



**Banca Popolare
di Sondrio**

FONDATA NEL 1871

OBG PROGRAMME PRESENTATION

October 16th, 2023

EXECUTIVE SUMMARY



ISSUER DESCRIPTION

- DISTINCTIVE GEOGRAPHICAL FOOTPRINT (90% OF BRANCHES IN NORTHERN ITALY)
- PROFITABLE BUSINESS MODEL FOCUSED ON LENDING TO CORPORATES, RETAIL AND SMEs
- STABLE FUNDING AND SOLID LIQUIDITY POSITION [LCR 169%; NSFR 129%]
- GOOD ASSET QUALITY WITH A FIRM COMMITMENT ON DERISKING [NET NPL RATIO 1.7%]
- SOLID CAPITAL POSITION [CET1 RATIO 15.8%]
- COST/INCOME RATIO BEST IN CLASS [40.6%]

COVERED BOND PROGRAMME

- EUR 5BN PROGRAMME AIMED AT DIVERSIFYING THE M/L TERM FUNDING SOURCES
- EXPECTED COVERED BOND PROGRAMME RATING: AA BY FITCH
- SUPPORT LENDING ACTIVITY LENGTHENING THE MATURITY PROFILE

COVER POOL FEATURES

- COVER POOL COMPOSED OF FIRST LIEN RESIDENTIAL MORTGAGE LOANS, PERFORMING ONLY
- MORE THAN 80% OF THE LOANS IS FROM NORTHERN ITALY, ONE OF THE WEALTHIEST AREAS OF EUROPE
- WEIGHTED AVERAGE CURRENT LTV AT 40.38%

ITALIAN MORTGAGE MARKET FEATURES

- THE ITALIAN MORTGAGE MARKET IS RELATIVELY SMALL IN EUROPE, REFLECTING THE LOW TENDENCY TO INCUR DEBT
- LOW LTV LEVELS COMPARED TO EUROPEAN PEERS



- 1 BPS GROUP OVERVIEW**
- 2 FINANCIAL RESULTS AS OF 30/06/2023**
- 3 OBG PROGRAMME AND COVER POOL**
- 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

Factorit

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

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



BNT BANCA

Banca della Nuova Terra

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

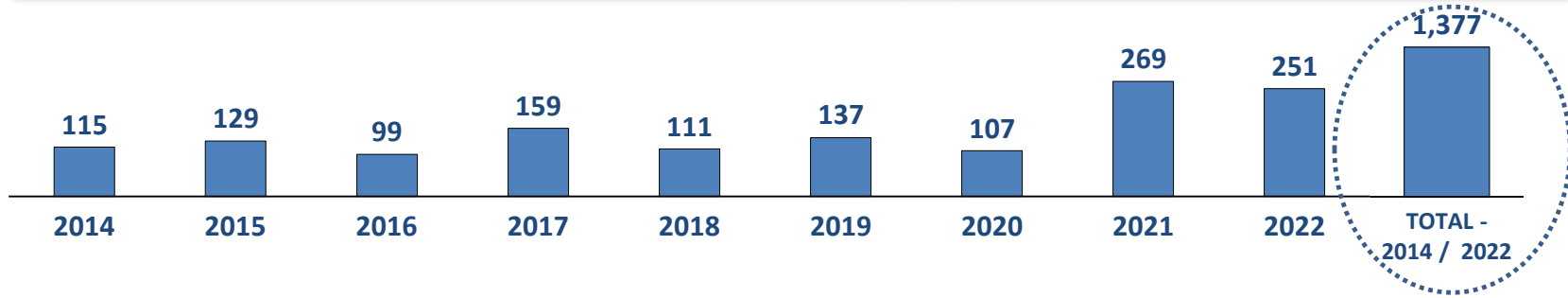
Operating at Banca Popolare di Sondrio's branches
and at its partner banks' counters.

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

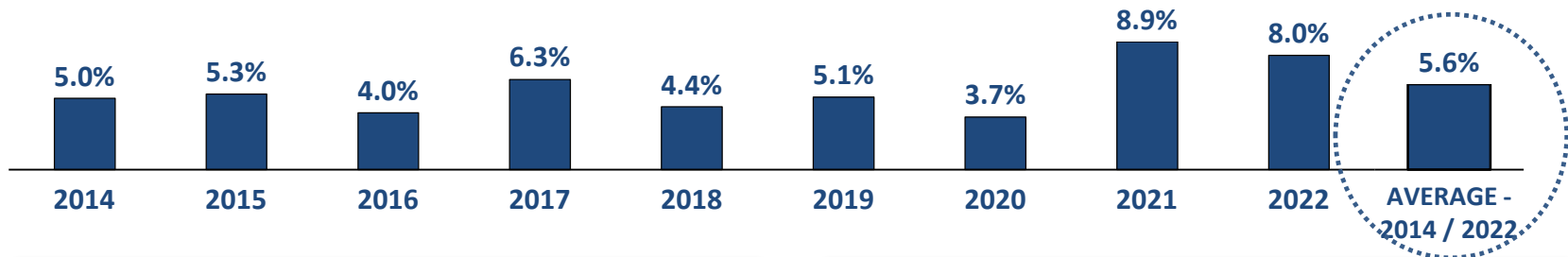
...AND A PROFITABLE AND RESILIENT TRACK RECORD



GROUP NET RESULT (€M)

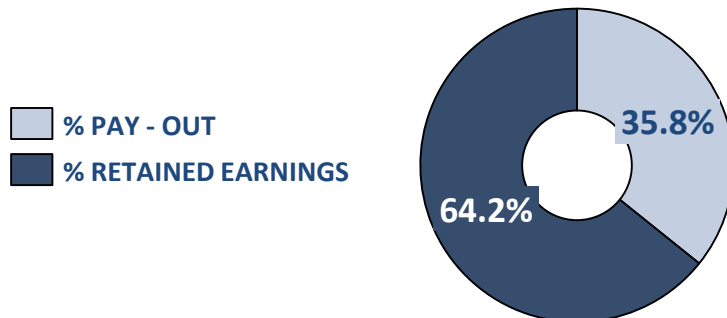


GROUP ROE (%)

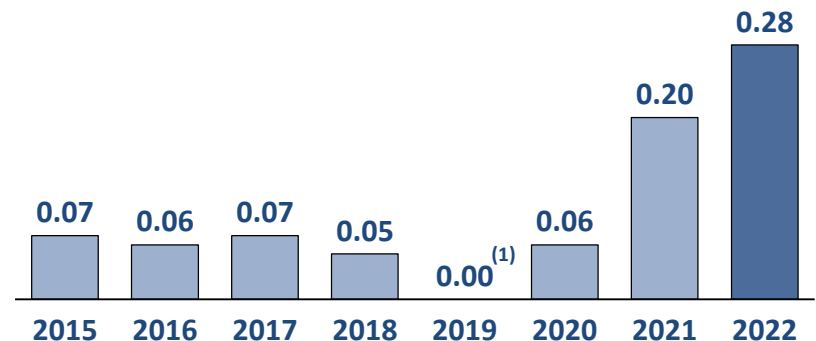


PAYOUT VS RETAINED EARNINGS

Average 2014-2022 (excluding 2019)



DIVIDEND PER SHARE (€)



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



② FINANCIAL RESULTS AS OF 30/06/2023

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

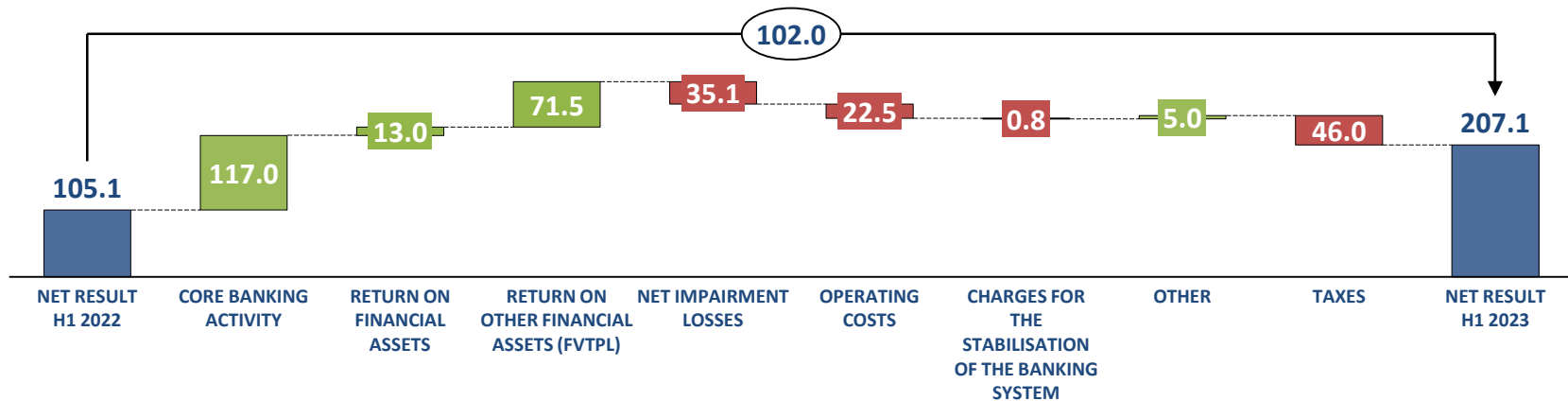
15.8%
(large buffer over 8.5% 2023
SREP requirement)

(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%



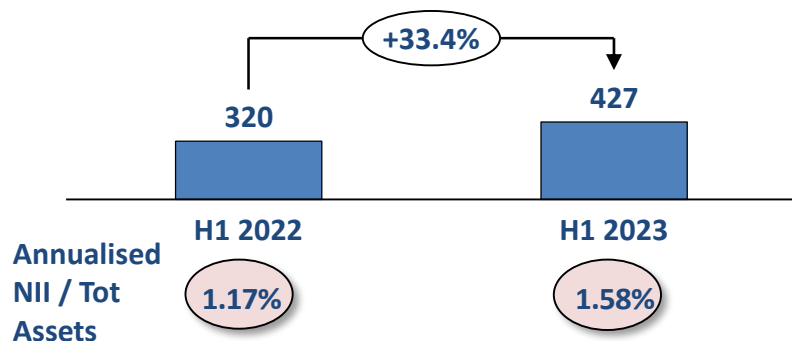
✓ **TOTAL INCOME BENEFITS FROM ALL ITS COMPONENTS: CORE BANKING ACTIVITY +117 €M YoY (+23,2%), TOTAL RETURN ON FINANCIAL ASSETS ≈ +85 €M YoY**

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

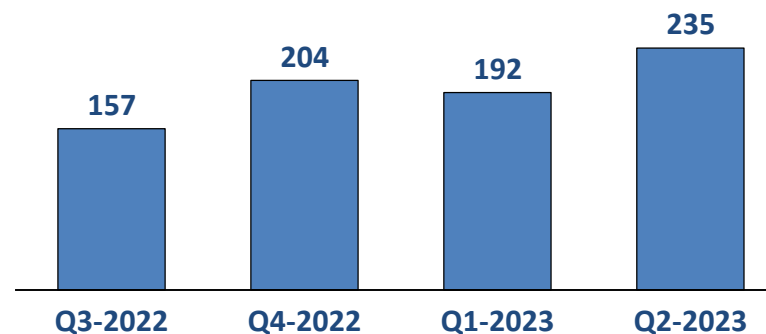


NET INTEREST INCOME EVOLUTION (€M)

Yearly Evolution

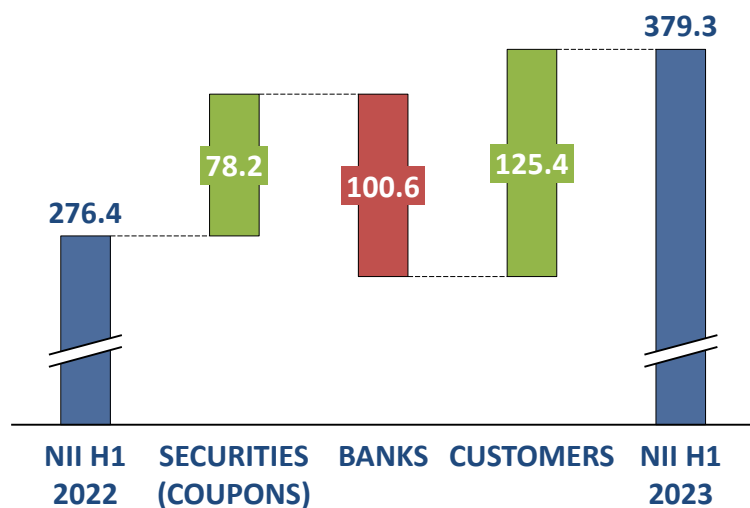


Quarterly Evolution



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%

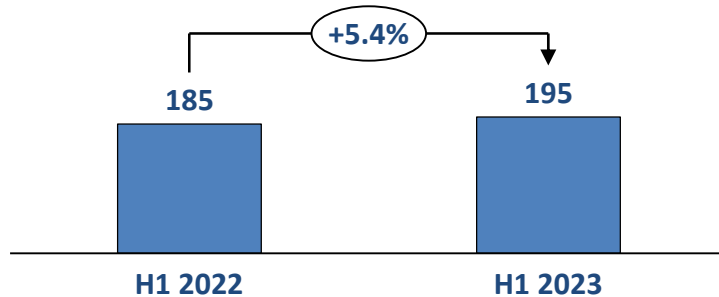
(1) BPS individual management data as of 30/06/2023

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

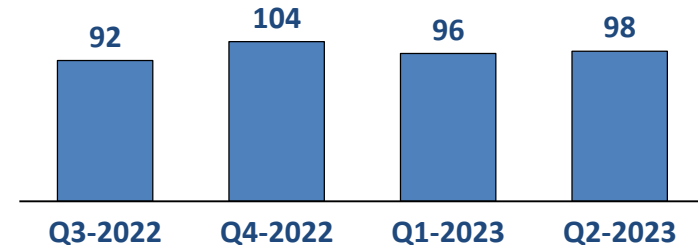


NET FEES (€M)

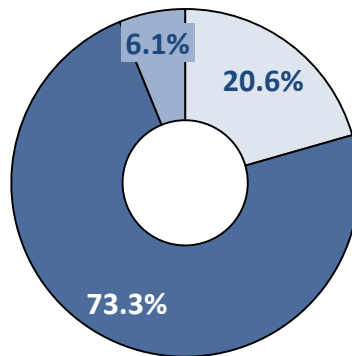
Yearly Evolution



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

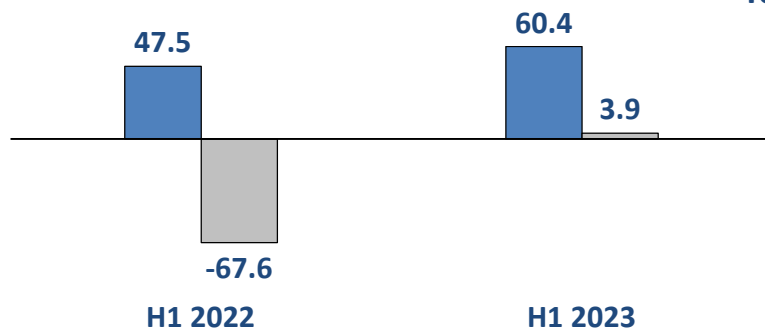
✓ POSITIVE CONTRIBUTION Y/Y FROM THE PLACEMENT OF BANCASSURANCE PRODUCTS AND SERVICES OF THE INTERNATIONAL DEPARTMENT

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



BREAKDOWN OF RETURN ON FINANCIAL ASSETS (€M)

Yearly Evolution



- ✓ POSITIVE MARKETS DYNAMICS BOOST RETURN ON FINANCIAL ASSETS (60.4 €M vs 47.5 €M H1 2022)
- ✓ FVTPL MARK TO MARKET GAINS FOR AROUND 4 €M MAINLY RELATED TO FIXED INCOME FUNDS AND SICAV (RELATED TO A STOCK OF 263 €M)

■ RETURN ON FINANCIAL ASSETS ■ NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL

DETAILS OF FINANCIAL ASSETS PERFORMANCE

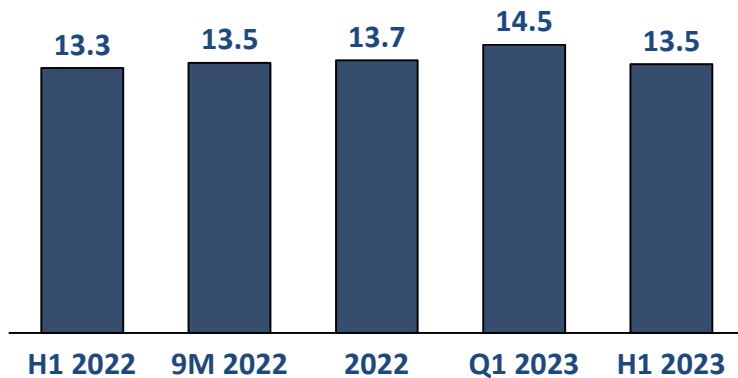
	H1 2022	H1 2023	YoY		Q1-2023	Q2-2023	QoQ	
			Δ € M	Δ%			Δ € M	Δ%
DIVIDENDS AND SIMILAR INCOME	5.7	2.3	-3.4	-59.4%	0.7	1.6	1.0	148.1%
NET TRADING INCOME	2.7	54.9	52.2	-	28.6	26.3	-2.3	-8.0%
NET HEDGING INCOME	-0.1	-0.0	0.1	-76.1%	0.2	-0.2	-0.4	-
NET GAINS FROM SALES OR REPURCHASES	39.2	3.2	-36.0	-91.8%	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 MAINTANING A PRUDENT PORTFOLIO ALLOCATION...



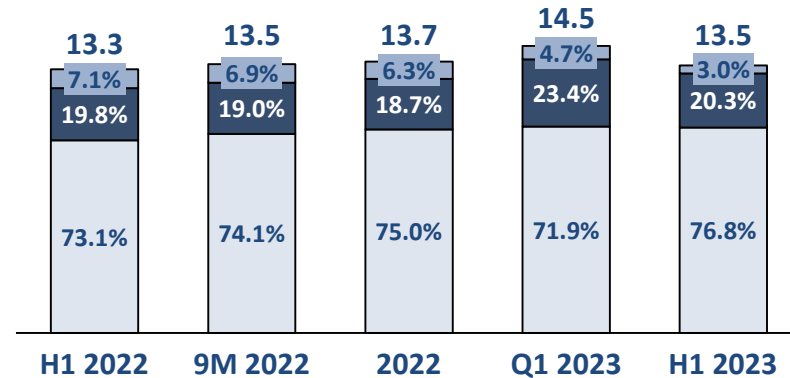
SECURITIES PORTFOLIO (€BN)

Quarterly Evolution



BREAKDOWN BY PORTFOLIO (%)

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



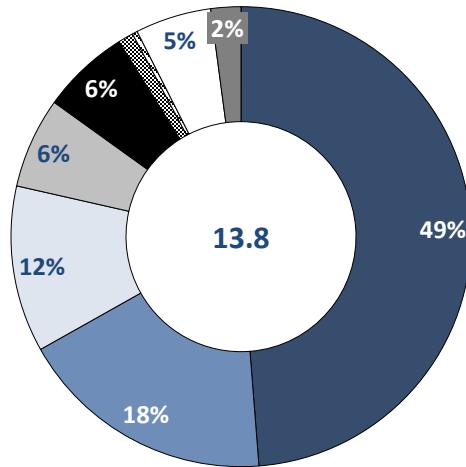
BREAKDOWN BY TYPE OF ASSETS (%)

€ 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

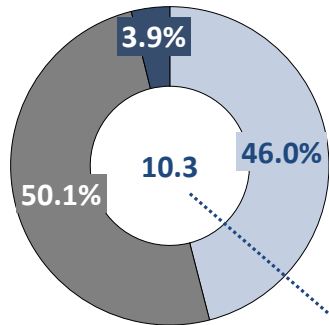


DEBT SECURITIES COMPONENT BREAKDOWN⁽¹⁾ – H1 2023



- 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



- FIXED RATE
- FLOATING RATE
- INFLATION-LINKED

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

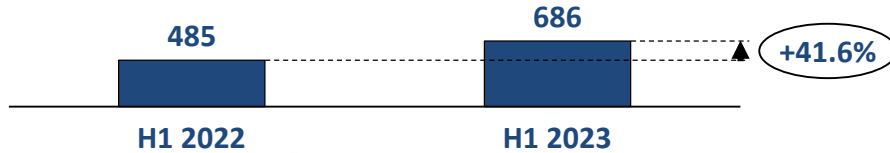
(1) BPS individual management data as at 30/06/2023



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

TOTAL INCOME (€M)

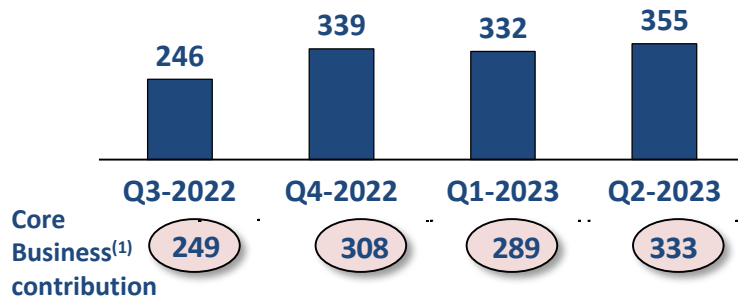
Yearly Evolution



Core Business⁽¹⁾ contribution

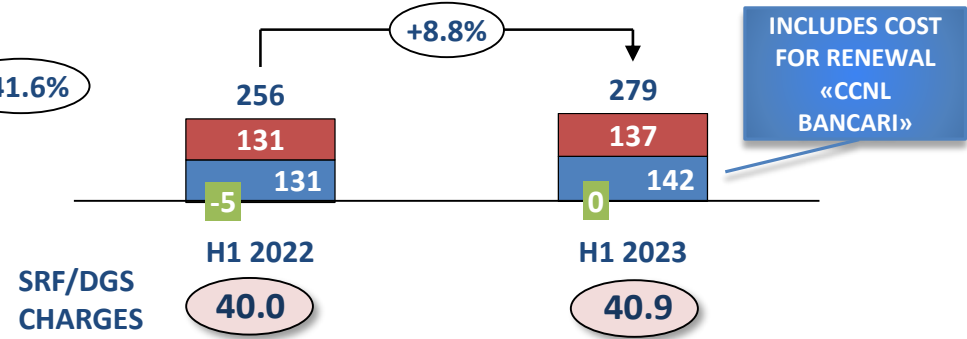


Quarterly Evolution



OPERATING COSTS² (€M)

Yearly Evolution



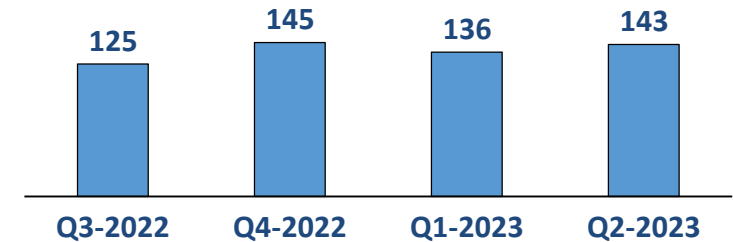
SRF/DGS CHARGES

40.0

40.9

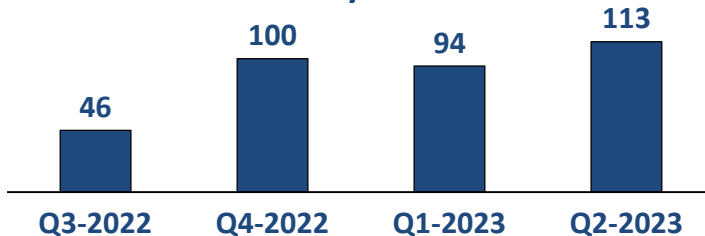
PERSONNEL EXPENSES OTHER ADMINISTRATIVE EXPENSES OTHER

Quarterly Evolution



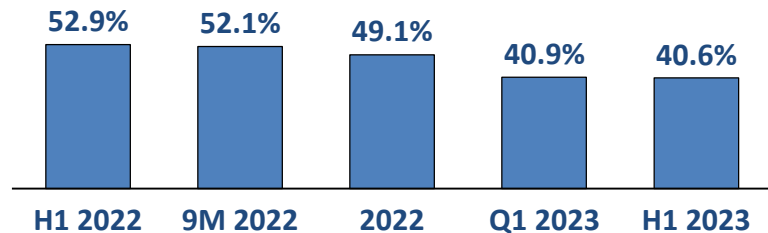
NET RESULT (€M)

Yearly Evolution



C/I EVOLUTION (%)

Quarterly Evolution

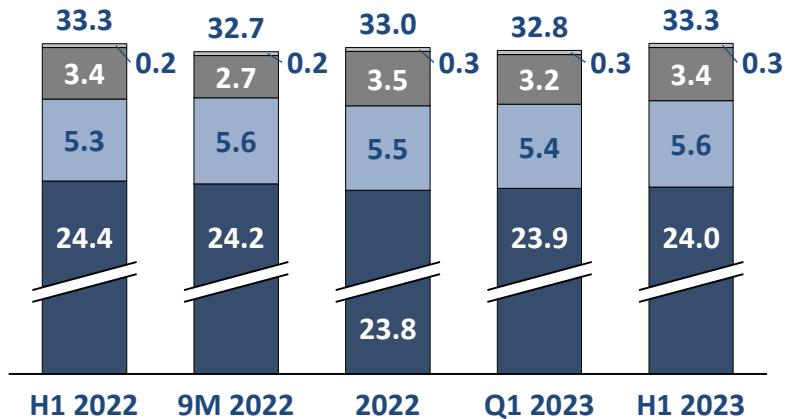


(1) Core business = NII+ NF&C ; (2) Operating costs are considered net of System charges

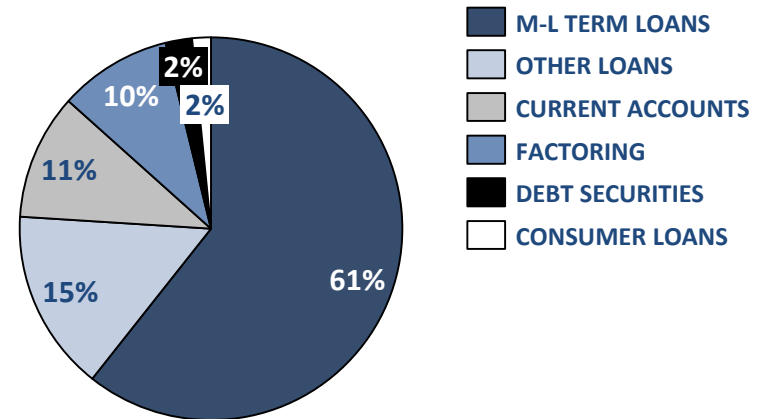
GROWTH OF LENDING IN A CHALLENGING ENVIRONMENT...



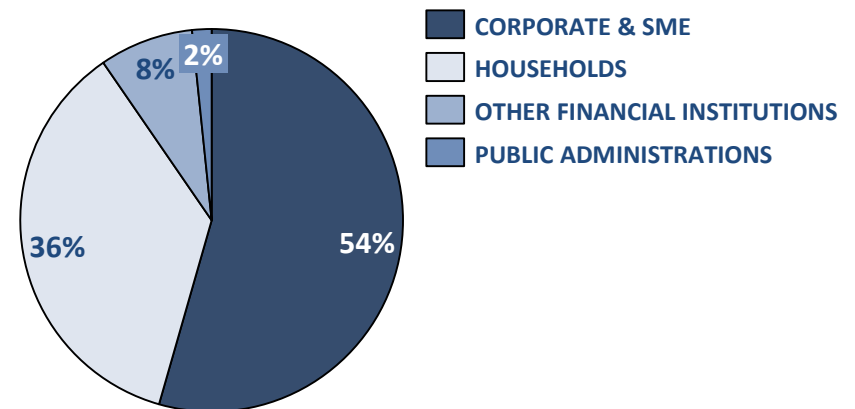
NET CUSTOMER LOANS (€BN)



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%

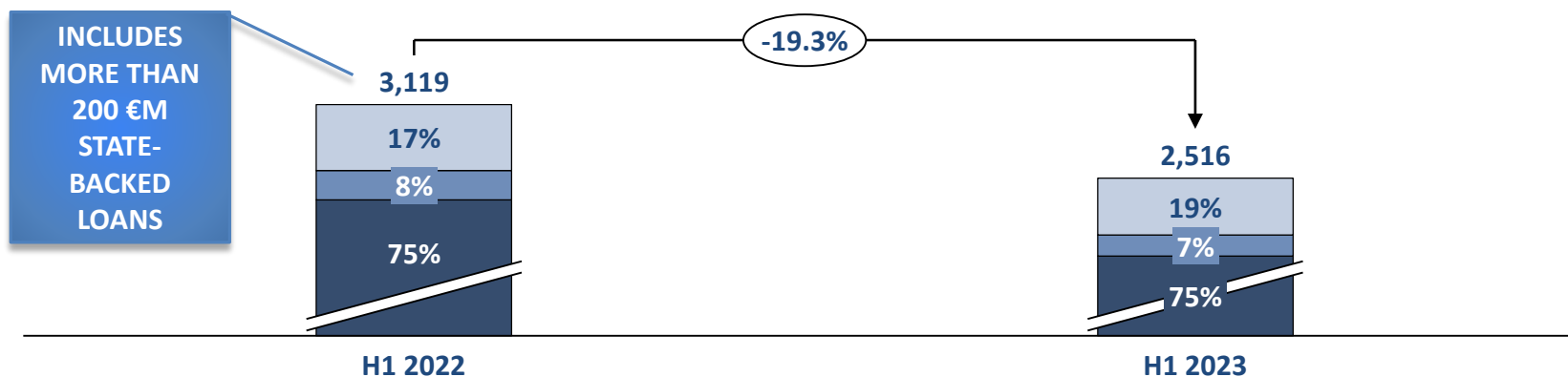
...MAINTAINING A HIGH INCIDENCE OF VARIABLE-RATE LOANS



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

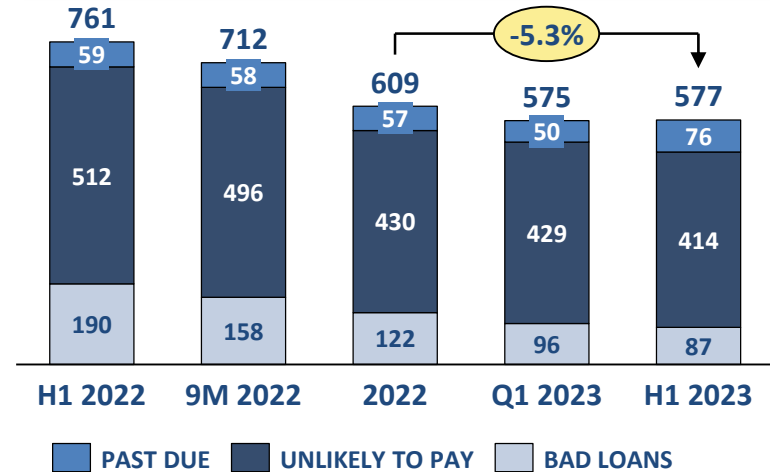


ASSET QUALITY UNDER CONTROL...

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)

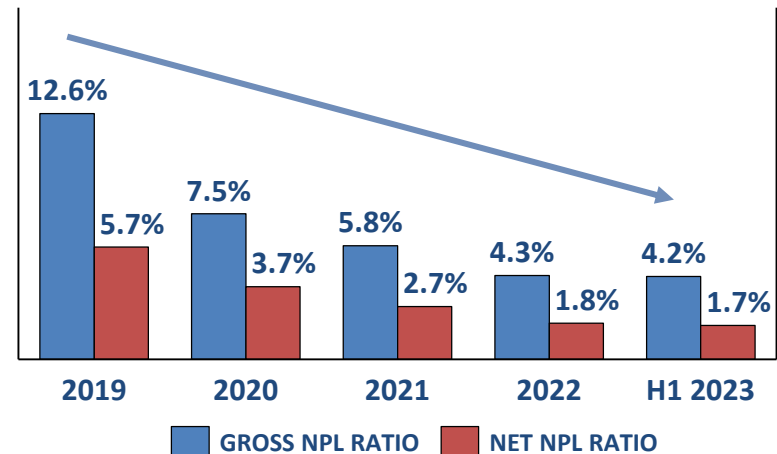
NET NPL STOCK EVOLUTION (€M)



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 FIRM DERISKING COMMITMENT SINCE 2019



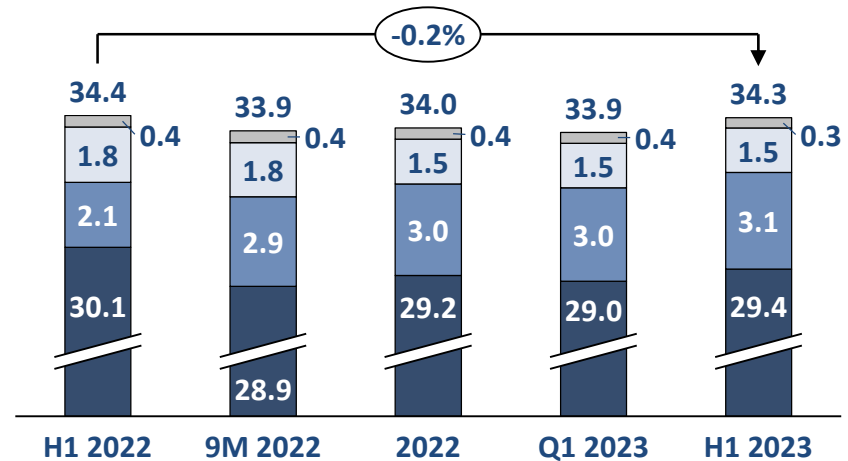
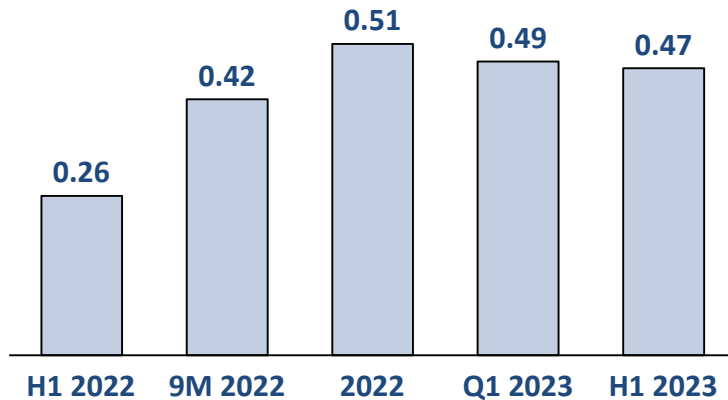
...WITH STABLE COST OF RISK, WHILE KEEPING A PRUDENT APPROACH



EVOLUTION OF COST OF RISK (%)

FOCUS ON STAGING (€BN)

Gross Customer Loans



LLP (€M)



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

KEY COMMENTS

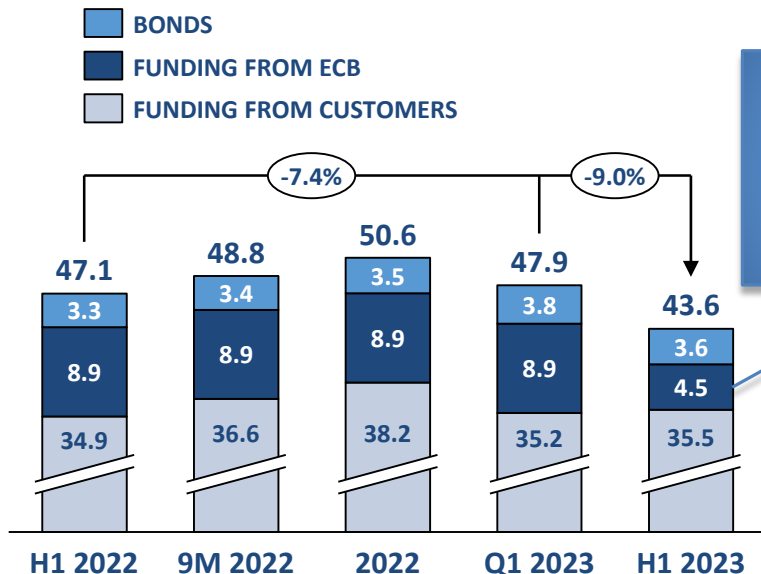
- ✓ ABOUT 120 €M OF PRUDENTIAL MANAGEMENT OVERLAYS: A SIGNIFICANT BUFFER FOR THE POSSIBLE DETERIORATION OF CREDIT QUALITY
- ✓ OVERALL PERFORMING LOANS COVERAGE UP TO 0.53% FROM 0.45% AS OF YE 2022
- ✓ STAGE 2 LOANS COVERAGE UP TO 3.83% FROM 3.39% AS OF YE 2022

GROUP'S FUNDING STRUCTURE...



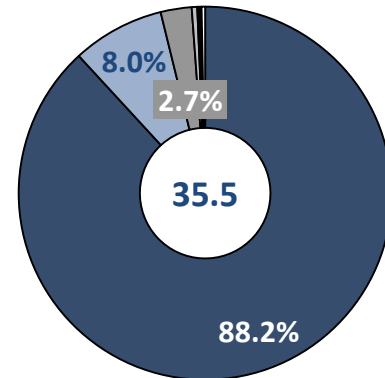
TOTAL FUNDING (€BN)

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



TLTRO III COMING DUE IN 2024:

- 806 €M (27/03/2024)
- 3.7 €BN (25/09/2024)



O/W MORE THAN 18 €BN OF STICKY RETAIL DEPOSITS

- CURRENT ACCOUNTS
- TIME DEPOSITS
- REPOS TRANSACTIONS
- LEASING LIABILITIES
- CASHIER CHECKS AND OTHERS
- OTHER DEBTS

- ✓ “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 1.1 €BN SENIOR PREFERRED BONDS PLACED (O/W 470 €M TO RETAIL INVESTORS; 150 €M WITH A PRIVATE PLACEMENT TO CASSA DEPOSITI E PRESTITI; 500 €M GREEN FORMAT)

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

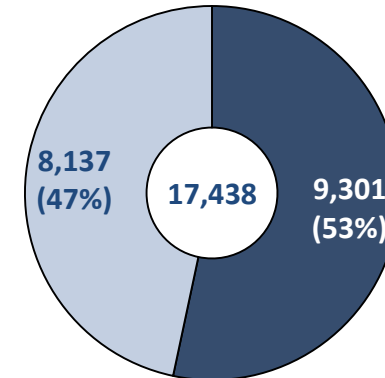
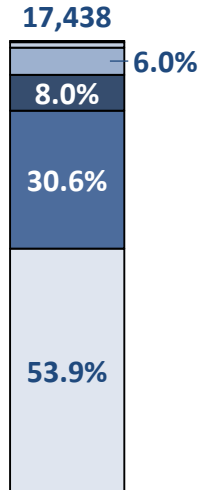
...WITH A SOLID LIQUIDITY POSITION



STOCK OF ELIGIBLE ASSETS (€M)

ELIGIBLE ASSETS AVAILABILITY (€M)

BPS individual management data



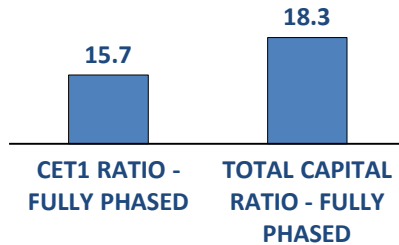
- ✓ DESPITE THE REPAYMENT OF 4.4 €BN RELATED TO TLTRO III (TRANCHE 4) IN JUNE, THE LIQUIDITY INDICATORS REMAIN COMFORTABLY ABOVE REQUIREMENTS (LCR AT 169% AND NSFR AT 129%)
- ✓ COUNTERBALANCING CAPACITY AROUND 12 €BN
- ✓ FINALIZATION IN JUNE OF "CENTRO DELLE ALPI" SMEs SELF-SECURITISATION PROVIDES AROUND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

THE BANK AT THE END OF H1 2023 IN A NUTSHELL



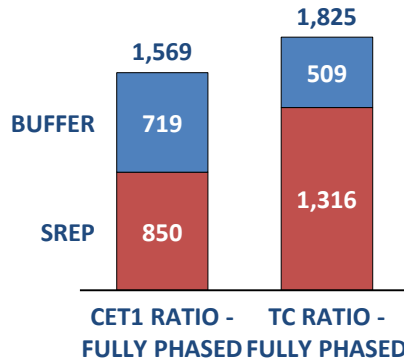
SOLID CAPITAL POSITION

CET1 RATIO & TOTAL CAPITAL RATIO (%)

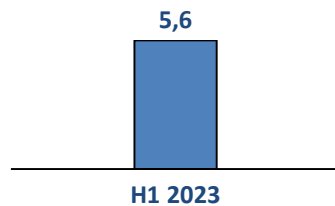


BUFFER OVER 2023 SREP REQUIREMENTS¹

bps

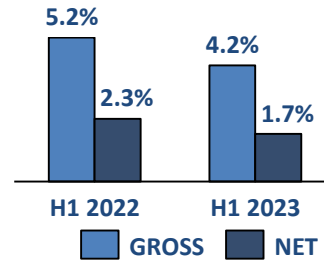


LEVERAGE RATIO (FULLY-PHASED)

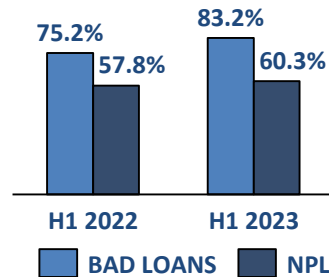


SOUND ASSET QUALITY

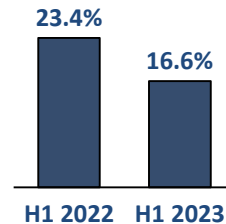
NPL RATIOS



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.



③ OBG PROGRAMME AND COVER POOL

SUMMARY OF THE OBG PROGRAMME



Main Terms	
Issuer	Banca Popolare di Sondrio S.p.A.
Seller	Banca Popolare di Sondrio S.p.A.
Programme Size	Eur 5,000,000,000
Guarantor	POPSO Covered Bond S.r.l.
Cover Pool	Italian prime, first economic lien residential mortgages originated by the Seller
Segregation of collateral	Collateral sold to the Guarantor for the benefit of OBG holders and other secured parties in the context of the programme
Listing	Luxembourg
Overcollateralization	The statutory tests are run quarterly to ensure sufficient programme support
Calculation Agent	Banca Finint S.p.A.
Asset Monitor	BDO S.p.A.
Governing Law	Italian Law
Representative of OBG holders	Banca Finint S.p.A.
Arrangers	BNP Paribas, Banca Finint S.p.A.



- THE STATUTORY TESTS ARE DESIGNED ACCORDING TO THE ITALIAN REGULATION FRAMEWORK AND ARE INTENDED TO ENSURE THAT THAT THE COVER POOL IS AT ALL TIMES SUFFICIENT TO REPAY THE COVERED BONDS
- FAILURE OF THE ASSET TESTS THAT IS NOT REMEDIED WITHIN A STIPULATED PERIOD WILL CONSTITUTE AN ISSUER EVENT OF DEFAULT AND RESULT IN THE SERVICE OF AN ISSUER DEFAULT NOTICE ON THE ISSUER AND A NOTICE TO PAY ON THE GUARANTOR

NOMINAL VALUE TEST

THE OUTSTANDING AGGREGATE PRINCIPAL BALANCE OF THE ELIGIBLE COVER POOL PLUS THE AGGREGATE AMOUNTS STANDING TO THE CREDIT OF THE SPV ACCOUNTS (IN RELATION TO THE PRINCIPAL COMPONENT ONLY) SHALL BE AT LEAST EQUAL TO, OR HIGHER THAN, THE AGGREGATE PRINCIPAL NOTIONAL AMOUNT OF ALL COVERED BONDS OUTSTANDING

NET PRESENT VALUE TEST

THE NET PRESENT VALUE OF THE ELIGIBLE COVER POOL, NET OF THE GUARANTOR GENERAL AND ADMINISTRATIVE EXPENSES AND INCLUDING ANY CASH FLOW EXPECTED ON DERIVATIVES, SHALL BE AT LEAST EQUAL TO, OR HIGHER THAN, THE NET PRESENT VALUE OF THE OUTSTANDING COVERED BONDS



INTEREST COVERAGE TEST

THE INTEREST COLLECTIONS FROM THE ELIGIBLE COVER POOL, INCLUDING ANY COST TO BE BORNE BY THE GUARANTOR AND ANY CASH FLOW EXPECTED ON DERIVATIVES, SHALL BE AT LEAST EQUAL TO, OR HIGHER THAN, THE INTEREST PAYMENTS SCHEDULED TO BE DUE IN RESPECT OF ALL THE OUTSTANDING COVERED BONDS

LIQUIDITY RESERVE REQUIREMENT

LIQUIDITY BUFFER TO COVER THE NET LIQUIDITY OUTFLOW OF THE COVERED BOND PROGRAMME (ART.7-DUODECIES D. LGS. 5 NOVEMBRE 2021, N.190)

OVERCOLLATERALISATION REQUIREMENTS

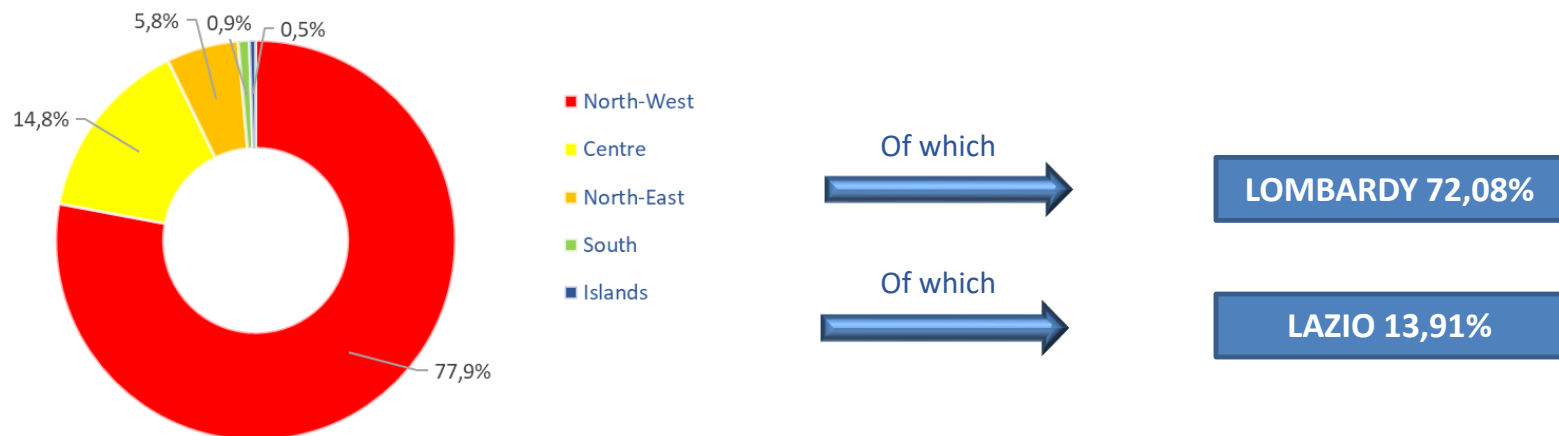
ENSURES THAT OUTSTANDING AGGREGATE PRINCIPAL BALANCE OF THE ELIGIBLE COVER POOL IS AT LEAST 5% MORE THAN THE AGGREGATE PRINCIPAL NOTIONAL AMOUNT OF ALL COVERED BONDS OUTSTANDING.

COVER POOL FEATURES [1/5]



Summary data (30/09/2023)	
Total current outstanding balance (euro)	1.116.641.236
Average outstanding balance (euro)	80.178
No. of loans	13.927
WA Seasoning (Months)	91,35
WA Remaining Term (Months)	150,74
WA OLTV	58,09%
WA CLTV	40,38%
% Fixed Rate Loans (current rate)	30,04%

GEOGRAPHIC BREAKDOWN¹



(1) Data as at 30/09/2023

(2) The documents related to the Covered Bond Programme are available at <https://istituzionale.popso.it/en/investor-relations/financial-operations>

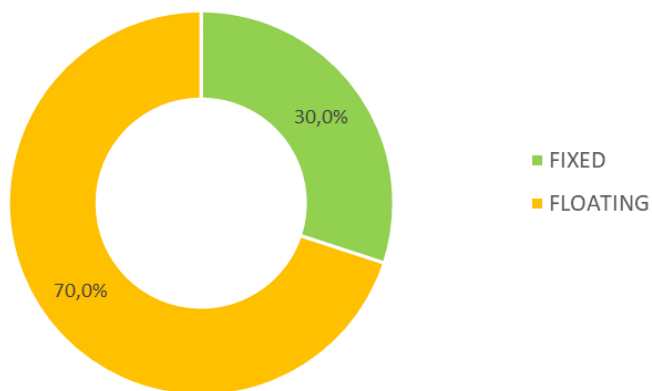
COVER POOL FEATURES¹ [2/5]



Current Loan Balance (eur)	Outstanding Principal (eur)	% of total Asset	Number of Loans
0- 25.000	32.071.620,34	2,87%	2.161
25.000 - 75.000	300.991.204,30	26,96%	6.154
75.000 - 250.000	637.947.834,69	57,13%	5.235
over 250.000	145.630.576,69	13,04%	377
	1.116.641.236,02	100,00%	13.927

Concentration	Outstanding Principal (eur)	% on the Total Outstanding Principal
First Client	2.439.041,17	0,22%
First Five Clients	7.809.362,72	0,70%
First Ten Clients	12.734.277,44	1,14%
First Twenty Clients	20.411.118,48	1,82%

CURRENT INTEREST RATE BREAKDOWN



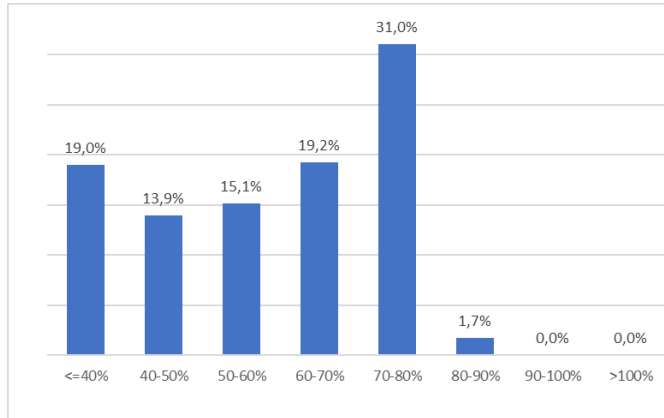
Margin for Floating Rate Loans	Outstanding Principal (euro)	% of total Asset	Number of Loans
0,00 - 0,49	7.754.216,51	1,14%	148
0,50 - 0,99	65.273.241,44	9,60%	973
1,00 - 1,49	205.853.213,19	30,26%	2.090
1,50 - 1,74	96.804.014,42	14,23%	1.141
1,75 - 1,99	93.406.433,06	13,73%	1.184
2,00 - 2,49	94.868.771,09	13,95%	1.252
2,50 - 2,99	66.134.909,26	9,72%	953
3,00 >	50.117.938,62	7,37%	872
Total	680.212.737,59	100,00%	8.613

(1) Data as at 30/09/2023

COVER POOL FEATURES [3/5]

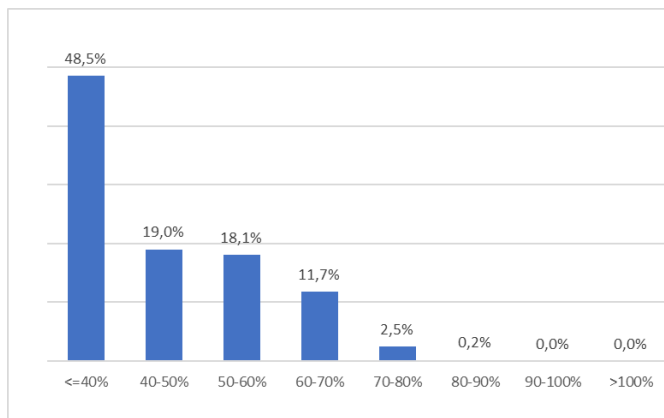


ORIGINAL LTV¹



Original Loan to Value	Outstanding Value (euro)	% of Total Assets	N.Ro of Loans
OLTV <=40%	379.543.528,96	18,97%	3.419
OLTV 40-50%	278.240.792,19	13,91%	2.043
OLTV 50-60%	302.519.520,85	15,12%	2.006
OLTV 60-70%	385.094.165,81	19,25%	2.459
OLTV 70-80%	620.690.482,73	31,02%	3.796
OLTV 80-90%	34.731.756,76	1,74%	204
OLTV 90-100%	-	0,00%	-
OLTV >100%	-	0,00%	-
TOTAL	2.000.820.247,30	100,00%	13.927

CURRENT LTV¹



Current Loan to Value	Outstanding Value (euro)	% of Total Assets	N.Ro of Loans
CLTV<=40%	541.822.754,86	48,52%	9.047
CLTV40-50%	211.970.487,45	18,98%	2.008
CLTV50-60%	202.066.448,06	18,10%	1.690
CLTV60-70%	130.951.380,82	11,73%	983
CLTV70-80%	27.713.163,64	2,48%	185
CLTV80-90%	1.908.913,46	0,17%	12
CLTV90-100%	93.030,42	0,01%	1
CLTV>100%	115.057,31	0,01%	1
TOTAL	1.116.641.236,02	100,00%	13.927

COVER POOL FEATURES [4/5]



CURRENT INTEREST RATE BREAKDOWN¹

Original term (months)	Outstanding Value (eur)	% of Total Assets	No. of Loans
< 120	2.999.370,67	0,27%	113
120 -180	65.684.424,54	5,88%	1.771
180 -240	467.500.027,89	41,87%	6.915
240 -300	309.906.517,00	27,75%	3.108
300 >	270.550.895,92	24,23%	2.020
TOTAL	1.116.641.236,02	100,00%	13.927

REMAINING TERM¹

Remaining term (months)	Outstanding Value (eur)	% of Total Assets	No. of Loans
< 120	366.793.261,30	32,85%	7.271
120 -180	376.572.862,19	33,72%	3.960
180 -240	264.208.517,19	23,66%	2.033
240 -300	104.362.068,29	9,35%	636
300 >	4.704.527,05	0,42%	27
TOTAL	1.116.641.236,02	100,00%	13.927

(1) Data as at 30/09/2023

SEASONING¹

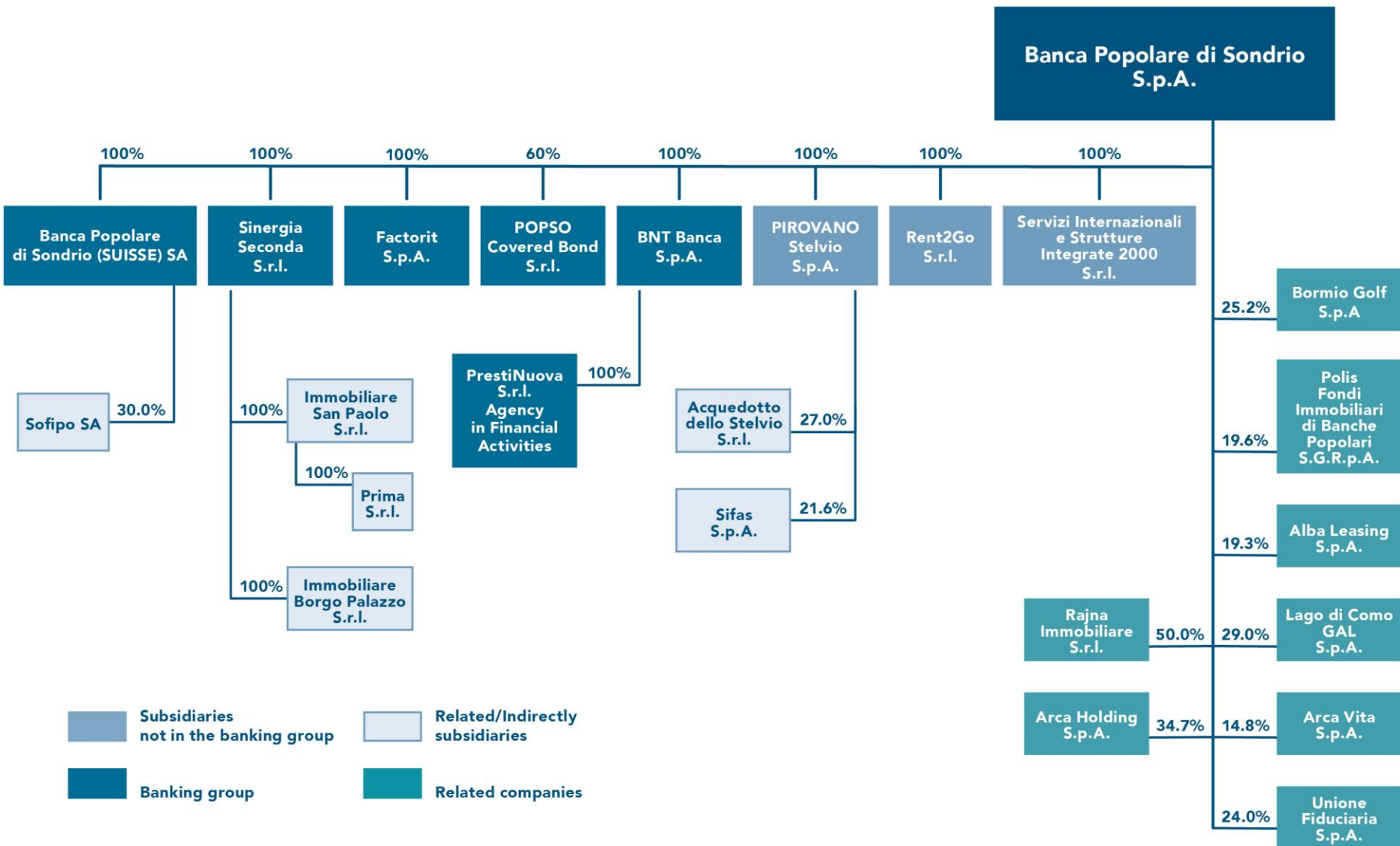
Seasoning (months)	Outstanding Value (eur)	% of Total Assets	No. of Loans
< 12	-	0,00%	-
dic-24	-	0,00%	-
24-36	152.421.611,26	13,65%	1.157
36-60	62.915.285,66	5,63%	627
60>	901.304.339,10	80,72%	12.143
TOTAL	1.116.641.236,02	100,00%	13.927

(1) Data as at 30/09/2023



⑤ ANNEXES

GROUP STRUCTURE





FINANCIAL RATINGS

SUSTAINABILITY RATING



RATING UPDATED ON
6 JULY 2023

LONG-TERM: **BB+**

SHORT-TERM: **B**

OUTLOOK: **STABLE**



RATING UPDATED ON
14 NOVEMBER 2022

LONG-TERM: **BBB (LOW)**

SHORT-TERM: **R-2
(MIDDLE)**

OUTLOOK: **STABLE**



RATING UPDATED ON
14 MARCH 2023

LONG-TERM: **BBB**

OUTLOOK: **STABLE**



RATING UPDATED ON
5 APRIL 2023

CORPORATE: **EE**

LONG-TERM: **EE+**

OUTLOOK: **POSITIVE**

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 Bertoletti, in his capacity as manager in charge of financial reporting declares that the accounting information contained in this Presentation reflects the group's documented results, financial accounts and accounting records.*

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