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**Banca Popolare
di Sondrio**

FONDATA NEL 1871

IL GRUPPO BANCARIO AL CENTRO DELLE ALPI

GREEN BOND ISSUANCE

INVESTOR PRESENTATION

September 18th, 2023



EXECUTIVE SUMMARY



ISSUER DESCRIPTION

- PROFITABLE BUSINESS MODEL FOCUSED ON COMPANIES, RETAIL AND SMEs SERVING THE TERRITORIES IN WHICH IT OPERATES
- STABLE FUNDING AND SOLID LIQUIDITY POSITION [LCR 169%; NSFR 129%]
- GOOD ASSET QUALITY WITH A SUBSTANTIAL FOCUS ON DERISKING [NET NPL RATIO 1.7%]
- SOUND CAPITAL POSITION [CET1 RATIO 15.8%]
- COST/INCOME RATIO BEST IN CLASS [40.6%]

GREEN BOND FRAMEWORK

- BPS GREEN BOND FRAMEWORK IS ALIGNED WITH ICMA GREEN BOND PRINCIPLES 2021
- AN AMOUNT EQUAL TO THE NET PROCEEDS FROM THE GREEN BONDS WILL BE ALLOCATED TO RE/FINANCE NEW OR EXISTING ELIGIBLE GREEN PROJECTS IN LINE WITH ELIGIBILITY CRITERIA
- SUSTAINALYTICS RELEASED THE SPO: «...*framework is credible and impactful and aligns to the four core components of the GBP 2021*»
- AN EXTERNAL AUDITOR WILL PERFORM THE INDEPENDENT REVIEW ON AN ANNUAL BASIS

PORTFOLIO ALLOCATION AND TRANSACTION RATIONALE

- GREEN SENIOR PREFERRED BOND ISSUANCE TO BE ALLOCATED ACROSS ALL ELIGIBLE GREEN CATEGORIES
- EUR [500]MLN 5NC4 NOTES
- EXPECTED RATING: BB+ (FITCH) / BBB(low) (DBRS)
- IMPROVES BPS' LIQUIDITY RATIOS AS WELL AS FURTHER OPTIMISING THE FUNDING MIX
- CONTINUE TO BUILD UP THE BANK'S MREL RESOURCES IN A LINEAR MANNER



- 1 BPS GROUP OVERVIEW**
- 2 BPS GROUP COMMITMENT TOWARDS SUSTAINABILITY**
- 3 BPS GROUP GREEN BOND FRAMEWORK**
- 4 UPCOMING GREEN BOND TRANSACTION AND PORTFOLIO OVERVIEW**
- 5 ANNEXES**



① BPS GROUP OVERVIEW

MORE THAN 150 YEARS OF STEADY GROWTH LEADING TO...



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

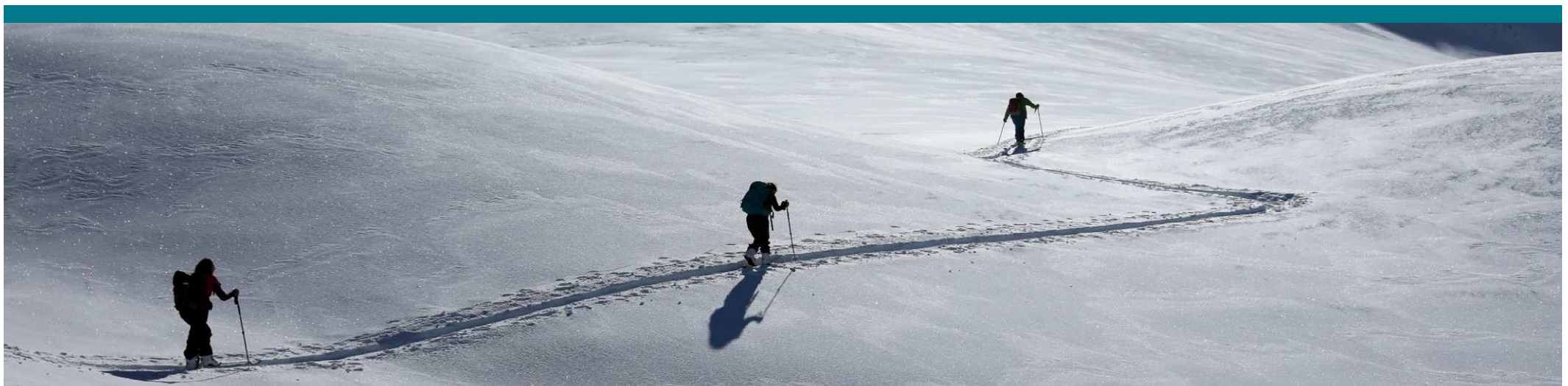
ACQUISITION OF
THE CONTROLLING
STAKE OF
FACTORIT

2017

FULL ACQUISITION
OF BNT BANK

2022

FULL ACQUISITION
OF FACTORIT



...A DIVERSIFIED GROUP WITH A DISTINCTIVE GEOGRAPHICAL FOOTPRINT...



Banca Popolare di Sondrio FOUNDED IN 1871

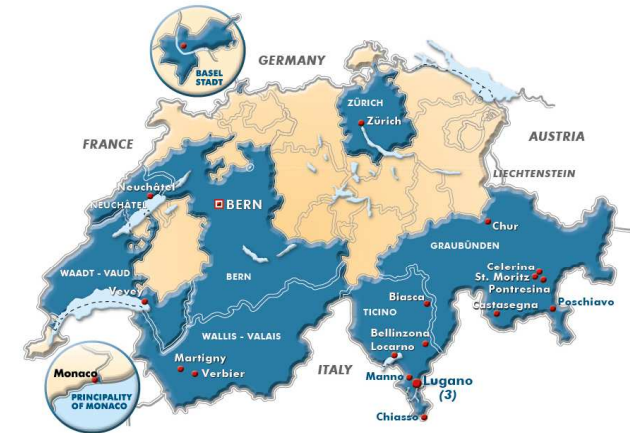
483 POINTS OF SALES:

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

WITH A PRESENCE IN:

- 35 PROVINCES
- 9 REGIONS

BANKING GROUP'S EMPLOYEES: 3,504



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

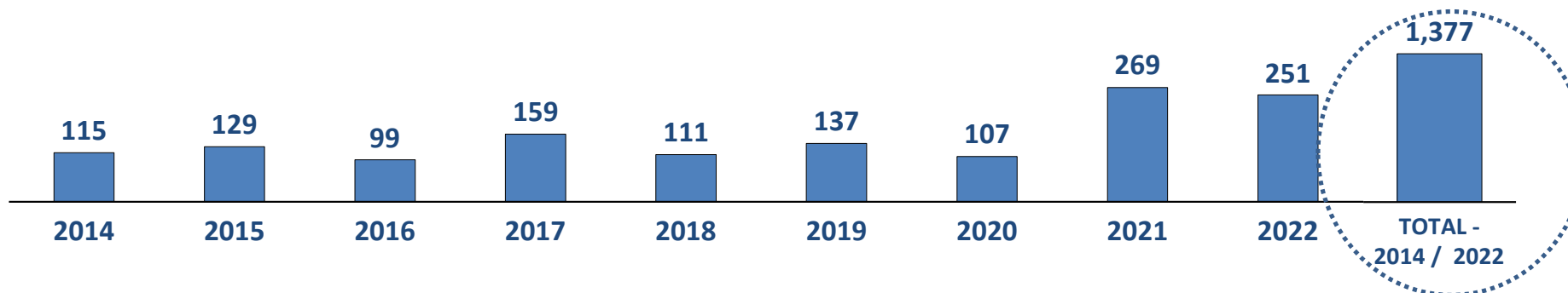
Offices in • MILANO • PALERMO • CATANIA • CALTANISSETTA • PRATO

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

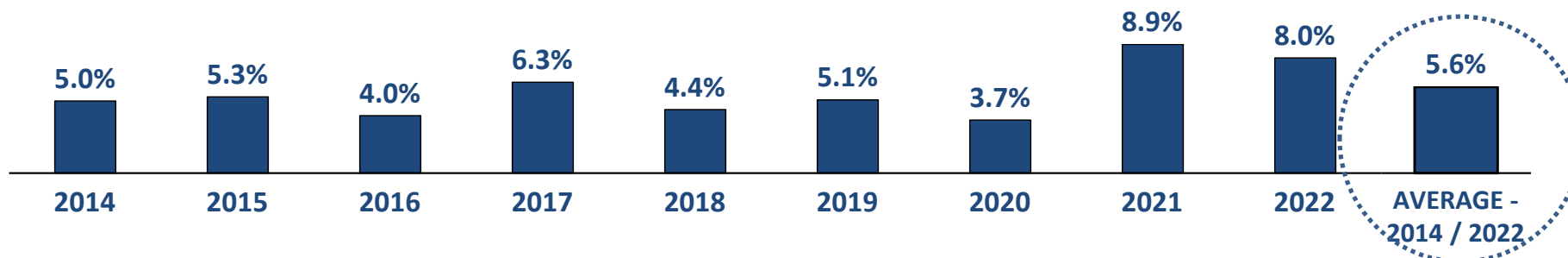
...AND A PROFITABLE AND RESILIENT TRACK RECORD



GROUP NET RESULT (€M)

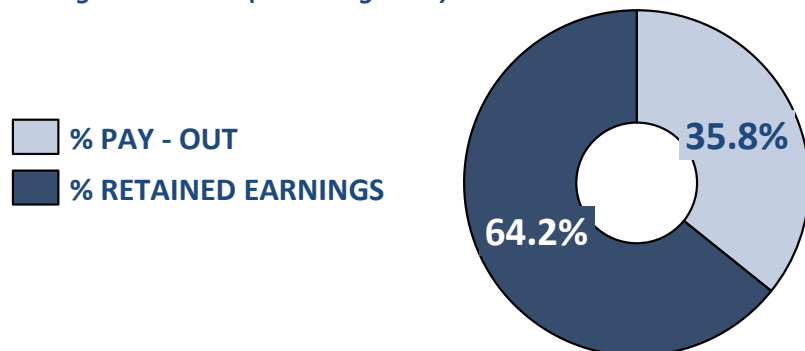


GROUP ROE (%)

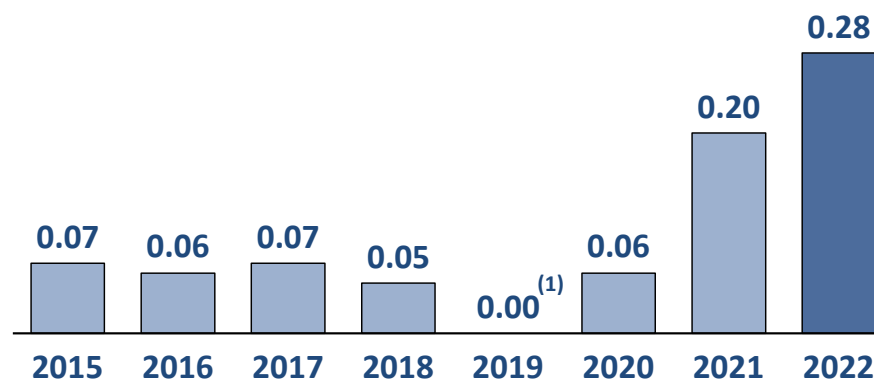


PAYOUT VS RETAINED EARNINGS

Average 2014-2022 (excluding 2019)



DIVIDEND PER SHARE (€)



(1) Dividend not paid in 2020 in accordance with ECB recommendation.

H1 2023 RESULTS AT A GLANCE ¹



NET RESULT

207.1 €M
(+97% YoY)

ROE

12.5%
(from 6.6% in H1 2022)

COST-INCOME

40.6%
(from 52.9% in H1 2022)

NPL COVERAGE

60.3%
(from 57.8% in H1 2022)

NET NPL RATIO

1.7%
(from 2.3% in H1 2022)

CET1 RATIO

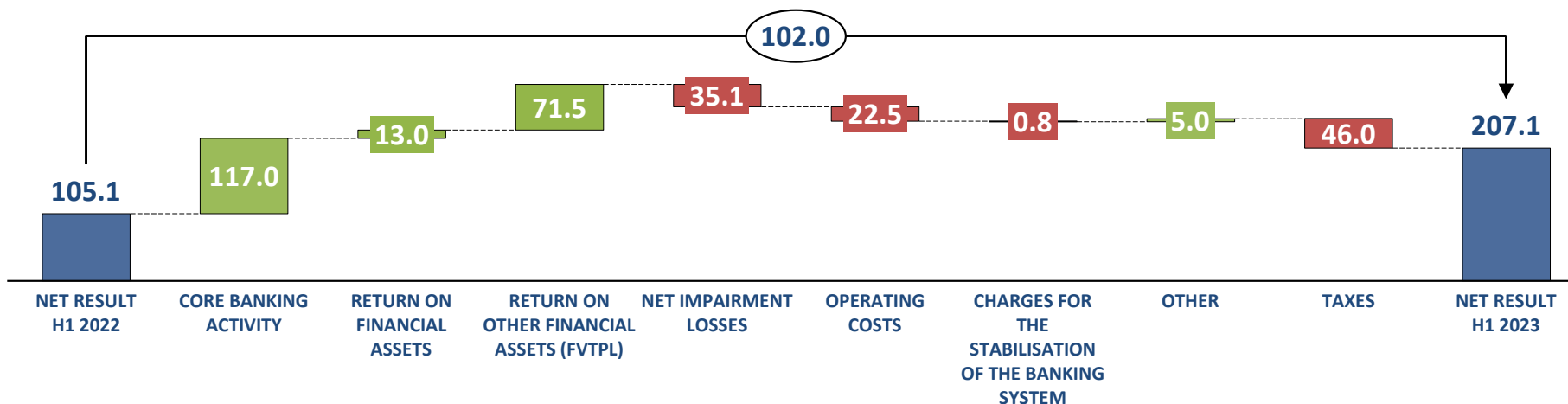
15.8%
(large buffer over 8.5% 2023
SREP requirement)

(1) The full presentation is available at <https://istituzionale.popso.it/en/investor-relations/financial-presentations>

THE EXCELLENT RESULTS WERE DRIVEN BY NET INTEREST INCOME...



INCOME STATEMENT [1] € M	H1 2022	H1 2023	YoY	
	ACTUAL	ACTUAL	Δ € M	Δ%
CORE BANKING ACTIVITY	504.8	621.9	117.0	23.2%
ow Net interest income	320.3	427.3	107.0	33.4%
ow Net fee and commission income	184.5	194.5	10.0	5.4%
RETURN ON FINANCIAL ASSETS	47.5	60.4	13.0	27.3%
RETURN ON OTHER FINANCIAL ASSETS (FVTPL)	-67.6	3.9	71.5	-
TOTAL INCOME	484.7	686.2	201.5	41.6%
NET IMPAIRMENT LOSSES	-43.8	-78.9	-35.1	80.1%
OPERATING COSTS	-256.2	-278.7	-22.5	8.8%
CHARGES FOR THE STABILISATION OF THE BANKING SYSTEM	-40.0	-40.9	-0.8	2.0%
GROSS RESULT	153.9	301.9	148.0	96.2%
NET RESULT	105.1	207.1	102.0	97.1%



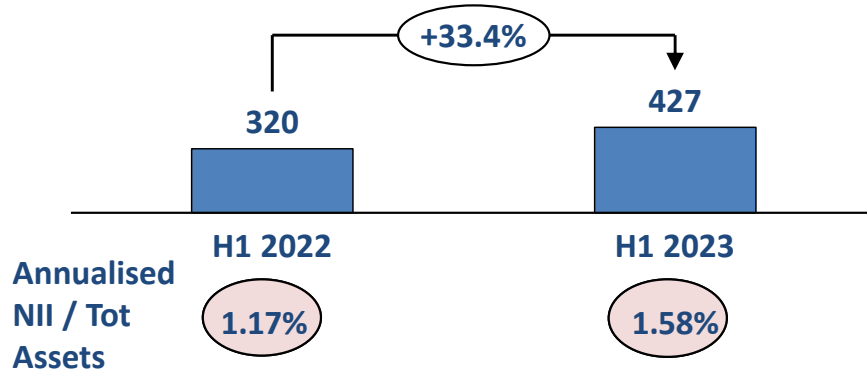
✓ **TOTAL INCOME BENEFITS FROM ALL ITS COMPONENTS: CORE BANKING ACTIVITY +117 €M YoY (+23,2%), TOTAL RETURN ON FINANCIAL ASSETS ≈ +85 €M YoY**

...SHOWING A VERY POSITIVE TREND WITH COMMERCIAL ACTIVITY AS MAIN DRIVER

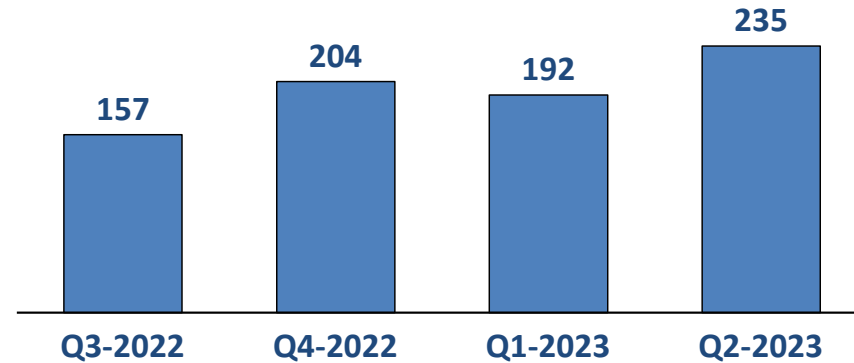


NET INTEREST INCOME EVOLUTION (€M)

Yearly Evolution



Quarterly Evolution



NII'S MOVING PARTS (€M)

BPS individual data



H1 2023 NII'S DRIVERS

- ✓ NII RELATED TO «RETAIL» COMMERCIAL ACTIVITY STRONGLY INCREASING THANKS TO CUSTOMERS SPREAD OPENING TO 2.70% FROM 1.67% IN H1 2022
- ✓ H1 2023 OBSERVED DEPOSIT BETA = 27%¹
- ✓ SIGNIFICANT INCREASE IN PROPRIETARY PORTFOLIO'S COUPON FLOWS (137 €M FROM 59 €M IN H1 2022)¹
- ✓ NET NEGATIVE IMPACT FOR ABOUT 62 €M OF INTERBANK FUNDING (vs +40 €M H1 2022) MAINLY REFERRED TO TLTRO III COMPONENT¹

UPWARD REVISION OF 2023 NII GUIDANCE

- ✓ NII GROWTH Y/Y OF AROUND 30%

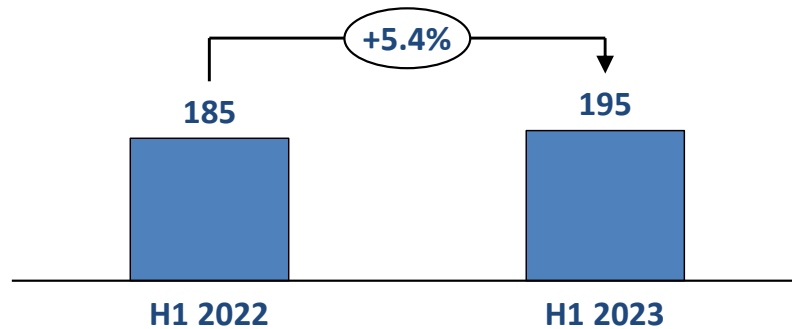
(1) BPS individual management data as of 30/06/2023

H1 2023 SHOWED ALSO A POSITIVE EVOLUTION OF NET FEES AND COMMISSIONS...

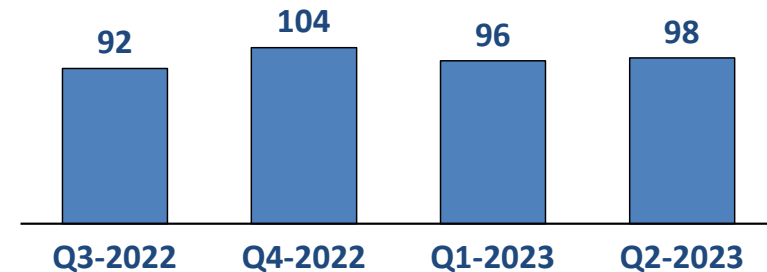


NET FEES (€M)

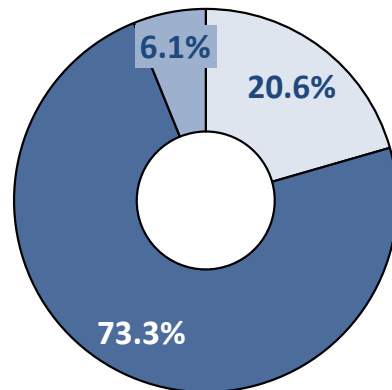
Yearly Evolution



Quarterly Evolution



H1 2023 BREAKDOWN



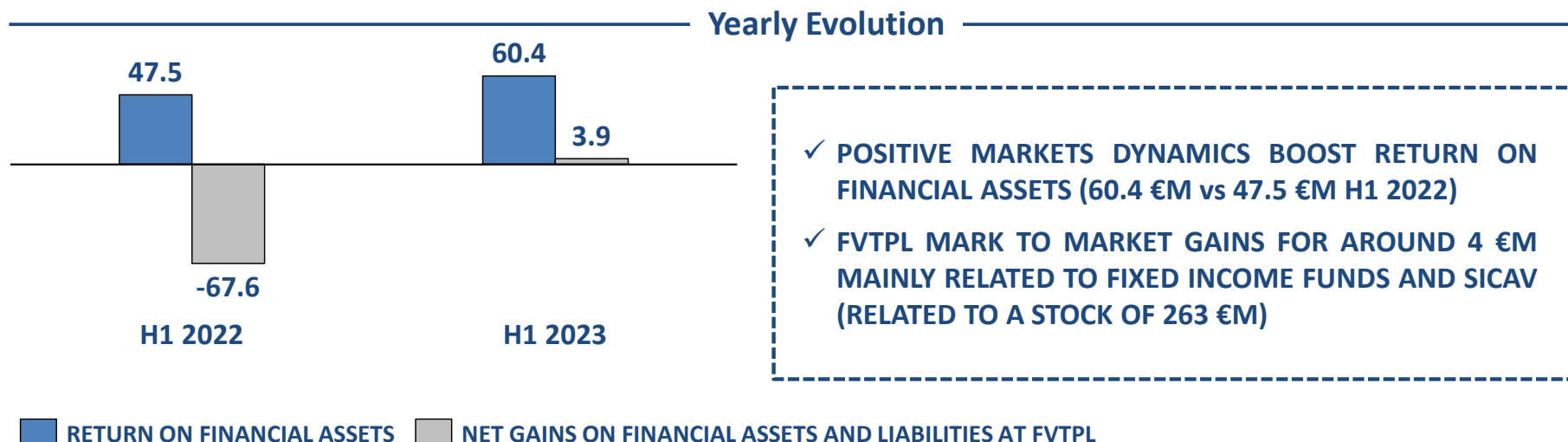
- ASSET UNDER MANAGEMENT AND CUSTODY
- BANKING SERVICES
- BANCASSURANCE

- ✓ VERY STRONG PERFORMANCE OF COMMISSIONS RELATING ESPECIALLY TO CUSTOMER LOANS (INCLUDING FACTORING), ASSET UNDER MANAGEMENT AND MAINTENANCE AND MANAGEMENT OF CURRENT ACCOUNTS
- ✓ POSITIVE CONTRIBUTION Y/Y FROM THE PLACEMENT OF BANCASSURANCE PRODUCTS AND SERVICES OF THE INTERNATIONAL DEPARTMENT

...AND A STRONG FINANCIAL ASSETS PERFORMANCE...



BREAKDOWN OF RETURN ON FINANCIAL ASSETS (€M)



DETAILS OF FINANCIAL ASSETS PERFORMANCE

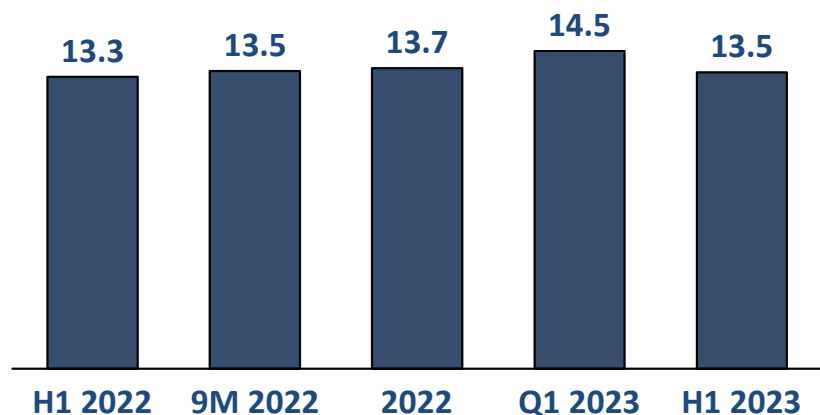
	H1 2022	H1 2023	YoY		Q1-2023	Q2-2023	QoQ	
			Δ € M	Δ%			Δ € M	Δ%
DIVIDENDS AND SIMILAR INCOME	5.7	2.3	-3.4	-59.4%	0.7	1.6	1.0	148.1%
NET TRADING INCOME	2.7	54.9	52.2	-	28.6	26.3	-2.3	-8.0%
NET HEDGING INCOME	-0.1	-0.0	0.1	-76.1%	0.2	-0.2	-0.4	-
NET GAINS FROM SALES OR REPURCHASES	39.2	3.2	-36.0	-91.8%	1.0	2.2	1.2	121.1%
RETURN ON FINANCIAL ASSETS	47.5	60.4	13.0	27.3%	30.5	30.0	-0.5	-1.7%
NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL	-67.6	3.9	71.5	-	12.7	-8.8	-21.5	-
O/W LOANS	-17.2	1.1	18.3	-	2.9	-1.8	-4.8	-
O/W OTHER (MAINLY FUNDS AND SICAV)	-50.3	2.8	53.1	-	9.8	-7.0	-16.7	-
TOTAL	-20.1	64.3	84.4	-	43.2	21.2	-22.0	-51.0%

...WHILE MAINTAINING A PRUDENT PORTFOLIO ALLOCATION...



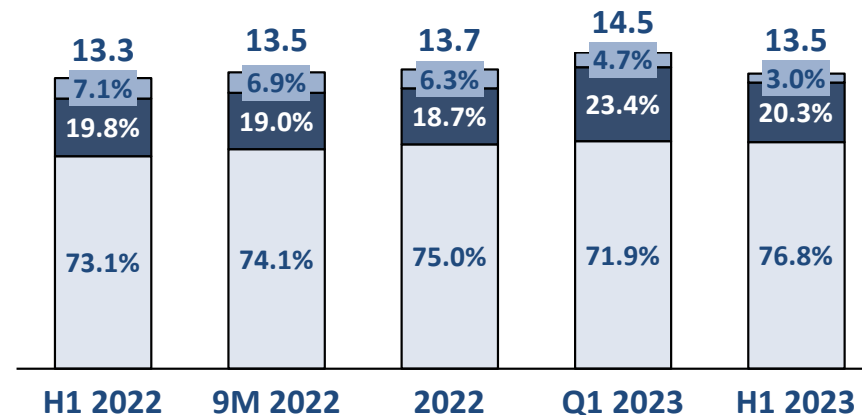
SECURITIES PORTFOLIO (€BN)

Quarterly Evolution



BREAKDOWN BY PORTFOLIO (%)

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



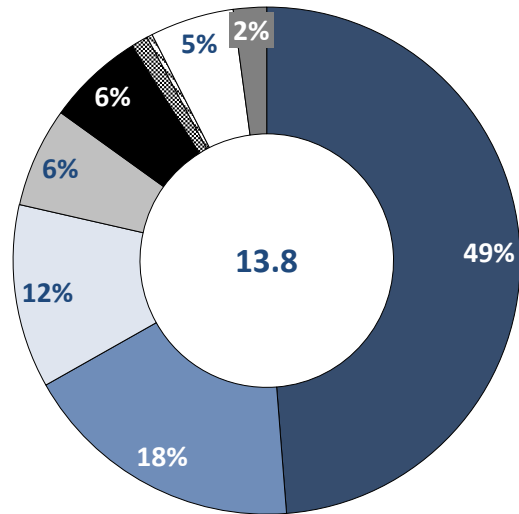
BREAKDOWN BY TYPE OF ASSETS (%)

€ BN	H1 2022	9M 2022	2022	Q1 2023	H1 2023	% ON TOTAL
BONDS	12.3	12.6	12.8	13.7	13.0	96.8%
EQUITY	0.2	0.2	0.1	0.1	0.1	0.9%
OTHER (MAINLY FUNDS AND SICAV)	0.8	0.8	0.8	0.6	0.3	2.3%
TOTAL	13.3	13.5	13.7	14.5	13.5	100.0%

...WITH HIGH INCIDENCE OF FLOATING-RATE BONDS

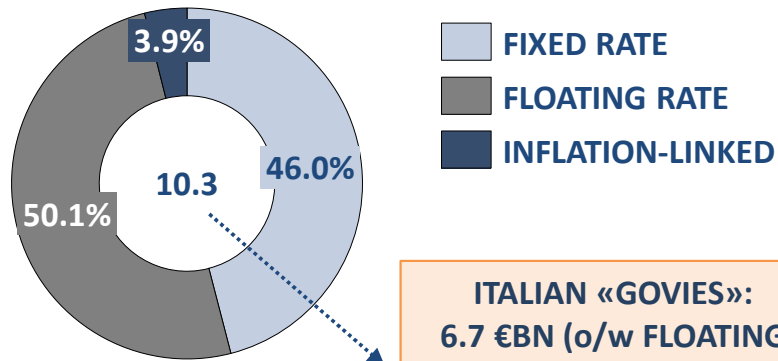


DEBT SECURITIES COMPONENT BREAKDOWN⁽¹⁾ – H1 2023



- ITALIAN GOV. BONDS
- BONDS (CORPORATES AND SUPRANATIONAL)
- SPANISH GOV. BONDS
- FRENCH GOV. BONDS
- GERMAN GOV. BONDS
- DUTCH GOV. BONDS
- AUSTRIAN GOV. BONDS
- SECURITISATIONS
- FIXED INCOME MUTUAL FUNDS AND SICAV

GOVERNMENT BONDS⁽¹⁾: BREAKDOWN BY TYPE OF RATE – H1 2023



ITALIAN «GOVIES»: 6.7 €BN (o/w FLOATING RATE NOTES CCTs EQUAL TO 5.2 €BN)

KEY FEATURES OF THE BOND COMPONENT

- ✓ INCREASINGLY DIVERSIFIED PORTFOLIO WITH EXPOSURE TO GERMAN, SPANISH, FRENCH, DUTCH AND AUSTRIAN “GOVIES”
- ✓ LOWER EXPOSURE TO ITALIAN “GOVIES” AND HIGH INCIDENCE OF FLOATING RATE NOTES STRONGLY BENEFITTING NII
- ✓ YIELD TO MATURITY OVER 4%; DURATION 3.7 Y; VOLATILITY 1.6

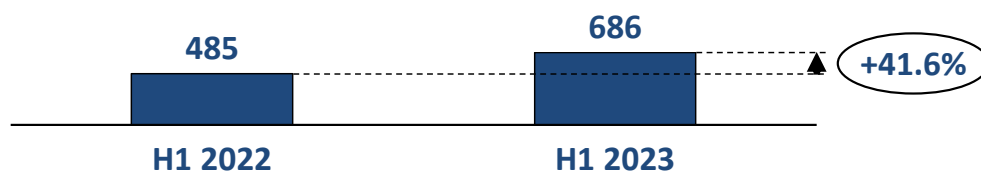
(1) BPS individual management data as at 30/06/2023

OPERATING COSTS REMAIN UNDER CONTROL WITH COST/INCOME RATIO BEST IN CLASS AND A REMARKABLE OPERATING PERFORMANCE

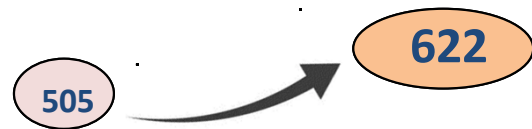


TOTAL INCOME (€M)

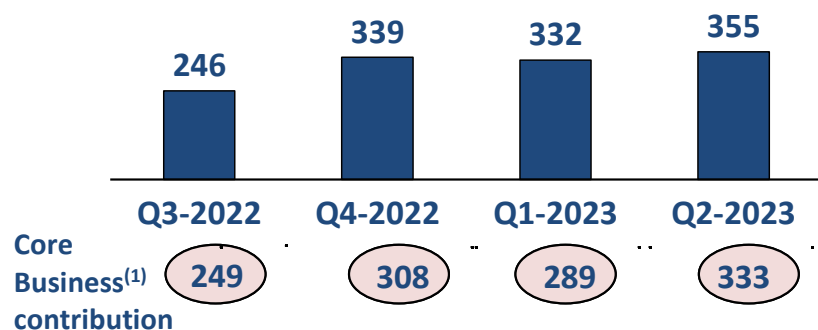
Yearly Evolution



Core Business⁽¹⁾ contribution

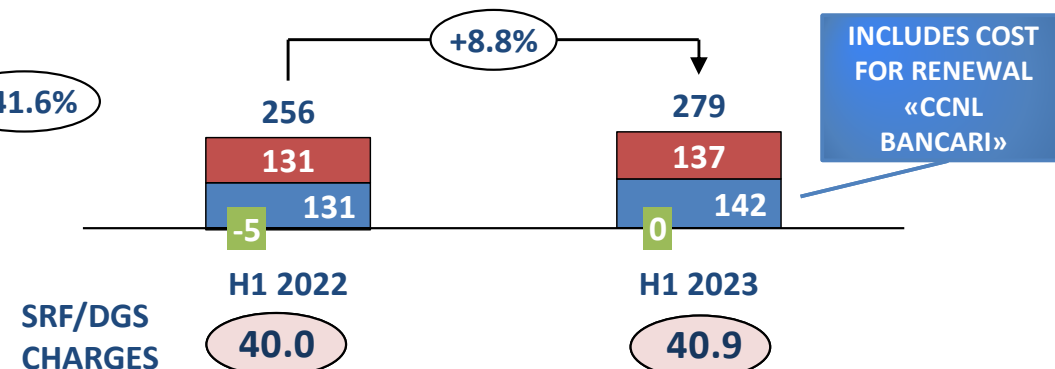


Quarterly Evolution



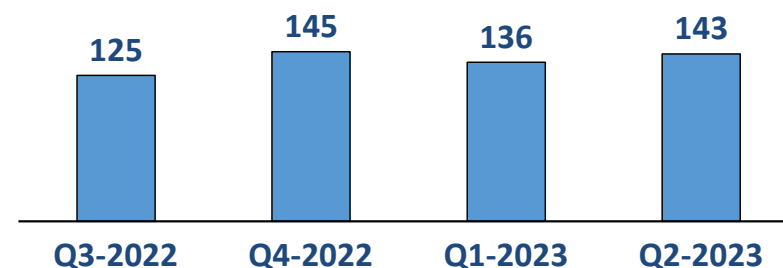
OPERATING COSTS² (€M)

Yearly Evolution



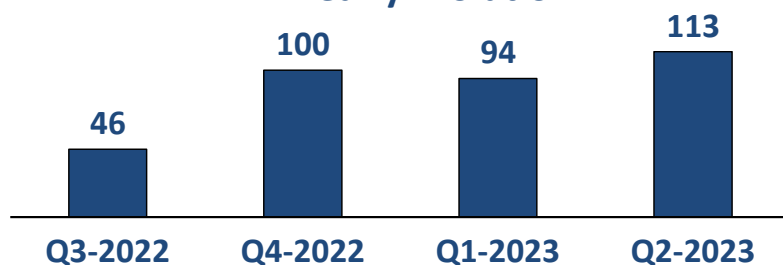
PERSONNEL EXPENSES OTHER ADMINISTRATIVE EXPENSES OTHER

Quarterly Evolution



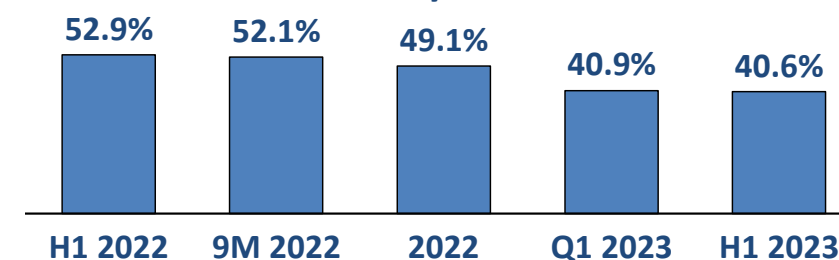
NET RESULT (€M)

Yearly Evolution



C/I EVOLUTION (%)

Quarterly Evolution

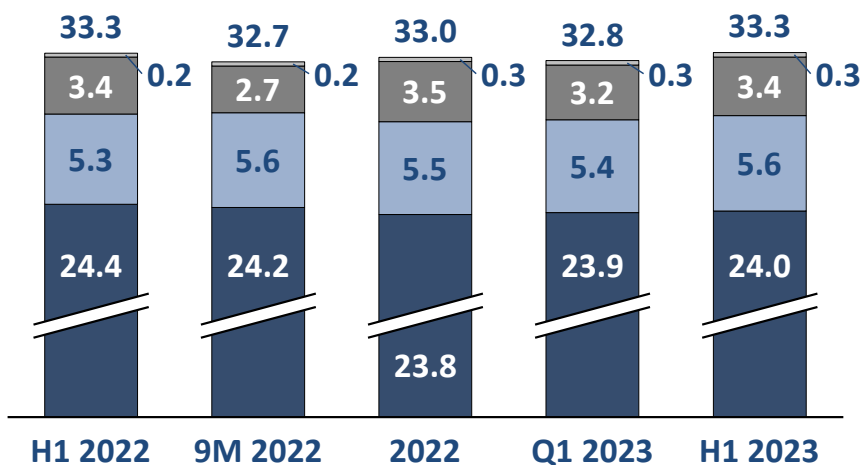


(1) Core business = NII+ NF&C ; (2) Operating costs are considered net of System charges

GROWTH OF LENDING IN A CHALLENGING ENVIRONMENT...

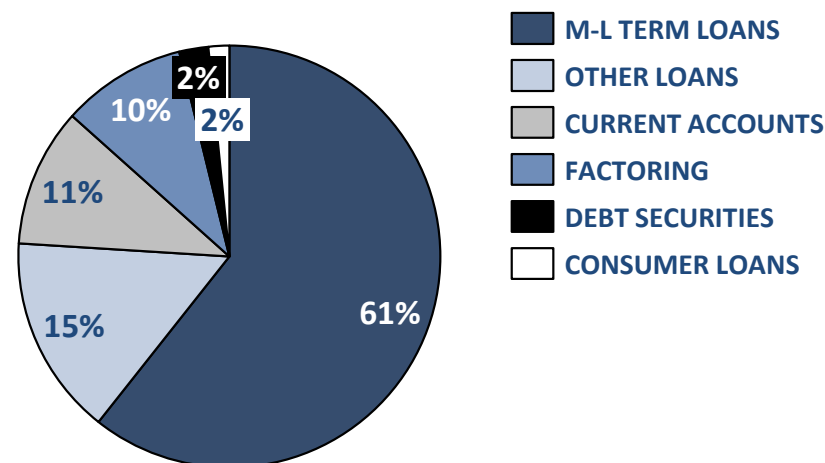


NET CUSTOMER LOANS (€BN)

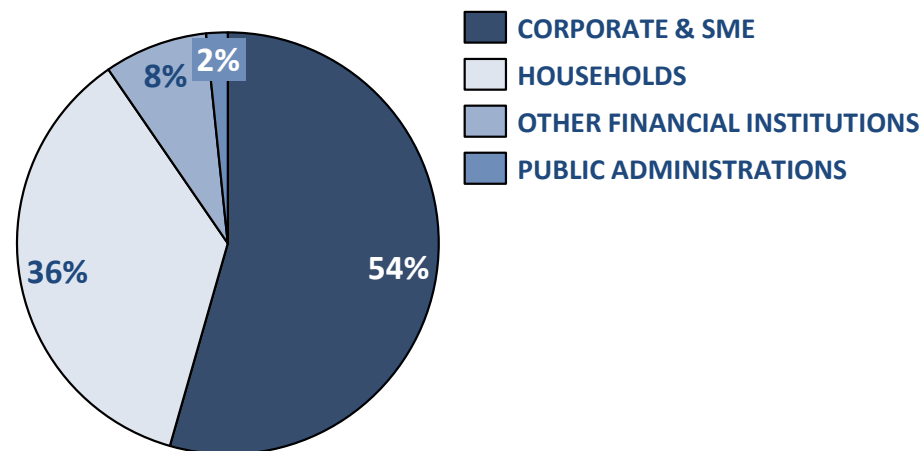


BPS NET LOANS
 FACTORIT NET LOANS
 BPS SUISSE NET LOANS
 BNT NET LOANS

NET LOANS BY TYPE – H1 2023



NET LOANS BY TYPE OF CUSTOMER
H1 2023



- ✓ DESPITE THE SLOWDOWN OF THE MACROECONOMIC CONTEXT, LENDING STOCK INCREASED +0.8% YTD
- ✓ AROUND 28% OF LOANS ARE RELATED TO BPS SUISSE, FACTORIT AND BNT
- ✓ INCIDENCE OF FLOATING-RATE LOANS AROUND 70%

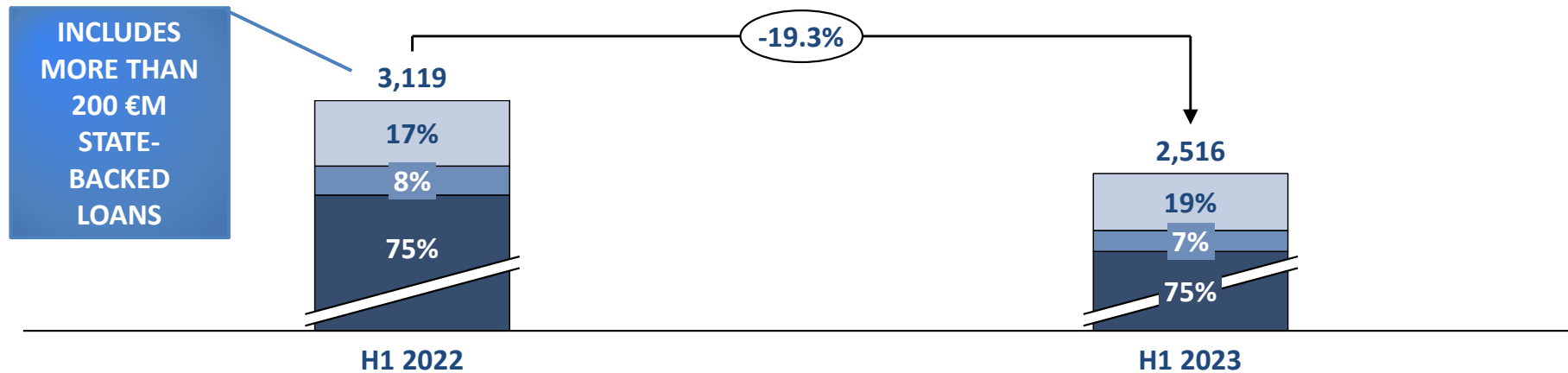
...MAINTAINING A HIGH INCIDENCE OF VARIABLE-RATE LOANS



NEW DISBURSEMENTS (€M)

Yearly Evolution

FACTORIT SUISSE BPS



FOCUS ON INSTALLMENT LOANS

BPS individual management data

INSTALLMENT LOANS NEW DISBURSEMENTS (€ M)	H1 2022	H1 2023
TOTAL	1,847	1,594
of which MORTGAGE LOANS	672	579
of which OTHER UNSECURED LOANS	1,111	953
of which PERSONAL LOANS	64	62

➤ NEW LENDING AT AVERAGE RATE OF 4.68% (VS 1.90% H1 2022); 85% ARE VARIABLE-RATE LOANS

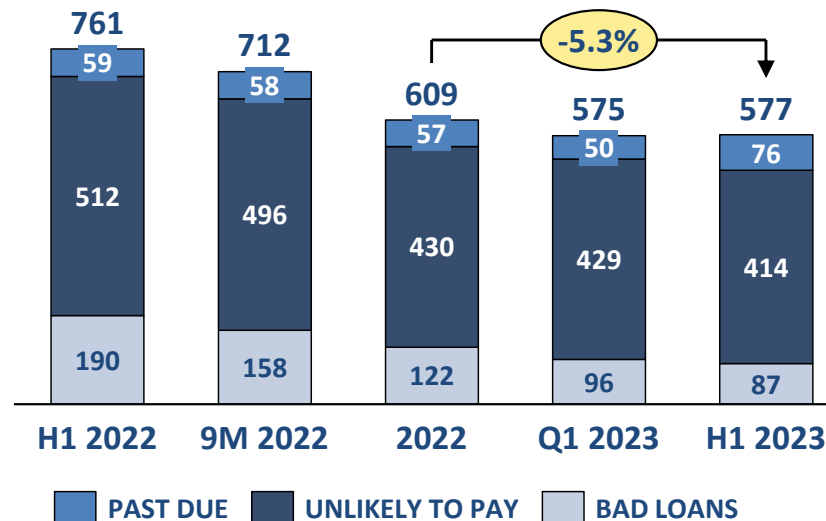
ASSET QUALITY UNDER CONTROL...



NPL MANAGEMENT

- ✓ SINGLE NAME UTP DISPOSALS FOR AROUND 16 €M
- ✓ VERY HIGH COVERAGE OF NON PERFORMING LOANS (ABOVE 60%)
- ✓ GROSS NPL RATIO EQUAL TO 4.2%; NET NPL RATIO EQUAL TO 1.7% (i.e. 577 €M of net exposure)

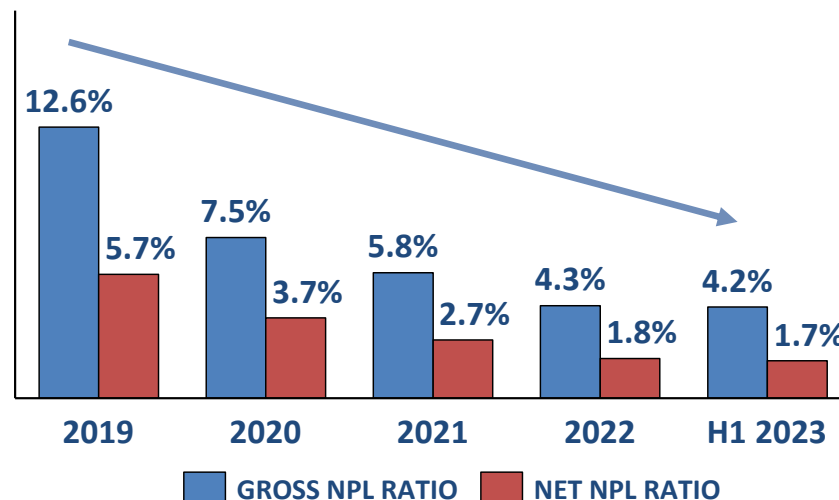
NET NPL STOCK EVOLUTION (€M)



NPL COVERAGE (%)

	2022	H1 2023
BAD LOANS	76.5%	83.2%
UTP	51.2%	51.3%
PAST DUE	7.8%	11.0%
TOTAL NPLs	58.3%	60.3%

A CLEAR DERISKING COMMITMENT SINCE 2019

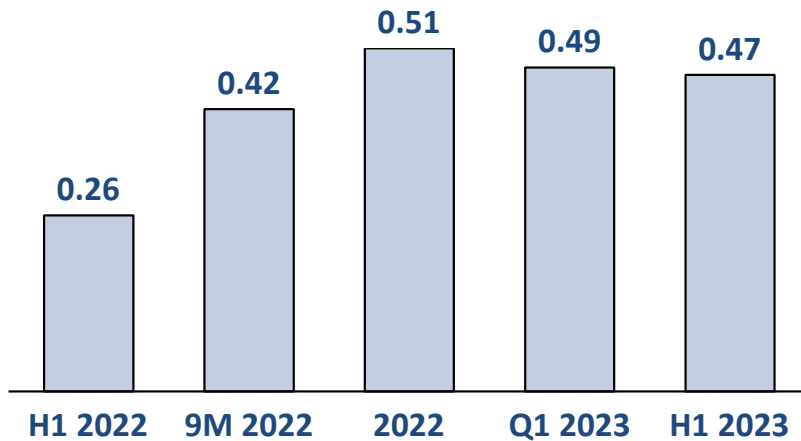


...WITH STABLE COST OF RISK, WHILE KEEPING A PRUDENT APPROACH

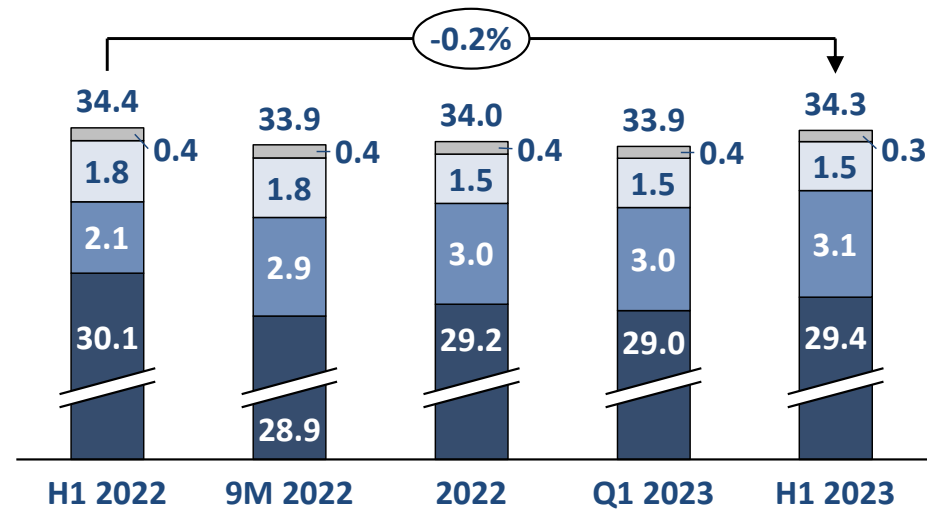


EVOLUTION OF COST OF RISK (%)

Gross Customer Loans



FOCUS ON STAGING (€BN)



LLP (€M)



■ STAGE 1 ■ STAGE 2 ■ FAIR VALUE ■ STAGE 3

KEY COMMENTS

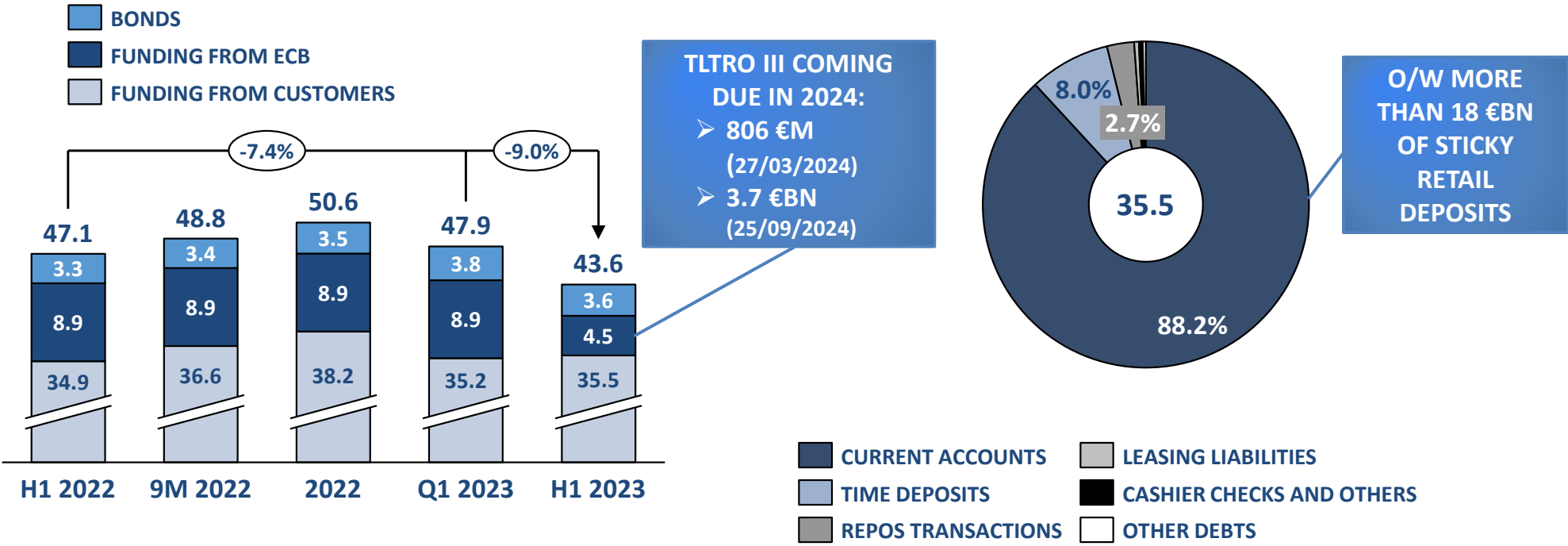
- ✓ ABOUT 120 €M OF PRUDENTIAL MANAGEMENT OVERLAYS: A SIGNIFICANT BUFFER FOR THE POSSIBLE DETERIORATION OF CREDIT QUALITY
- ✓ OVERALL PERFORMING LOANS COVERAGE UP TO 0.53% FROM 0.45% AS OF YE 2022
- ✓ STAGE 2 LOANS COVERAGE UP TO 3.83% FROM 3.39% AS OF YE 2022

GROUP'S FUNDING STRUCTURE...



TOTAL FUNDING (€BN)

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



- ✓ “CORE” DIRECT CUSTOMER FUNDING¹ EQUAL TO 30,620 €M SUBSTANTIALLY IN LINE COMPARED TO 30,704 €M AS OF 31/12/2022
- ✓ WELL ON TRACK TO MEET MEDIUM-LONG TERM FUNDING PLAN TARGETS FOR THE YEAR WITH OVER 600 €M SENIOR PREFERRED BONDS PLACED (O/W 470 €M TO RETAIL INVESTORS AND 150 €M WITH A PRIVATE PLACEMENT TO CASSA DEPOSITI E PRESTITI)

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

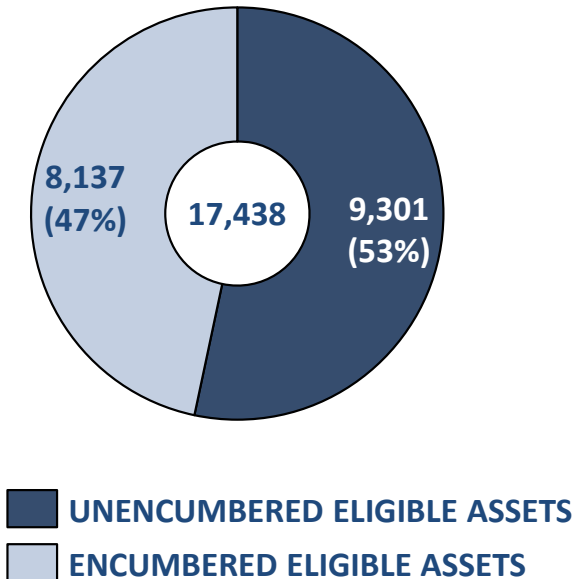
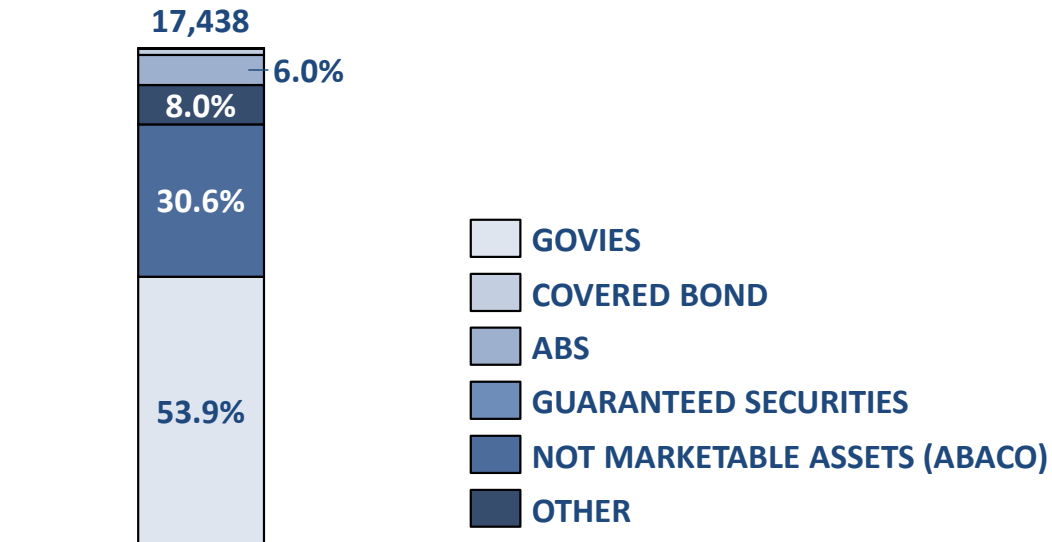
...WITH A SOLID LIQUIDITY POSITION



STOCK OF ELIGIBLE ASSETS (€M)

ELIGIBLE ASSETS AVAILABILITY (€M)

BPS individual management data



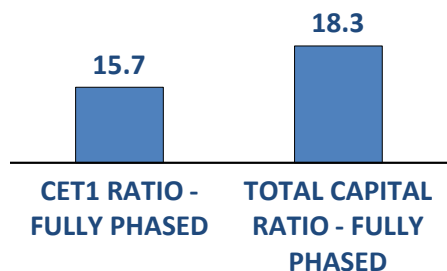
- ✓ DESPITE THE REPAYMENT OF 4.4 €BN RELATED TO TLTRO III (TRANCHE 4) IN JUNE, THE LIQUIDITY INDICATORS REMAIN COMFORTABLY ABOVE REQUIREMENTS (LCR AT 169% AND NSFR AT 129%)
- ✓ COUNTERBALANCING CAPACITY AROUND 12 €BN
- ✓ FINALIZATION IN JUNE OF “CENTRO DELLE ALPI” SMEs SELF-SECURITISATION PROVIDES AROUND 1.1 €BN OF ELIGIBLE ECB SECURITIES

THE BANK AT THE END OF H1 2023 IN A NUTSHELL



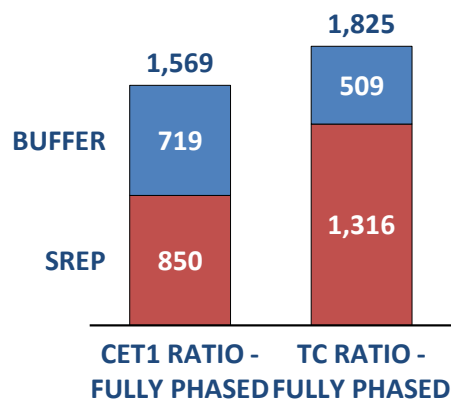
SOLID CAPITAL POSITION

CET1 RATIO & TOTAL CAPITAL RATIO (%)

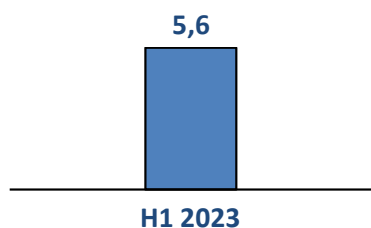


BUFFER OVER 2023 SREP REQUIREMENTS¹

bps

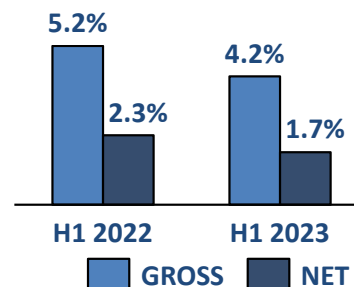


LEVERAGE RATIO (FULLY-PHASED)

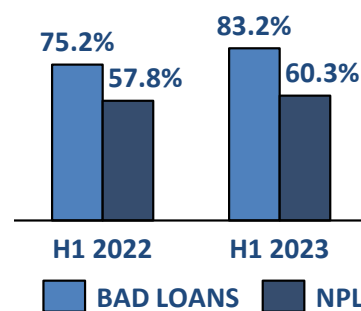


SOUND ASSET QUALITY

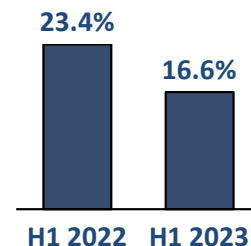
NPL RATIOS



COVERAGE RATIOS



TEXAS RATIO²



AMPLE LIQUIDITY

LCR

169%

NSFR

129%

UNENCUMBERED ELIGIBLE ASSETS €BN

9.3

LOANS / DEPOSITS

94.1%

MREL-TREA³

29.2%

(1) Net of usage in place of AT1/T2 instruments, **around 1.1 € BN of «free» CET1** (2) Net NPLs/(net equity-intangible assets) (3) «MREL-TREA»: Minimum Requirement for own funds and Eligible Liabilities - Total Risk Exposure Amount. Minimum required ratio with CBR = 25.3% - no subordination requirement.



② BPS GROUP COMMITMENT TOWARDS SUSTAINABILITY

BPS COMMITMENT TOWARDS SUSTAINABILITY



CLOSE, BY TRADITION, TO THE GEOGRAPHICAL AREA IN WHICH THE BANK OPERATES, BPS IS COMMITTED TO PROMOTING **SUSTAINABLE ECONOMIC DEVELOPMENT** IN THE COMMUNITY, THROUGH ATTENTIVE AND PERSONALIZED SUPPORT TO THE CUSTOMERS.

Since 2004 BPS has been supporting the UN Global Compact



Since 2018 BPS has been a founding member of the UN Global Compact Network Italy



In 2023 BPS joined TCFD and released TCFD Report

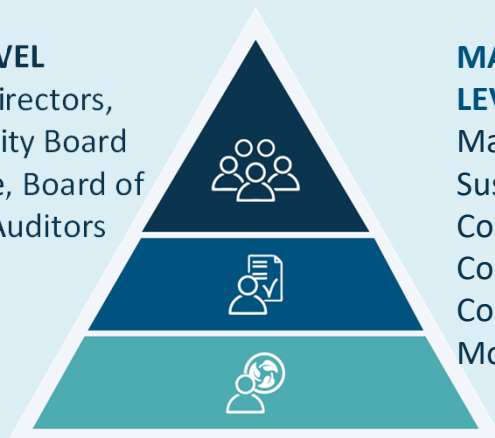


THE **SUSTAINABILITY POLICY**, TOGETHER WITH THE ENVIRONMENTAL AND ESG CREDIT POLICY, GUIDES THE INTEGRATION OF SUSTAINABILITY INTO THE GROUP'S BUSINESS AND OPERATIONS. THE **2022-2025 STRATEGIC PLAN** HAS STARTED A PROCESS AIMED AT DEFINING THE KEY ACTIONS TO BE IMPLEMENTED AND THE ESG GOALS¹.

ESG governance framework provides for an ongoing interaction among different bodies devoted to overseeing and managing Sustainability.

BOARD LEVEL

Board of Directors, Sustainability Board Committee, Board of Statutory Auditors



MANAGEMENT LEVEL

Management Sustainability Committee, Control and Risk Committee, Mobility Manager

OPERATIONAL LEVEL

ESG Contact Persons, Sustainability Office



Corporate: EE
Long-term rating: EE+
POSITIVE OUTLOOK



"C" awareness



E: 2
S: 3
G: 2
Corporate rating: C-



Medium risk

(1) Future progress and objectives are described in the **consolidated non-financial statement** and on the bank's corporate website.

SUSTAINABILITY AND BUSINESS PLAN ACTIVITIES



ESG GOVERNANCE

- ✓ Strengthening of **ESG Governance**
- ✓ **ESG training** for all Group personnel
- ✓ **ESG compliance programme**
- ✓ Internal behavioral guidelines for **environmental Impacts reduction**
- ✓ BoD Increase of women presence and independent
- ✓ Introduction of ESG objectives in **remuneration policies**



INTERNATIONAL INITIATIVES AND ESG RATINGS

- ✓ Intensification of the **dialogue with Providers**
- ✓ Support to **TCFD**
- ✓ Joining **Valore D**
- ✓ **Standard Ethics** rating improvement: **corporate rating EE** and **long-term expected rating EE+** with **positive outlook**



BUSINESS POLICIES AND STRATEGIES

- ✓ **ESG Credit Policy**
- ✓ **Integrated Risk Management**
- ✓ First set of CO2 reduction targets identification
- ✓ Counterparty C&E
- ✓ Score definition
- ✓ Target increase of **ESG segment of proprietary Portfolio**



PRODUCTS AND SERVICES

- ✓ **ESG Green Loan Products**
- ✓ **Enlargement of ESG asset management lines**
- ✓ Integration of ESG topics into MiFID II Questionnaire
- ✓ +60% budget increase for **ESG integration** and **ESG risk management**



REPORTING AND COMMUNICATION

- ✓ Improvement of **indirect emissions (Scope 3) inventory**
- ✓ Strengthening **ESG communication strategy**
- ✓ Integration of NFS with **TCFD Recommendations**

GOALS ACHIEVED IN 2023

GOALS TO BE ACHIEVED BY 2025

- **Sustainable mobility operational Plan**
- **Diversity and Inclusion**
- Launch of the **Female Leadership** Programme
- **Formalization of Level II and III ESG Controls**

- UN PRB
- Net-Zero Banking Alliance
- Improvement of **ESG ratings/scoring**

- **Responsible Investment Guidelines**
- Definition of a **Giving Strategy**
- **ESG supply chain assessment**
- **ISO 14001** Environmental Management System

- **New ESG Bonds**
- Integration of counterparties' ESG Score with **Taxonomy-alignment**
- **Taxonomy-aligned products**
- **Improved Digitization**

- Improved analyses of the environmental performance of Real Estate assets
- ESG brand identity
- NFS evolution including the **Corporate Sustainability**
- **Reporting Directive** and the new reporting standards



③ BPS GROUP GREEN BOND FRAMEWORK

GREEN BOND FRAMEWORK 2021 [1/2]



IN JULY 2021, BPS GROUP ISSUED ITS FIRST SENIOR PREFERRED GREEN BOND FOR AN AMOUNT EQUAL TO 500 €M, FROM THE EURO MEDIUM TERM NOTES (EMTN) PROGRAM.

THE **GREEN BOND FRAMEWORK¹** IS THE DOCUMENT THROUGH WHICH THE BANK PRESENTS ITS **SUSTAINABILITY STRATEGY**, WITH PARTICULAR REFERENCE TO **CLIMATE/ENVIRONMENTAL ISSUES**, DETAILING THE **METHODS OF SELECTING GREEN ASSETS AND MANAGING THE PROCEEDS COLLECTED**.

THE BANK'S GREEN BOND FRAMEWORK IS **ALIGNED WITH THE ICMA 2021 (INTERNATIONAL CAPITAL MARKET ASSOCIATION) GUIDELINES**.



TO DATE, THE ICMA GUIDELINES ARE THE BENCHMARK FOR THE INTERNATIONAL MARKET, PENDING THE PUBLICATION OF THE EU GREEN BOND PRINCIPLES.

Green Bond Principles

Voluntary Process Guidelines for Issuing Green Bonds



THE GREEN BOND FRAMEWORK IS PUBLISHED ON THE INSTITUTIONAL WEBSITE, BOTH IN THE [INVESTOR RELATIONS/FINANCIAL OPERATIONS](#) SECTION AND IN THE [SUSTAINABILITY/GREEN BOND](#) SECTION.

GREEN BOND FRAMEWORK 2021 [2/2]



WITHIN THE BPS **GREEN BOND FRAMEWORK DI BPS**, THE SO-CALLED 4 PILLARS ARE DEFINED:

USE OF PROCEEDS

- AN AMOUNT EQUIVALENT TO THE NET PROCEEDS OF BANCA POPOLARE DI SONDRIO'S GREEN BONDS WILL BE ALLOCATED EXCLUSIVELY TO **FINANCE OR REFINANCE NEW OR EXISTING ELIGIBLE GREEN ASSETS** THAT MEET BPS GREEN BOND FRAMEWORK ELIGIBILITY CRITERIA
- **LOOK BACK PERIOD: > 2018**

PROJECT EVALUATION AND SELECTION

- BANCA POPOLARE DI SONDRIO ESTABLISHED A **SUSTAINABILITY COMMITTEE** COMPOSED BY TOP MANAGEMENT THAT WILL BE RESPONSIBLE, AMONG OTHER TASKS, TO REVIEW, MONITOR AND APPROVE ELIGIBLE GREEN ASSETS ACCORDING TO BPS GREEN BOND FRAMEWORK
- GREEN ASSETS WILL BE MAINLY COMPOSED BY CORPORATE LOANS, MORTGAGES FOR RESIDENTIAL OR COMMERCIAL ENERGY-EFFICIENT BUILDINGS, ASSETS RELATED TO THE FINANCING OF THE RENOVATION OF EXISTING BUILDING OR INDIVIDUAL RENOVATION MEASURES

MANAGEMENT OF PROCEEDS

- THE PROCEEDS FROM THE BONDS ISSUED UNDER THIS FRAMEWORK WILL BE MANAGED ON A **PORTFOLIO BASIS**
- THE BANK UNDERTAKES TO DO EVERYTHING IN ITS POWER TO **ALLOCATE THE PROCEEDS** TO ELIGIBLE GREEN ASSETS **WITHIN A MAXIMUM OF 36 MONTHS**

REPORTING

- BPS IS COMMITTING TO **REPORT ON AN ANNUAL BASIS** THE USE OF PROCEEDS AND IMPACT REPORTING OF THE IDENTIFIED PORTFOLIO

EXTERNAL REVIEW



- BPS HAS OBTAINED A **SECOND PARTY OPINION FROM SUSTAINALYTICS**
- **ON AN ANNUAL BASIS, AN EXTERNAL AUDITOR WILL CARRY OUT AN INDEPENDENT REVIEW OF:**
 - USE OF PROCEEDS ASSOCIATED WITH THE SELECTED ELIGIBLE CATEGORIES;
 - CONFORMANCE WITH THE FRAMEWORK OF THE SELECTED ELIGIBLE GREEN PROJECTS;
 - ALLOCATION REPORTING METRICS



USE OF PROCEEDS – ELIGIBLE CATEGORIES



THE PROCEEDS ARE USED EXCLUSIVELY TO FINANCE OR REFINANCE ACTIVITIES THAT MEET THE FOLLOWING ELIGIBILITY CRITERIA:

GREEN BUILDING: LOANS OR ASSETS RELATED TO THE ACQUISITION, CONSTRUCTION AND RENOVATION OF RESIDENTIAL AND/OR COMMERCIAL ENERGY-EFFICIENT BUILDING.



RENEWABLE ENERGY: LOANS FOR THE ACQUISITION, DEVELOPMENT AND MANAGEMENT OF INFRASTRUCTURE FOR THE PRODUCTION OF ENERGY FROM RENEWABLE SOURCES.



CLEAN TRANSPORTATION: LOANS RELATED TO LOW CARBON TRANSPORT ASSETS AND THE PURCHASE, CONSTRUCTION AND OPERATION OF INFRASTRUCTURE DEDICATED TO LOW-CARBON TRANSPORT.



ENERGY EFFICIENCY: LOANS RELATED TO ASSETS / ACTIVITIES CONTRIBUTING TO THE REDUCTION OF ENERGY CONSUMPTION (E.G. ENERGY-SAVING LIGHTING OR DISTRICT HEATING).



ENVIRONMENTALLY SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES AND LAND USE: LOANS FOR ACTIVITIES THAT CONTRIBUTE TO THE SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES AND LAND USE (E.G. ORGANIC AGRICULTURE OR INVESTMENTS IN PROTECTED AREAS SUCH AS REGIONAL NATURAL PARKS).



POLLUTION PREVENTION AND CONTROL: LOANS FOR ACTIVITIES THAT CONTRIBUTE TO THE PREVENTION, COLLECTION, DISPOSAL AND RECYCLING OF WASTE.



SUSTAINABLE WATER AND WASTEWATER MANAGEMENT: LOANS FOR ACTIVITIES THAT IMPROVE THE QUALITY, EFFICIENCY, DISTRIBUTION AND CONSERVATION OF WATER.





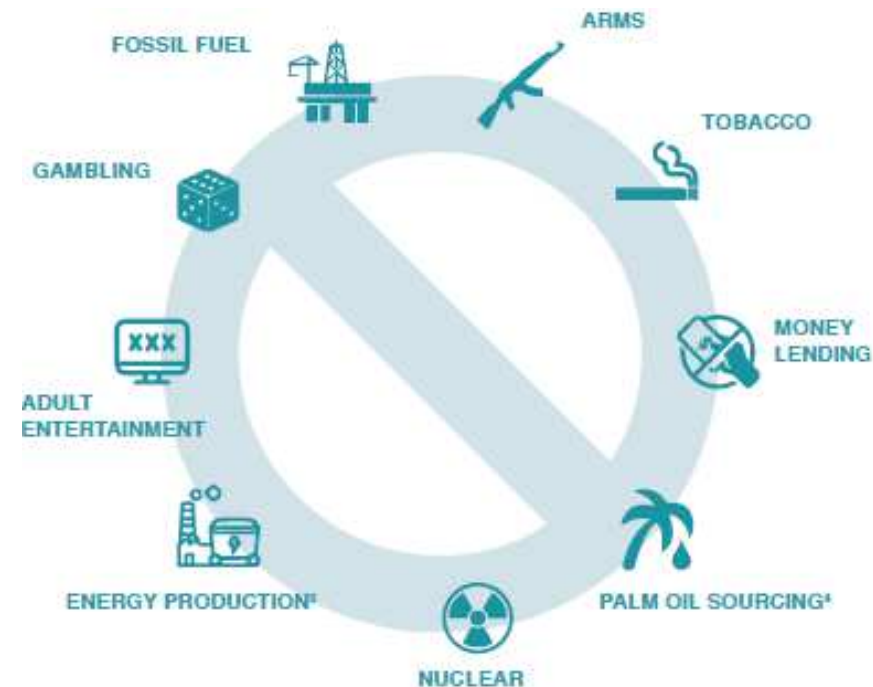
BPS GROUP HAS ESTABLISHED A **SUSTAINABILITY COMMITTEE** THAT, AMONG OTHER TASKS, OVERSEES THE GOVERNANCE OF THIS GREEN BOND FRAMEWORK.



THE PROCESS OF ASSET VALUATION IS THE FOLLOWING:

- THE RELEVANT DEPARTMENTS WITHIN THE GROUP PERFORM A **PRE-SELECTION** OF POTENTIAL ELIGIBLE **GREEN PROJECTS**.
- THESE POTENTIAL ELIGIBLE GREEN PROJECTS ARE **PRESENTED** BY THE RELEVANT DEPARTMENTS **TO THE SUSTAINABILITY COMMITTEE**.
- THE SUSTAINABILITY COMMITTEE **CHECKS WHETHER** POTENTIAL PROJECTS ARE **IN LINE WITH THE BANK'S ELIGIBILITY CRITERIA**.
- IF YES, ELIGIBLE GREEN PROJECTS ARE **IDENTIFIED IN THE BANK'S INTERNAL INFORMATION SYSTEM**.

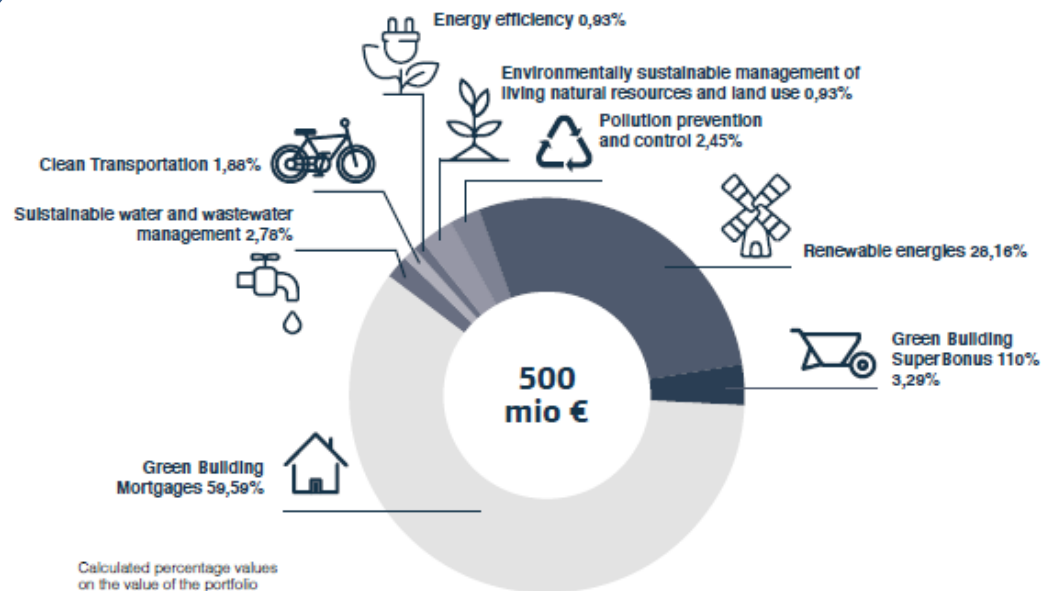
SECTORS EXCLUDED FROM THE GREEN BOND PORTFOLIO



ALLOCATION AND IMPACT REPORTING



THE **GREEN BOND REPORT** PROVIDES INFORMATION TO THE STAKEHOLDERS ON THE “USE OF PROCEEDS” OF THE BOND, IN TERMS OF FINANCIAL AND ENVIRONMENTAL IMPACT, ENHANCING THE **SPECIFIC FEATURES OF BPS GREEN PORTFOLIO**.



- FINANCING VS REFINANCING: **271 VS 229 MILLION €**
- NUMBER OF LOANS: **2,380**
- LOOK-BACK PERIOD: **2018**
- MATURITY: **14.06 YEARS**
- AVERAGE AMOUNT: **210,000 €**
- BPS LOANS: **490 MILION**
- BPS (SUISSE) LOANS: **10 MILLION**
- **5 MONTHS TO REACH FULL ALLOCATION**



SENIOR PREFERRED GREEN BOND ANNUAL ALLOCATION AND IMPACT REPORT

THIRD PARTIES REVIEW



EXTERNAL REVIEW



SECOND PARTY OPINION: BPS GROUP HAS OBTAINED A SECOND-PARTY OPINION FROM SUSTAINALYTICS ON THIS GREEN BOND FRAMEWORK.

POST-ISSUANCE EXTERNAL VERIFICATION: ON AN ANNUAL BASIS, AN EXTERNAL AUDITOR WILL CARRY OUT AN INDEPENDENT REVIEW OF

- . USE OF PROCEEDS ASSOCIATED WITH THE SELECTED ELIGIBLE CATEGORIES;
- . CONFORMANCE WITH THE FRAMEWORK OF THE SELECTED ELIGIBLE GREEN PROJECTS;
- . ALLOCATION REPORTING METRICS.

Second-Party Opinion

Banca Popolare di Sondrio Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Banca Popolare di Sondrio Green Bond Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2021.

Evaluation Date	July 2, 2021
Issuer Location	Sondrio, Italy



4

UPCOMING GREEN BOND TRANSACTION AND PORTFOLIO OVERVIEW

INDICATIVE TERMSHEET OF BPS GREEN BOND ISSUANCE



Issuer:	Banca Popolare di Sondrio
Issuer Ratings:	BB+ (Fitch) / BBBL (DBRS)
Expected Issue Ratings:	[BB+] (Fitch) / [BBBL] (DBRS)
Status:	Senior Notes, unsecured, unsubordinated. Each holder unconditionally and irrevocably waives any right of set-off
Form and Format:	5-year Non-Call 4-year, Reg S Bearer, New Global Note
Size/Aggregate Nominal Amount:	EUR [500,000,000]
Use of Proceeds:	An equivalent amount of proceeds will be used to finance and refinance Eligible Green Assets according to the BPS Green Bond Framework
Optional Redemption Date	[•] September 2027 (4 years) (one-time call option, at par, in whole, at the Issuer's discretion subject to compliance by the Issuer with any conditions to such redemption prescribed by the MREL Requirements as defined in the Base Prospectus)
Maturity Date:	[•] September 2028
Coupon:	Fixed Rate [•]% p.a., payable annually in arrear on each Interest payment Date until (but excluding) the Reset Date ([• September] 2027); reset from the Reset Date to a fixed rate equal to the 1-year mid-swap rate prevailing at the Reset Determination Date plus the Reset Margin (no step-up)
Acknowledgement of Bail-in Power:	Each Noteholder acknowledges and agrees to be bound by the exercise of any Loss Absorption Power by the Relevant Resolution Authority <u>in accordance with Condition 16 (Statutory Loss Absorption Powers)</u>
Optional Redemption:	Early Redemption (in whole but not in part) for tax reasons (additional amounts) or upon occurrence of a MREL Disqualification Event (full or partial exclusion from eligible liabilities)
Events of Default:	If the Issuer shall be liquidated (including becoming subject to <i>Liquidazione Coatta Amministrativa</i> as defined in the Italian Consolidated Banking Act) or the Issuer shall be insolvent, Noteholders may cause the Notes to become due and payable together with accrued interest (if any)
Listing:	Luxembourg Stock Exchange (regulated market)
Clearing:	Euroclear, Clearstream
Denominations:	Euro 100,000 and integral multiples of Euro 1,000 in excess thereof up to and including Euro 199,000
Documentations and CPs:	Under the Issuer's EMTN Programme dated 15 th December 2022 as supplemented on 15 th February 2023, 21 st March 2023 and [•] September 2023
Selling Restrictions:	As per the Base Prospectus (RegS, Compliance Category 2, TEFRA rules apply. No communications with or into the U.S.)
Governing Law:	Italian law
Joint Lead Managers & Bookrunners:	Banca Popolare di Sondrio S.p.A., BNP Paribas, Citi, Deutsche Bank, IMI-Intesa Sanpaolo, Santander CIB, Unicredit

OVERVIEW OF BPS ELIGIBLE PROJECTS



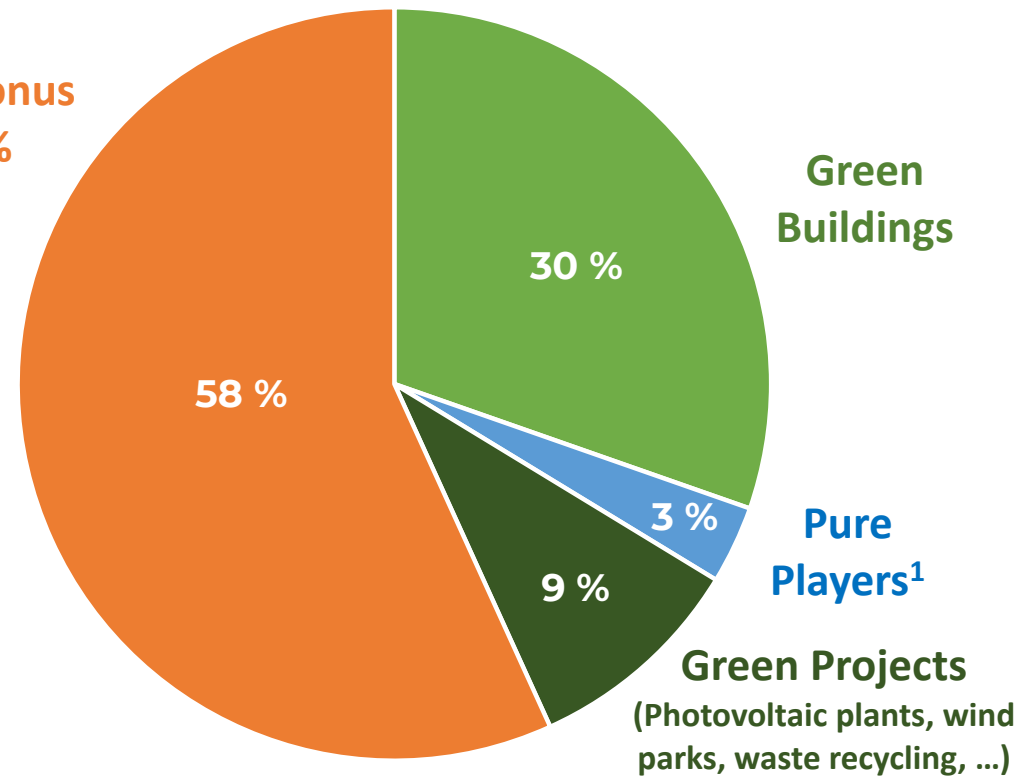
ELIGIBLE GREEN BOND TOTAL PORTFOLIO: 1,55 €BN

(INCLUDING 500 €M SUPPORTING THE 2021 GREEN BOND EMISSION)

LOANS: > 10.000

Data as of May 31, 2023
Amounts in EUR million

**Superbonus
110%**



MATURITY: ~ 8 YEARS

ASSETS MAINLY LOCATED IN
ITALY AND FOR A LIMITED SHARE
IN **SWITZERLAND**



**ALL ELIGIBLE CATEGORIES
INCLUDED**

**ENVIRONMENTAL IMPACT
CALCULATED FOR EVERY SINGLE ASSET**

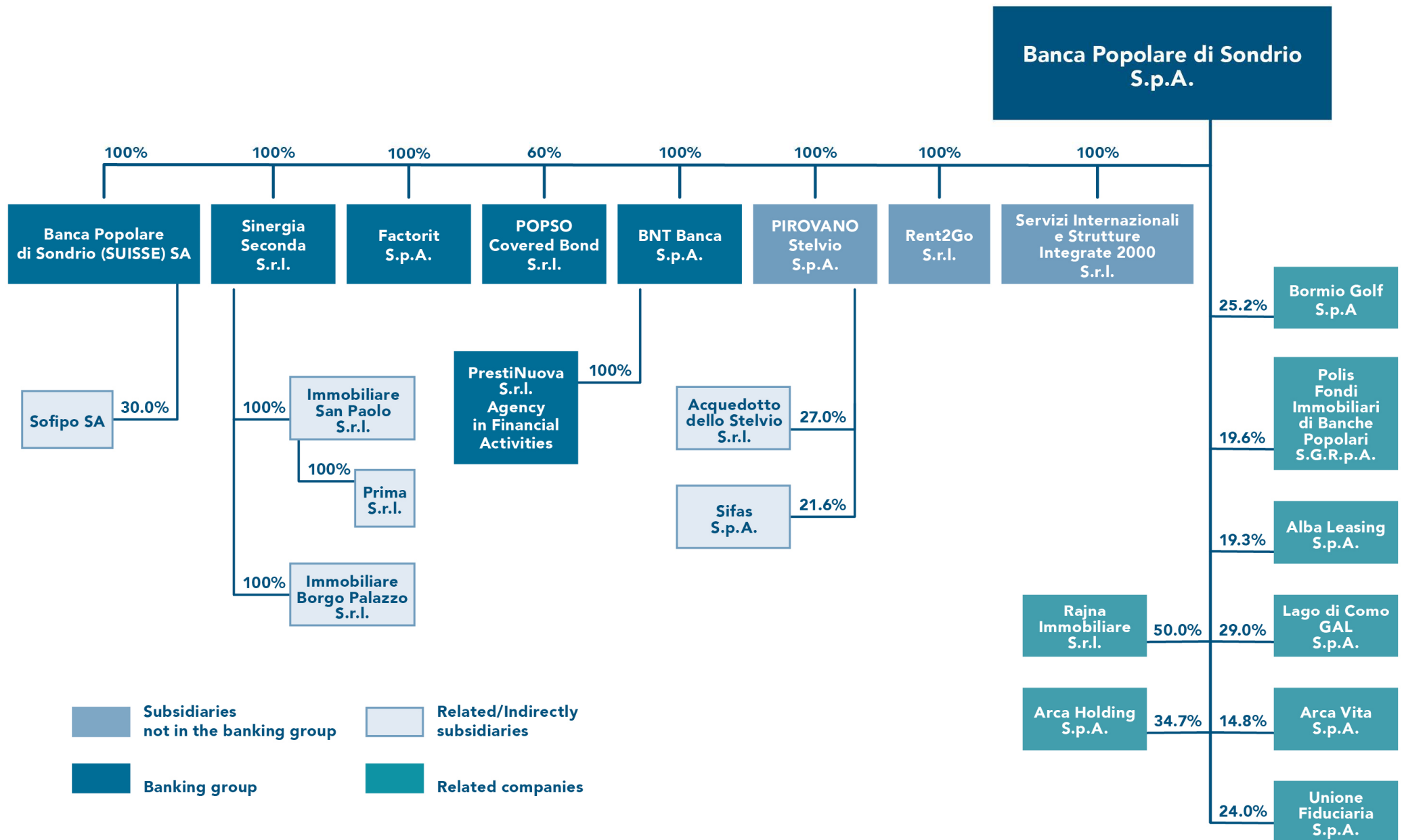


(1) Companies with 90% or more of its revenues from activities included in the Eligible Categories.



5 ANNEXES

GROUP STRUCTURE



NOTE: Company's data as of 30/06/2023

FINANCIAL RATINGS



Rating updated on
6 JULY 2023

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+	C	
	CCC		
	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	
	AA (low)	R-1 (mid)
	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	
	B (low)	R-5
	CCC	
	CC	
	C	
	D	

■ BPS ■ ITALY



Rating updated on
14 MARCH 2023
Long term: **BBB**
OUTLOOK: **STABLE**

Scope Ratings		
	Long Term	Short Term
INVESTMENT GRADE	AAA	S-1+
	AA+	
	AA	
	AA-	S-1+ or S-1
	A+	S-1 or S-2
	A	
	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	

FINANCIAL STATEMENT: BALANCE SHEET ASSETS



THOUSANDS OF EUROS

ASSETS		30/06/2023	31/12/2022
10.	CASH AND CASH EQUIVALENTS	2,702,629	6,990,689
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	746,212	1,254,070
	a) financial assets held for trading	185,944	179,665
	c) financial assets mandatorily at fair value through profit or loss	560,268	1,074,405
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2,731,981	2,555,705
40.	FINANCIAL ASSETS AT AMORTISED COST	44,192,950	43,870,637
	a) loans and receivables with banks	1,964,060	1,865,249
	b) loans and receivables with customers	42,228,890	42,005,388
50.	HEDGING DERIVATIVES	541	248
60.	FAIR VALUE CHANGE IN HEDGED FINANCIAL ASSETS (+/-)	(395)	(198)
70.	EQUITY INVESTMENTS	360,273	322,632
90.	PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	680,894	650,908
100.	INTANGIBLE ASSETS	36,995	36,669
	of which:		
	- goodwill	16,997	16,997
110.	TAX ASSETS	304,017	342,647
	a) current	1,903	17,654
	b) deferred	302,114	324,993
130.	OTHER ASSETS	2,214,823	1,830,354
TOTAL ASSETS		53,970,920	57,854,361

FINANCIAL STATEMENT: BALANCE SHEET LIABILITY & EQUITY



THOUSANDS OF EUROS

LIABILITY AND EQUITY		30/06/2023	31/12/2022
10.	FINANCIAL LIABILITIES AT AMORTISED COST	48,187,962	53,152,710
	a) due to banks	9,096,877	11,381,703
	b) due to customers	35,397,105	38,122,246
	c) securities issued	3,693,980	3,648,761
20.	FINANCIAL LIABILITIES HELD FOR TRADING	41,449	115,871
40.	HEDGING DERIVATIVES	179	227
60.	TAX LIABILITIES	54,585	32,359
	a) current	28,784	3,160
	b) deferred	25,801	29,199
80.	OTHER LIABILITIES	1,828,445	834,629
90.	PROVISION FOR POST-EMPLOYMENT BENEFITS	33,510	35,597
100.	PROVISIONS FOR RISKS AND CHARGES:	314,367	295,528
	a) loans commitments and	74,058	63,204
	b) pensions and similar	167,125	167,827
	c) other provisions	73,184	64,497
120.	VALUATION RESERVES	(40,828)	(68,086)
150.	RESERVES	1,930,387	1,790,468
160.	SHARE PREMIUM	78,949	78,978
170.	SHARE CAPITAL	1,360,157	1,360,157
180.	TREASURY SHARES (-)	(25,342)	(25,402)
190.	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	14	4
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)	207,086	251,321
TOTAL LIABILITIES AND EQUITY		53,970,920	57,854,361

FINANCIAL STATEMENT: INCOME STATEMENT



THOUSANDS OF EUROS

ITEMS	30/06/2023	30/06/2022
10. INTEREST AND SIMILAR INCOME	812,689	375,593
of which: interest calculated using the effective interest method	804,986	371,096
20. INTEREST AND SIMILAR EXPENSE	(385,352)	(55,284)
30. NET INTEREST INCOME	427,337	320,309
40. FEE AND COMMISSION INCOME	205,428	193,454
50. FEE AND COMMISSION EXPENSE	(10,888)	(8,935)
60. NET FEE AND COMMISSION INCOME	194,540	184,519
70. DIVIDENDS AND SIMILAR INCOME	2,308	5,686
80. NET TRADING INCOME	54,928	2,726
90. NET HEDGING INCOME	(32)	(134)
100. NET GAINS FROM SALES OR REPURCHASES OF:	4,330	38,761
a) financial assets at amortized cost	4,113	27,746
b) financial assets at fair value through other comprehensive income	131	11,013
c) financial liabilities	86	2
110. NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	3,885	(67,585)
b) other financial assets mandatorily measured at fair value	3,885	(67,585)
120. TOTAL INCOME	687,296	484,282
130. NET IMPAIRMENT LOSSES FOR CREDIT RISK RELATING TO:	(73,706)	(31,018)
a) financial assets at amortized cost	(73,208)	(31,444)
b) financial assets at fair value through other comprehensive income	(498)	426
140. NET GAINS FORM CONTRACTUAL CHANGES WITHOUT DERECOGNITION	4,509	(760)
150. NET FINANCIAL INCOME	618,099	452,504
180. NET FINANCIAL INCOME AND INSURANCE INCOME	618,099	452,504
190. ADMINISTRATIVE EXPENSES:	(323,860)	(301,916)
a) personnel expenses	(145,820)	(131,220)
b) other administrative expenses	(178,040)	(170,696)
200. NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES	(23,423)	(17,868)
a) commitments for guarantees given	(10,847)	(11,620)
b) other net provisions	(12,576)	(6,248)
210. DEPRECIATION AND NET IMPAIRMENT LOSSES ON PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	(24,265)	(20,556)
220. AMORTISATION AND NET IMPAIRMENT LOSSES ON INTANGIBLE ASSETS	(7,645)	(6,966)
230. OTHER NET OPERATING INCOME	48,821	39,446
240. OPERATING COSTS	(330,372)	(307,860)
250. SHARE OF PROFITS OF INVESTEEs	15,522	8,897
260. NET FAIR VALUE LOSSES ON PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS MEASURED	(1,490)	(1,430)
280. NET GAINS ON SALES OF INVESTMENTS	158	1,771
290. PRE-TAX PROFIT FROM CONTINUING OPERATIONS	301,917	153,882
300. TAXES ON INCOME FOR THE YEAR FOR CONTINUING OPERATIONS	(94,831)	(48,821)
310. POST-TAX PROFIT FROM CONTINUING OPERATIONS	207,086	105,061
330. NET PROFIT (LOSS) FOR THE PERIOD	207,086	105,061
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	207,086	105,061
EARNINGS (LOSS) PER SHARE	0.457	0.232
DILUTED EARNINGS (LOSSES) PER SHARE	0.457	0.232

FINANCIAL STATEMENT: RECLASSIFIED P&L



(in thousands of euro)	30/06/2023	30/06/2022	(+/-)	% change
Net interest income	427,337	320,309	107,028	33.41
Dividends and similar income	2,308	5,686	-3,378	-59.41
Net fee and commission income	194,540	184,519	10,021	5.43
Net gains on financial assets [a]	58,117	41,785	16,332	39.09
Result of other financial assets at FVTPL [b]	3,885	-67,585	71,470	n.s.
of which Loans	1,082	-17,244	18,326	n.s.
of which Other	2,803	-50,341	53,144	n.s.
Total income	686,187	484,714	201,473	41.57
Net impairment losses [c]	-78,935	-43,830	-35,105	80.09
Net financial income	607,252	440,884	166,368	37.74
Personnel expenses [d]	-141,874	-130,724	-11,150	8.53
Other administrative expenses [e]	-137,183	-130,656	-6,527	5.00
Other net operating income [d]	44,875	38,950	5,925	15.21
Net accruals to provisions for risks and charges [f]	-12,576	-6,248	-6,328	101.28
Depreciation and amortisation on tangible and intangible assets	-31,910	-27,522	-4,388	15.94
Operating costs	-278,668	-256,200	-22,468	8.77
Operating result	328,584	184,684	143,900	77.92
Charges for the stabilization of the banking System [e]	-40,857	-40,040	-817	2.04
Share of profits of investees and net gains on sales of investments	14,190	9,238	4,952	53.60
Pre-tax profit from continuing operations	301,917	153,882	148,035	96.20
Income taxes	-94,831	-48,821	-46,010	94.24
Net profit (loss) for the period	207,086	105,061	102,025	97.11
Net profit (loss) for the period attributable to the owners of Parent bank	207,086	105,061	102,025	97.11

Notes:

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

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

[c] Net impairment losses is made up of the sum of items 130 - 140 - 200 a) in the income statement. Reclassified losses related to NPL disposals for 1,109 € million initially included in item gains/losses on financial assets valued at amortized cost showing them among net impairment losses.

[d] Reclassified personnel expenses and other operating income by netting them off against the proceeds of the retirement employees fund for 3,946 € million;

[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.

The results at 30/06/2022 have been made consistent with those of 2023.

FINANCIAL STATEMENT: RECLASSIFIED P&L QUARTERLY EVOLUTION



(in million of euro)	Q2 - 2023	Q1 - 2023	Q4 - 2022	Q3 - 2022	Q2 - 2022
Net interest income	235.3	192.0	203.8	156.9	164.1
Dividends and similar income	1.6	0.7	0.4	0.4	5.4
Net fee and commission income	98.1	96.5	104.2	91.8	93.1
Net gains on financial assets [a]	28.3	29.8	24.2	3.6	24.6
Result of other financial assets at FVTPL [b]	-8.8	12.7	6.6	-6.6	-34.0
of which Loans	-1.8	2.9	4.7	2.1	-4.3
of which Other	-7.0	9.8	1.9	-8.6	-29.7
Total income	354.5	331.7	339.2	246.2	253.3
Net impairment losses [c]	-39.1	-39.8	-65.9	-60.1	-16.5
Net financial income	315.4	291.9	273.3	186.2	236.8
Personnel expenses [d]	-72.9	-69.0	-69.1	-69.3	-64.2
Other administrative expenses [e]	-69.2	-68.0	-71.3	-60.1	-68.2
Other net operating income [d]	22.9	22.0	20.4	22.9	22.1
Net accruals to provisions for risks and charges [f]	-7.2	-5.4	-6.5	-1.5	-6.7
Depreciation and amortisation on tangible and intangible assets	-16.5	-15.4	-18.2	-16.8	-15.5
Operating costs	-142.9	-135.7	-144.8	-124.8	-132.5
Operating result	172.5	156.1	128.5	61.4	104.2
Charges for the stabilization of the banking System [e]	-5.9	-35.0	-2.9	-3.0	-10.0
Share of profits of investees and net gains on sales of investments	1.2	13.0	10.6	5.3	2.6
Pre-tax profit from continuing operations	167.8	134.1	136.3	63.7	96.8
Income taxes	-55.1	-39.7	-36.2	-17.5	-32.0
Net profit (loss) for the period	112.7	94.4	100.0	46.2	64.8
Net profit (loss) for the period attributable to the owners of Parent bank	112.7	94.4	100.0	46.2	64.8

Notes:

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

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

[c] Net impairment losses is made up of the sum of items 130 - 140 - 200 a) in the income statement.

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

LOANS TO CUSTOMERS NON PERFORMING AND PERFORMING EXPOSURES



30-06-2023

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	(4,23%)	1,454,285	876,921	(1,73%)	577,364	60.30%
of which Bad loans	(1,51%)	519,445	432,313	(0,26%)	87,132	83.23%
of which Unlikely to pay	(2,47%)	848,881	435,129	(1,24%)	413,752	51.26%
of which Past due	(0,25%)	85,959	9,479	(0,23%)	76,480	11.03%
Performing exposures	(95,77%)	32,895,513	173,296	(98,27%)	32,722,217	0.53%
Total loans to customers	(100%)	34,349,798	1,050,217	(100%)	33,299,581	3.06%

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%



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- ❑ *Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2), Maurizio Bertolotti, 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.*

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