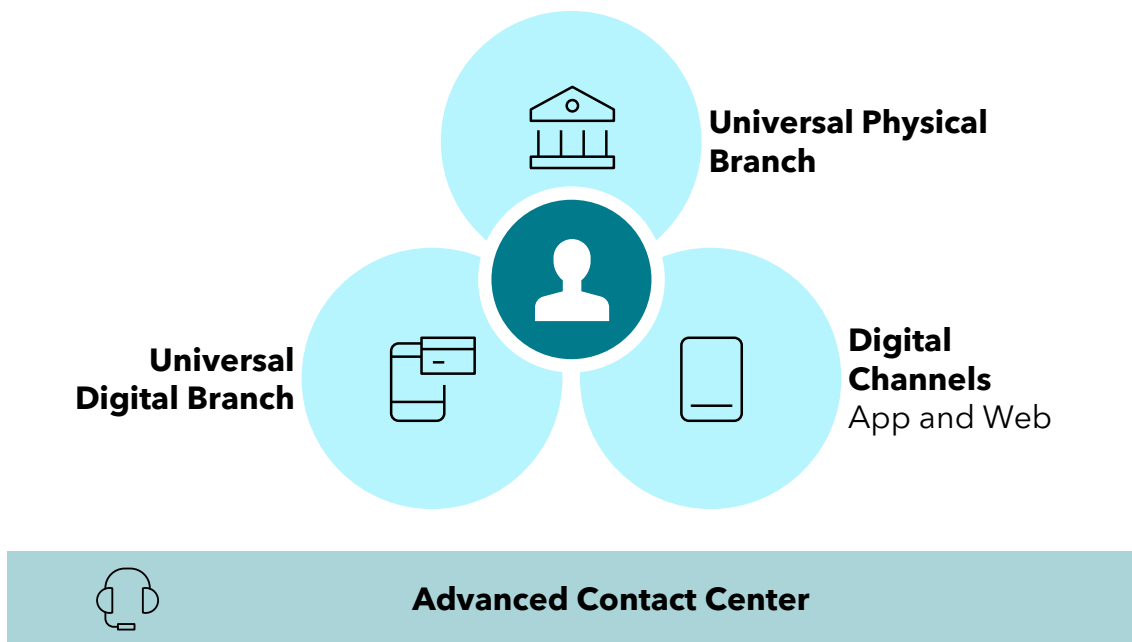
Revenues from new initiatives, €MM







1. Interest income net of cost of funding and cost of risk | 2. Net income from services



The «territorial» dimension of the Bank is complemented with a «Human-Digital» model, specifically aimed at attracting new Retail customers



Roll-out of digital products over the 2025-27 horizon¹

 Transactional	 Lending	 Bancassurance	 Wealth Management
Current Accounts	Personal Loans	PPI insurance policies	Remote Advisory
Credit Cards	Mortgages	Life insurance	Trading Online
Debit Cards	Salary/Pension-backed loans	Health insurance	
		Car insurance	

Growth of the Retail customer base by **4% annually** in 2027 horizon, leveraging **acquisition through digital channels**

1. Products offered through remote sales methods (with audio/video interaction with the Branch) and/or in self-service mode (purchased independently by the customer through digital channels)

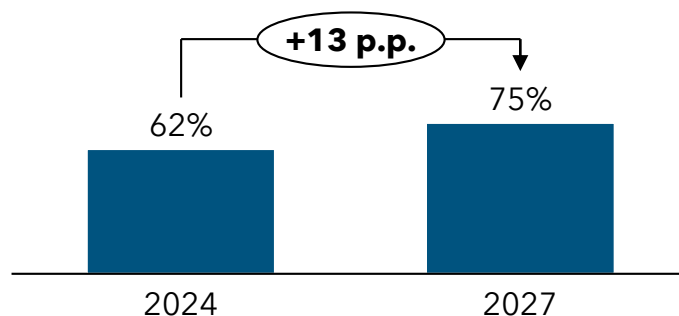


«Human-Digital» Transformation: higher penetration of digital channels, digital onboarding of new clients, and new sales mechanisms

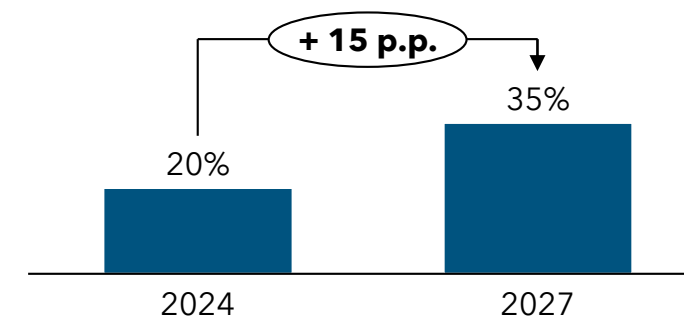
Business Plan targets



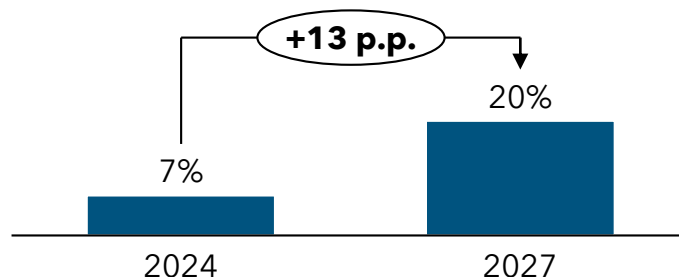
Internet Banking Penetration
% on total customers



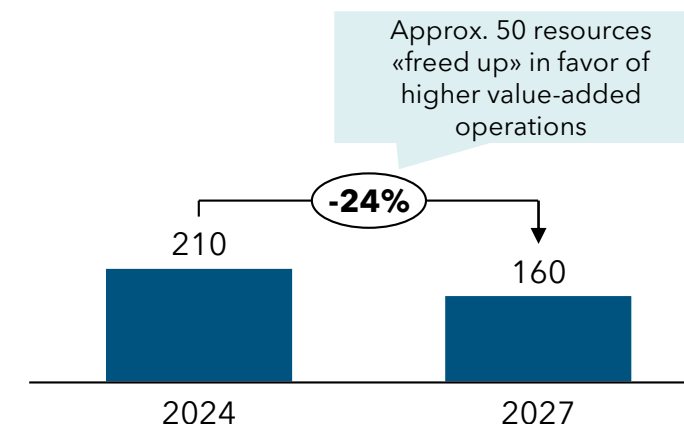
Customer acquisition through digital onboarding
% on total customers



Digital and remote sales
% on total sales of digitally-available products



Employees allocated to cash and teller operations
FTE





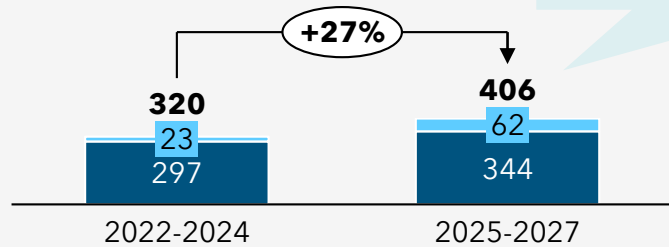
The Bank will invest over 400€MM in the evolution of its technological infrastructure

IT spending

Cumulative, €MM

Investments in digital transformation

3x vs. previous three-year horizon

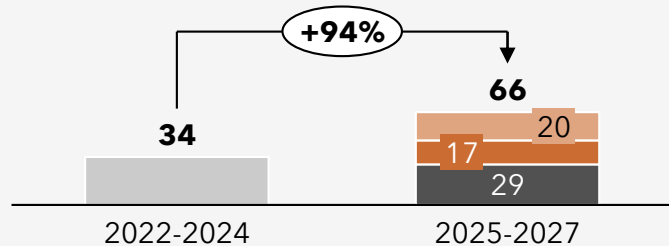


Development of:

- Digital offering, Digitization, and Omnichannel
- Applications and “Journey to Cloud”
- Strengthening of digital channels
- AI and automation for commercial effectiveness and operational efficiency

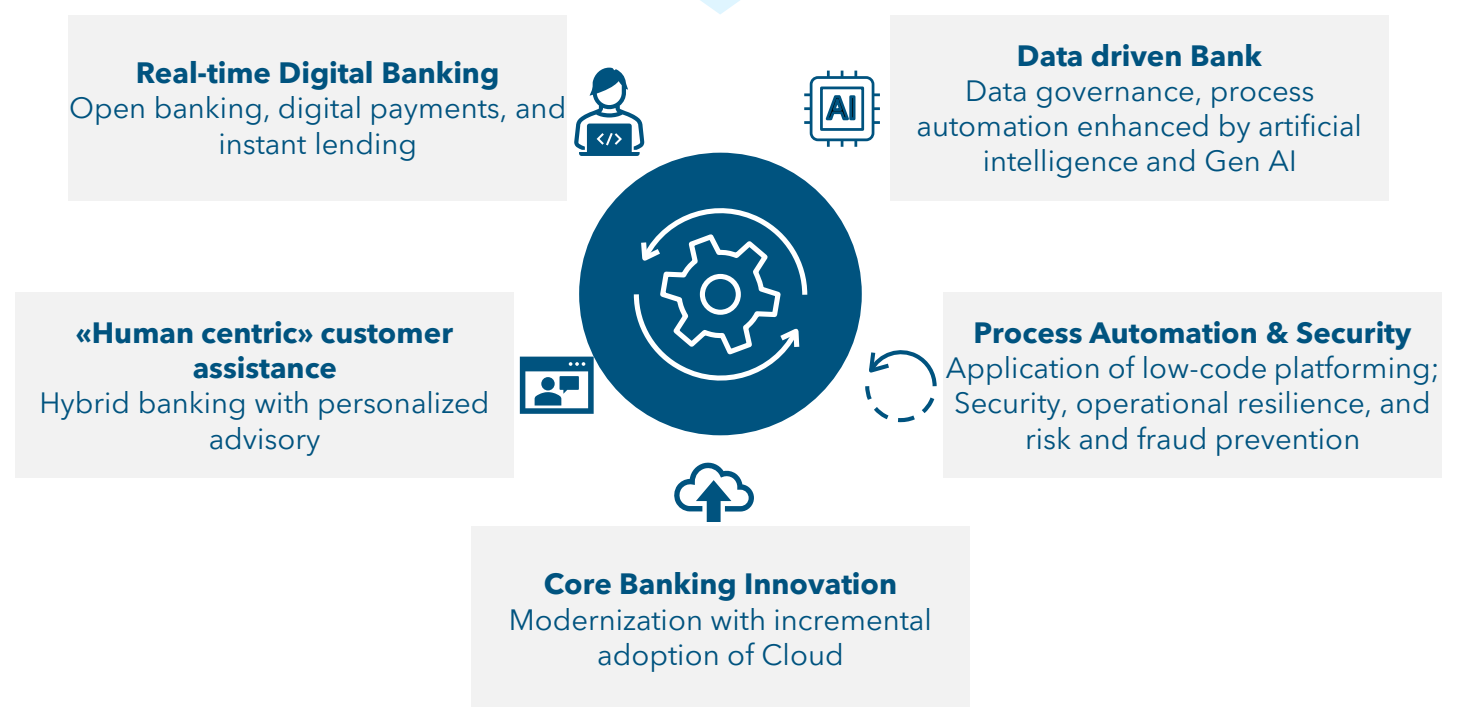
Hiring of IT / Digital resources

Cumulative, # FTE



■ Digital Transformation Hub
 ■ Digital Branch
 ■ IT structures

Tech infrastructure evolution 2025-27



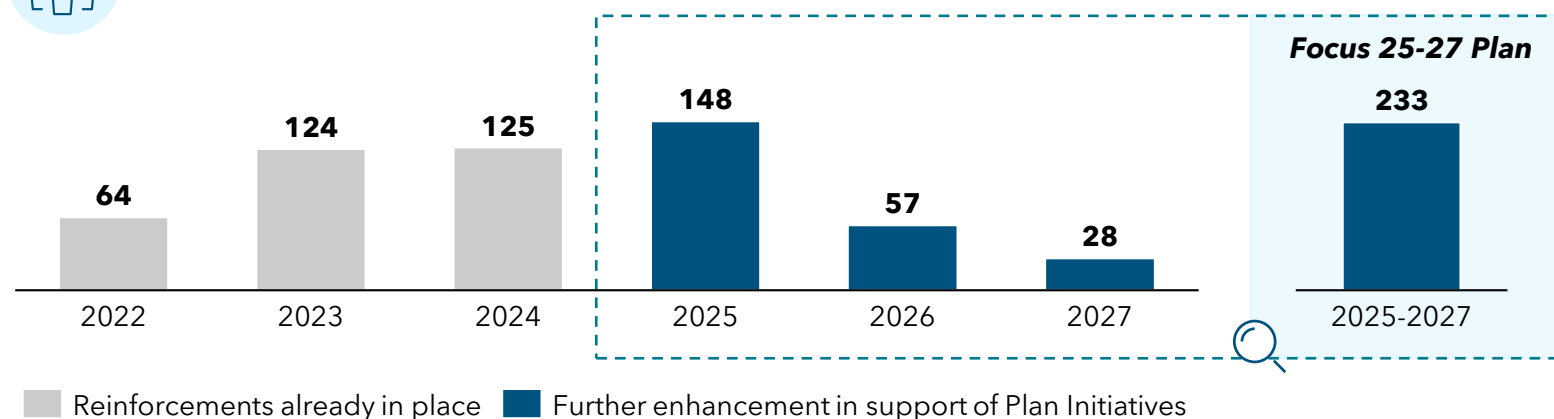


Enhancement of our employees through career and incentive paths and innovation in corporate culture

Investing in people



Strengthening of human resources to support business growth



Increasing use of the **incentive system**



New career paths and specialization opportunities: **+90 Wealth Management Advisors**, **+20 Bancassurance Specialists**

Innovating our culture



- Defense of the **“short chain of command”** and promotion of the BPS culture of **entrepreneurship** towards customers, particularly in Branches

- Adoption of an approach characterized by **strong delegation** and an **ownership-oriented mindset**



- Recalibration of **recruiting systems** and **engagement** of new employees

- Design of motivational strategies suitable for **«Generation Z»** to create a fully **inclusive work environment**




- Achievement of a **45% share** of **female** professionals on total **new hires**



Targets of the 2025-27 Sustainability Plan

Overview of the targets

Cumulative values over the Plan horizon

 Business	Credit	2,4€BN of new financing with positive environmental and social impact
	Green, Social and Sustainable Bonds	1,0€BN of new bond issues
	Insurance products	Development of the offering of insurance policies against catastrophe risks and health plans for businesses
 People and Community	Training	Mandatory annual training on Sustainability topics for employees and governing bodies
	Financial education	Financial and Sustainability Education for 1.500 students; free training is also planned for stakeholders
 Supply Chain and Operations	Reduction of operational GHG emissions	14% of Scope 1 & 2 emissions reduction by 2030 (7% by 2027)
	Renewable electricity	100% of electricity purchased from renewable sources from 2026
	Supplier evaluation	80% of purchases in terms of total spending evaluated with Sustainability criteria

Sustainability initiatives



NZBA Target

Pursuit of Net-Zero objectives in line with the commitments made by joining the Alliance and the publication of the first targets (December 2024)



Remuneration

Strengthening of Sustainability criteria in the incentive systems for top management



Diversity, equity, and inclusion

Initiatives in favour of gender equality and in support of parenting and inclusiveness

5

Conclusions and Q&A



Our Way Forward

Ambitious but credible and achievable objectives, thanks to our proven ability to execute



A success story...

- For over 150 years, an **independent Bank, rooted in its territory**, close to its **customers**, with a **distinctive culture** and **"way of banking"**
- **Best-in-class productivity and operational efficiency**, supported by a **continuously expanding Network** capable of generating revenues that justify investments
- **Solid risk and capital soundness oversight**, in line with best practices in the Italian market
- Proven ability to **exceed targets and market expectations**, thanks to the skills and commitment of our employees and management
- **Increasing value creation for our Shareholders**, with an accelerating distribution of dividends

...at the foundation of «Our Way Forward»

- Acceleration in **Wealth Management** and **Bancassurance**, with new capabilities offered to private clients and SMEs
- Enhancement of our **proposition for Businesses**, to maximize the potential from a business on which we have an established leadership
- Continuation of our **digital innovation journey**, with the aim of evolving the service model in a "Human-Digital" fashion
- **Development of the Bank's talents**, through the valorization of our Corporate Identity and culture, while keeping expanding our workforce
- Continued integration of **Sustainability** into our business model, in line with our commitment to development and value creation for our territories and, in general, all stakeholders

Based on our history and the work done over the last three years, the new Business Plan 2025-27 allows us to enhance value creation on a stand-alone basis



>14%

**ROE
2027**

vs. 16,1% 2024

~42%

**Cost/Income
2027**

vs. 39% 2024

1,1%

**Net NPL ratio
2027**

vs. 1,1% 2024

~1,5€BN

**Cumulative
dividends 2025-27¹**

vs. 744€MM 2022-24

85%

Payout ratio 2025-27

vs. 63% 2024

~580€MM

**Net profit
2027**

vs. 575€MM 2024

~1,8€BN

**Cumulative net profit
2025-2027¹**

vs. 1,3€BN 2022-2024

>14%

**CET1 Ratio
2027**

vs. 15,4% 2024

~10%

**Dividend Yield²
per year, 2025-27**

vs. 5,7% 2022-24³

Source: BPS Financials and Business Plan projections

1. Values shown assume completion of the project to enhance the value of BPS's merchant acquiring business, which could take place compatibly with the close of the 2025 financial year, with an expected impact of ~100 €MM (see slide 31) - in the event of failure to complete this project, cumulative 2025-27 net profit would be ~1,7€BN, while cumulative 2025-27 dividends would be ~1,4 €BN | 2. Based on the market capitalization on February 28th, 2025 | 3. Based on the market capitalization on the last day of the year of dividend distribution



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