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**Banca Popolare
di Sondrio**

FONDATA NEL 1871

IL GRUPPO BANCARIO AL CENTRO DELLE ALPI

9M 2022 Consolidated Results Presentation

November 8th, 2022





- 1 BUSINESS AND FINANCIAL HIGHLIGHTS**
- 2 9M 2022 FINANCIAL RESULTS**
- 3 FINAL REMARKS**
- 4 ANNEXES**



① BUSINESS AND FINANCIAL HIGHLIGHTS



A BANK FOR THE REAL ECONOMY

- **NEW LENDING TO HOUSEHOLDS AND BUSINESSES FOR 4 €BN**
- **NET LOANS TO CUSTOMERS UP 7% Y/Y AND 5.4% YtD**
- **VERY STRONG ACTIVITY IN THE TAX CREDITS ACQUISITION BUSINESS (SUPERBONUS, SISMABONUS, ECOBONUS, ETC.)**

STRONG PERFORMANCE OF CORE BANKING ACTIVITIES

- **CORE REVENUE UP 16.1% Y/Y**
- **NII UP 22.3% Y/Y**
- **NET FEES & COMMISSIONS UP 6.8% Y/Y**

ASSET QUALITY UNDER CONTROL

- **NO EVIDENCE OF SIGNIFICANT DETERIORATION WITH DEFAULT RATIO STILL BELOW 1%**
- **ANNUALISED COST OF RISK AT 0.42% (INCLUDING PRUDENTIAL OVERLAYS)**
- **GROSS AND NET NPE RATIO AT 5.2% AND 2.2% RESPECTIVELY**
- **REMARKABLE NPE COVERAGE (59.6%)**

A SOLID Q3 WHICH CONSOLIDATES THE GOOD RESULTS OF H1 2022



NET RESULT

€151.3 M

(-24.9% YoY)

ROE

6.4%

(from 9% at 9M 2021)

COST-INCOME

52.1%

(from 48.8% at 9M 2021)

LOANS GROWTH

+5.4%

(YtD)

NET NPL RATIO

2.2%

(from 3.1% at 9M 2021)

CET1 RATIO

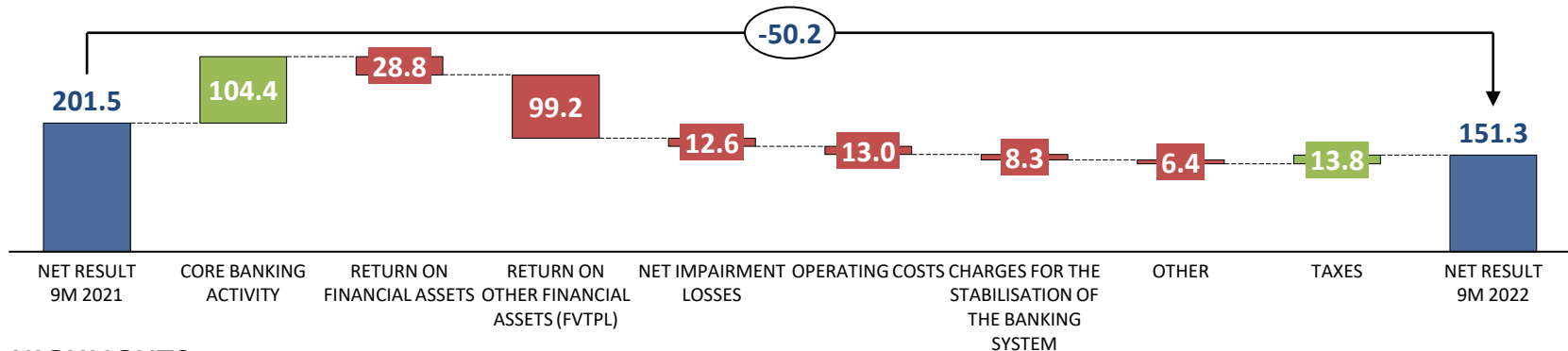
15.4%

*(large buffer over 2022 SREP
requirement equal to 8.6%)*

THE BOTTOM LINE BENEFITS FROM THE INCREASE OF NII AND NF&C...



INCOME STATEMENT [1] € M	9M 2021	9M 2022	YoY	
	ACTUAL	ACTUAL	Δ € M	Δ%
CORE BANKING ACTIVITY	649.2	753.6	104.4	16.1%
ow Net interest income	390.4	477.3	86.9	22.3%
ow Net fee and commission income	258.9	276.4	17.5	6.8%
RETURN ON FINANCIAL ASSETS	80.2	51.5	-28.8	-35.8%
RETURN ON OTHER FINANCIAL ASSETS (FVTPL)	25.1	-74.2	-99.2	-
TOTAL INCOME	754.6	730.9	-23.6	-3.1%
NET IMPAIRMENT LOSSES	-91.2	-103.9	-12.6	13.9%
OPERATING COSTS	-368.0	-381.0	-13.0	3.5%
CHARGES FOR THE STABILISATION OF THE BANKING SYSTEM	-34.7	-43.0	-8.3	23.9%
GROSS RESULT	286.2	217.6	-68.6	-24.0%
NET RESULT	201.5	151.3	-50.2	-24.9%



HIGHLIGHTS:

- ✓ CORE BUSINESS ACTIVITIES UP 16.1% (NII +22.3%; NF&C +6.8%)
- ✓ TOTAL INCOME NET OF RETURN ON OTHER FINANCIAL ASSETS (FVTPL) UP (+10.4%)
- ✓ ANNUALISED COST OF RISK STABLE AT 0.42%

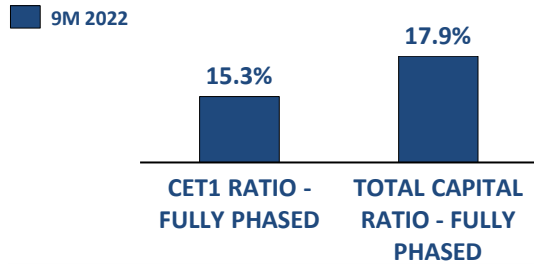
[1] Reclassified data, please see page 36 for details.

...CONSOLIDATING THE BANK'S STRENGTHS

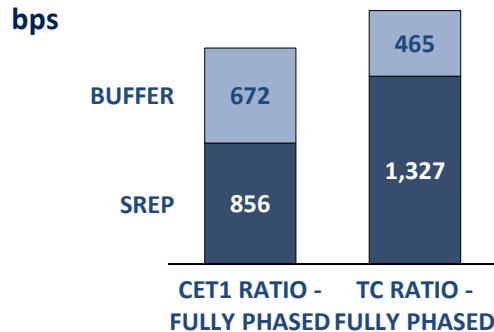


BEST-IN-CLASS CAPITAL

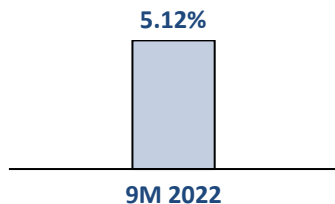
CET 1 RATIO & TOTAL CAPITAL RATIO (%)



BUFFER OVER 2022 SREP REQUIREMENTS

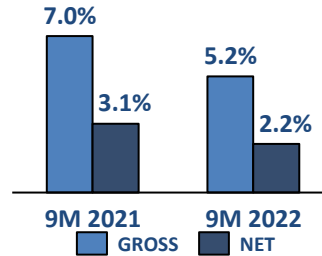


LEVERAGE RATIO (FULLY-PHASED)

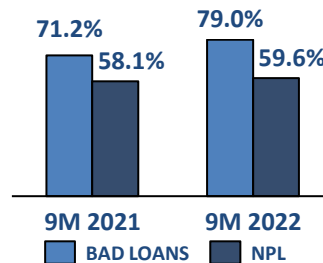


IMPROVING ASSET QUALITY

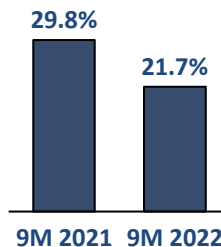
NPL RATIOS



COVERAGE RATIOS



TEXAS RATIO⁽¹⁾



AMPLE LIQUIDITY

LCR

142%

NSFR

>100%

LOANS / DEPOSITS

89.9%

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



② 9M 2022 FINANCIAL RESULTS

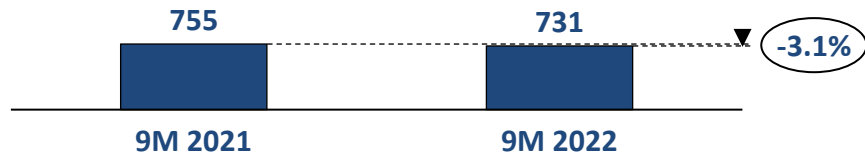
- P&L ANALYSIS
- FUNDING STRUCTURE
- CUSTOMER LOANS AND ASSET QUALITY
- FINANCIAL PORTFOLIO
- INDIRECT FUNDING
- CAPITAL EVOLUTION AND POSITION

GOOD PERFORMANCE DRIVEN BY THE CORE BUSINESS



TOTAL INCOME (€M)

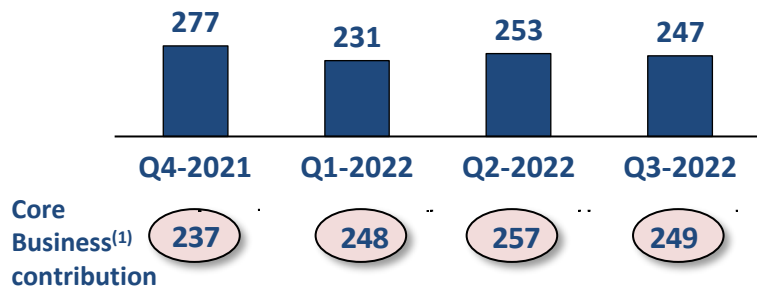
Yearly Evolution



Core Business⁽¹⁾ contribution

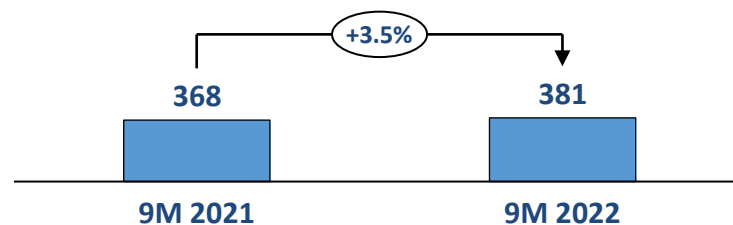


Quarterly Evolution

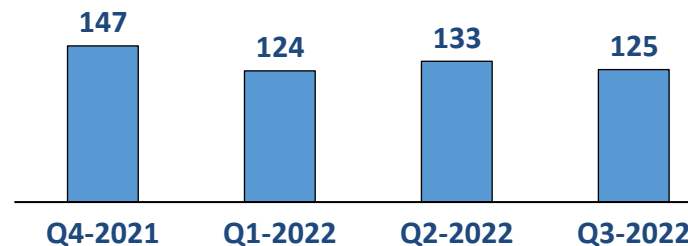


OPERATING COSTS (€M)

Yearly Evolution

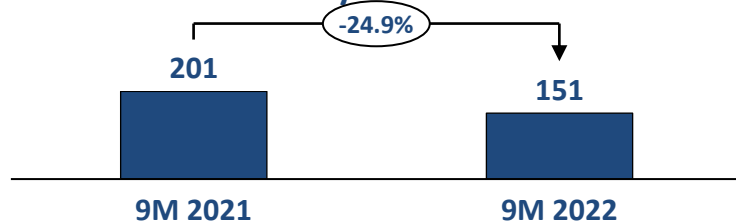


Quarterly Evolution

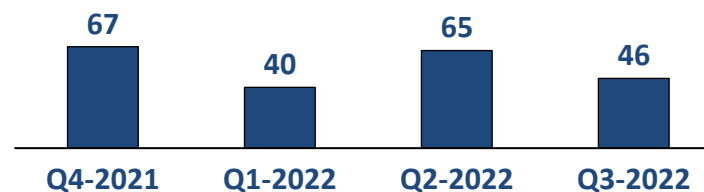


NET RESULT (€M)

Yearly Evolution



Quarterly Evolution



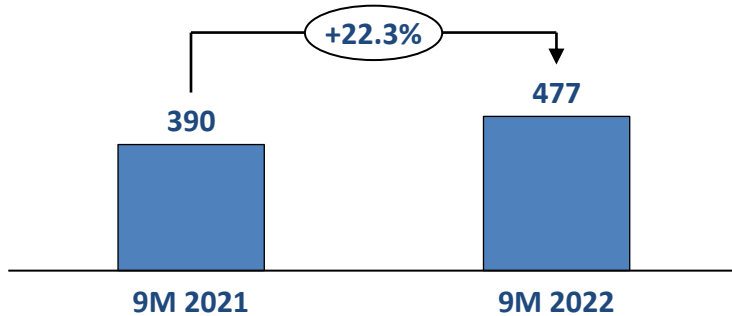
(1) Core business = NII+ NF&C

FOCUS ON NII EVOLUTION



NET INTEREST INCOME (€M)

Yearly Evolution

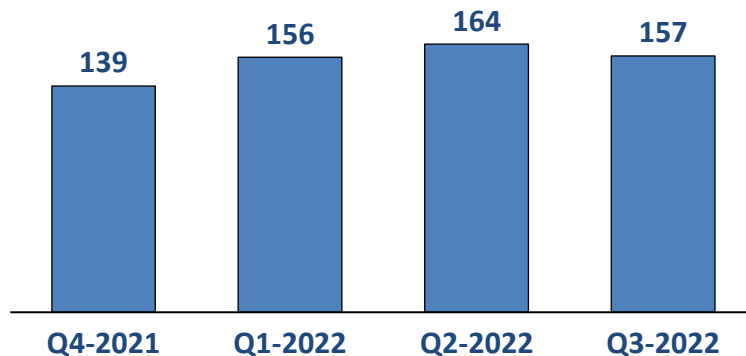


NII / Tot Assets

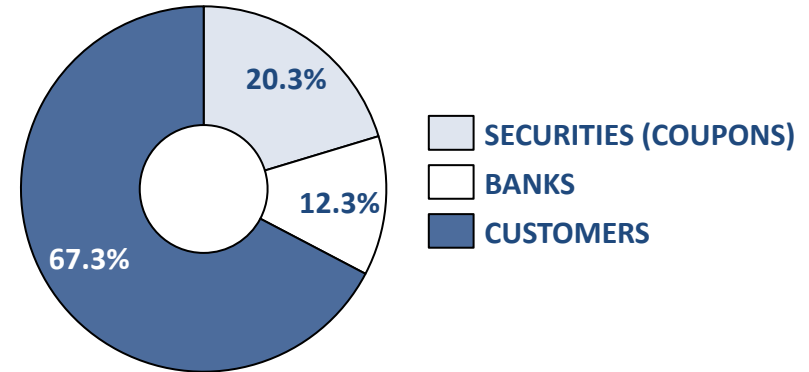
0.73%

0.85%

Quarterly Evolution



NET INTEREST INCOME BREAKDOWN⁽¹⁾



(1) BPS individual management data as at 30/09/2022.

MAIN DRIVERS:

- ✓ INCREASING CUSTOMER MARGIN Y/Y THANKS TO HIGHER AVERAGE LOANS VOLUMES AND THE BENEFIT FROM THE ACQUISITION OF TAX CREDIT (26.2 €M)
- ✓ HIGHER CONTRIBUTION FROM THE GROUP'S PROPRIETARY PORTFOLIO THANKS TO ITS GREATER SIZE AND THE REMARKABLE COUPON FLOW OF INFLATION-LINKED SECURITIES (45€ M IN 9M 2022)
- ✓ INTERBANK MARGIN UP +14.8% Y/Y (+6.5€ M) THANKS TO ECB'S TLTRO III EXTRA BENEFIT TILL JUNE AND TO THE REDUCED UTILISATION OF O/N FACILITY FOR EXCESS LIQUIDITY

FOCUS ON NET FEES AND COMMISSIONS

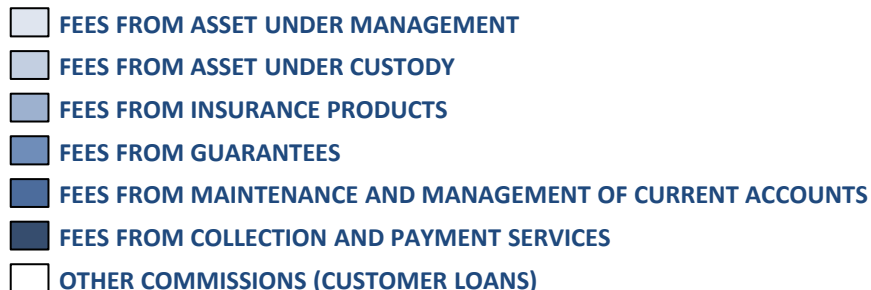
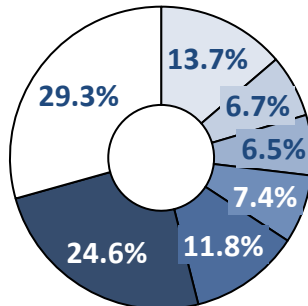


NET FEES (€M)

Yearly Evolution



9M 2022 BREAKDOWN



MAIN DRIVERS:

- ✓ THE CONTRIBUTION FROM THE PLACEMENT OF ASSET UNDER MANAGEMENT PRODUCTS GREW DESPITE THE DIFFICULT MARKET ENVIRONMENT, AS DID THE CONTRIBUTION FROM THE BANCASSURANCE SEGMENT.
- ✓ THE PERFORMANCE OF COMMISSIONS RELATING TO CUSTOMER LOANS, COLLECTION AND PAYMENT SERVICES AND MAINTENANCE AND MANAGEMENT OF CURRENT ACCOUNT WAS ALSO GOOD.

FINANCIAL ASSETS CONTRIBUTION TO P&L

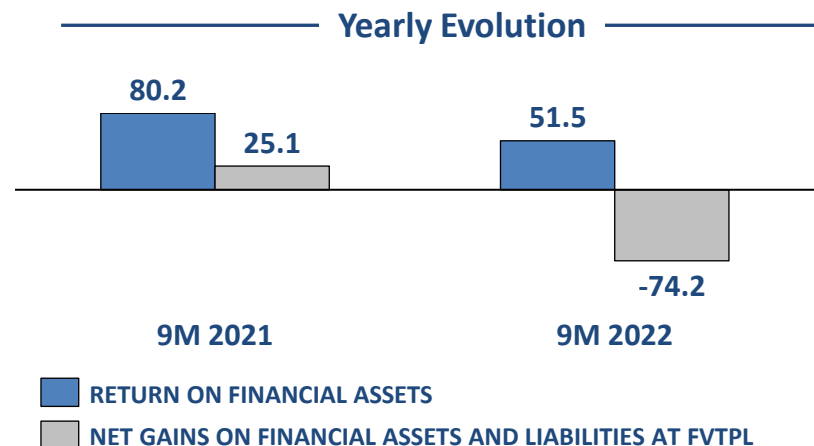


BREAKDOWN OF RETURN ON FINANCIAL ASSETS (€M)

	9M 2021	9M 2022	YoY		Q2-2022	Q3-2022	Var.	
			Δ € M	Δ%			Δ € M	Δ%
DIVIDENDS AND SIMILAR INCOME	4.7	6.1	1.4	30.9%	5.4	0.4	-5.0	-92.4%
NET TRADING INCOME	44.1	4.5	-39.6	-89.8%	0.4	1.8	1.4	330.5%
NET HEDGING INCOME	0.0	-0.0	0.0	-	-0.1	0.1	0.2	-
NET GAINS FROM SALES OR REPURCHASES	31.4	40.9	9.4	30.0%	23.9	2.1	-21.8	-91.2%
RETURN ON FINANCIAL ASSETS	80.2	51.5	-28.8	-35.8%	29.7	4.4	-25.3	-85.0%
NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL	25.1	-74.2	-99.2	-	-34.0	-6.6	27.4	-80.7%
O/W LOANS	7.0	-15.2	-22.2	-	-4.3	2.1	6.4	-
O/W OTHER (MAINLY FUNDS AND SICAV)	18.1	-59.0	-77.1	-	-29.7	-8.6	21.1	-70.9%

MAIN COMMENTS:

- ✓ RETURN ON FINANCIAL ASSETS POSITIVE FOR ABOUT 52 €M (-36% YOY)
- ✓ THE RISE OF INTEREST RATES HAS RESULTED IN FVTPL LOSSES FOR AROUND 74 €M MAINLY RELATED TO:
 - FUNDS AND SICAV (AROUND 59 €M)
 - LOANS (AROUND 15 €M RELATED TO A STOCK OF 383 €M)

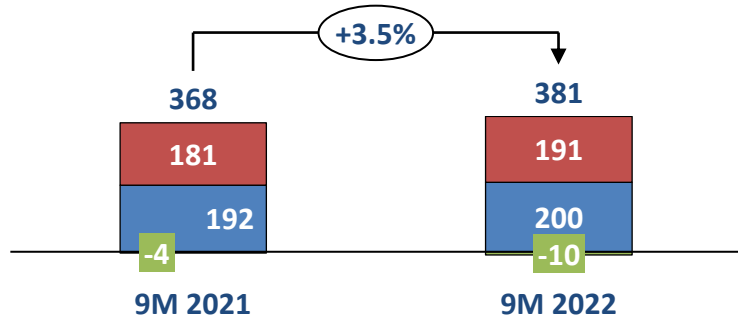


OPERATING COSTS UNDER CONTROL AND GOOD C/I RATIO IN SPITE OF SIGNIFICANT SRB/DGS CHARGES



OPERATING COSTS¹ (€M)

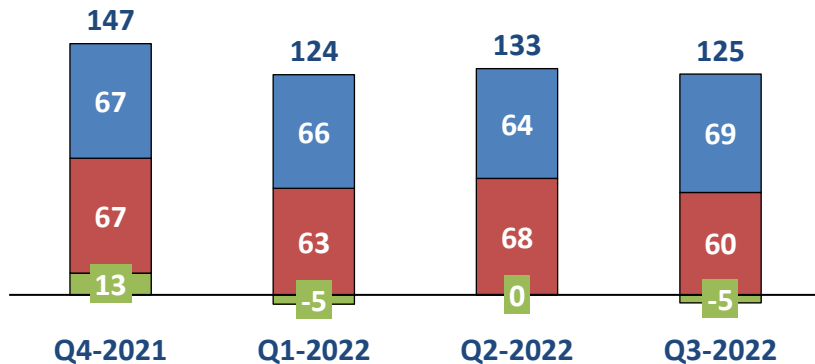
Yearly Evolution



SRF/DGS CHARGES



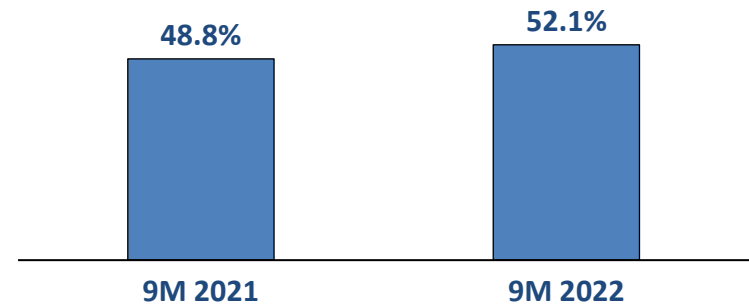
Quarterly Evolution



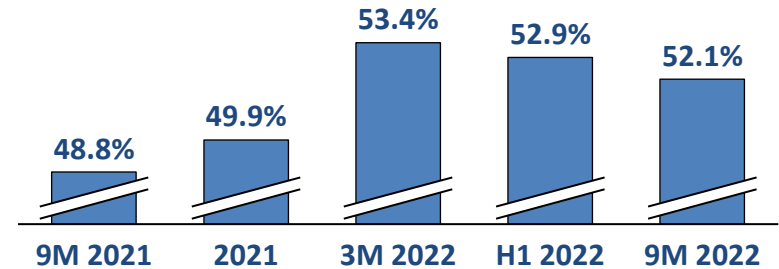
PERSONNEL EXPENSES OTHER ADMINISTRATIVE EXPENSES OTHER

COST / INCOME RATIO (%)

Yearly Evolution



C/I Evolution

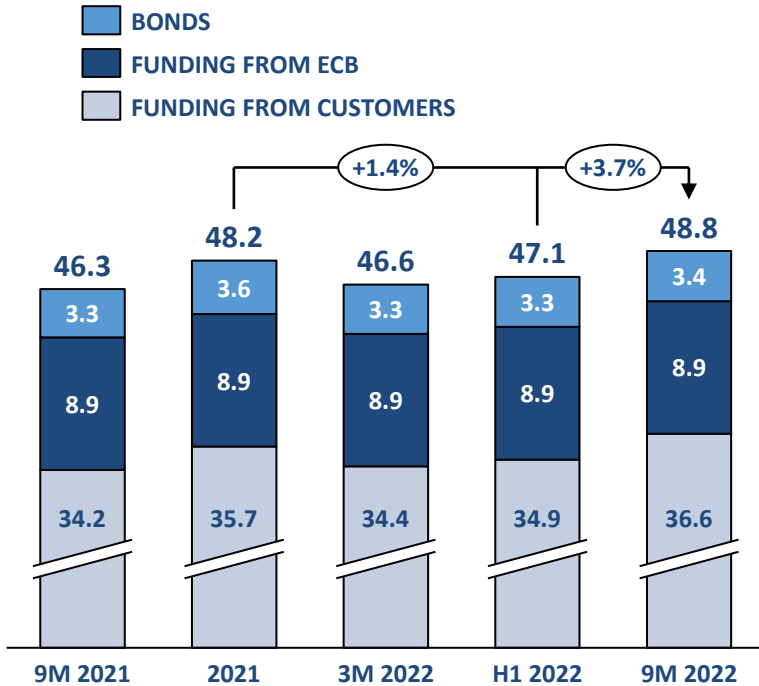


(1) Operating costs are considered net of System charges.

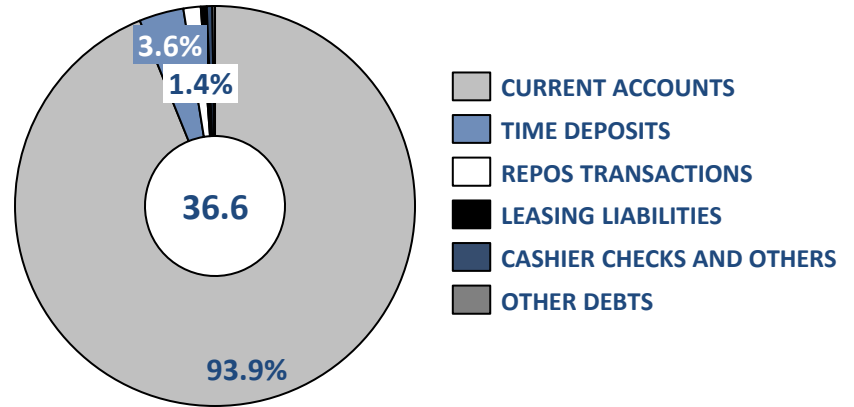
FUNDING STRUCTURE



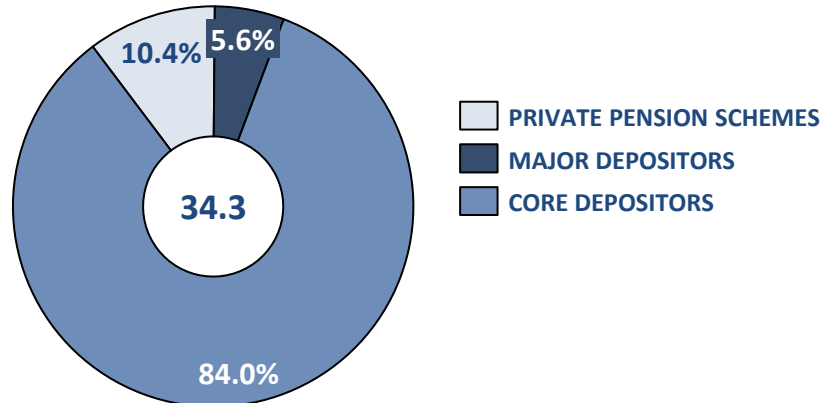
TOTAL FUNDING (€BN)



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



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



- ✓ STABLE DIRECT FUNDING YTD, WITH NO SUBSTANTIAL REPRICING OF DEPOSITS
- ✓ CONTINUATION OF BONDS ISSUANCE TO RETAIL CUSTOMERS (113 €M PLACED IN Q3; 284 €M YTD)

FOCUS ON ECB FUNDING

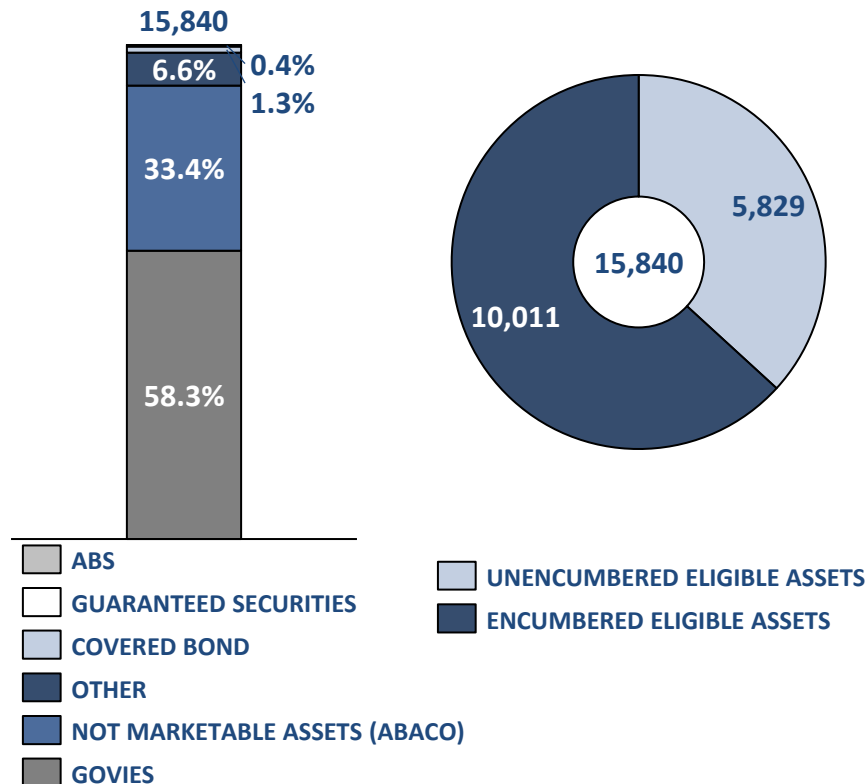


FUNDING TLTRO III

€4,368M	Coming due 28 June 2023
€806M	Coming due 27 March 2024
€3,700M	Coming due 25 September 2024
€8,874M	Total exposure

ELIGIBLE ASSETS (€M)

BPS individual management data



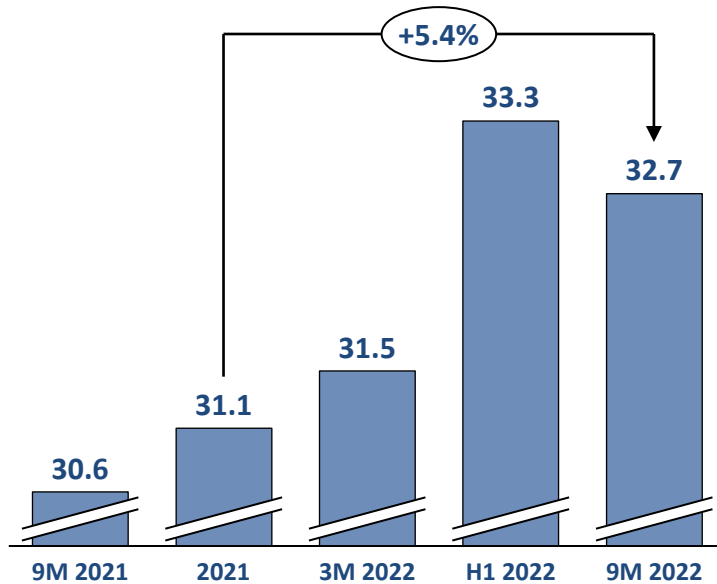
✓ POSITIVE CONTRIBUTION OF TLTRO III FUNDING YTD (53 €M) THANKS TO THE NEGATIVE AVERAGE RATE APPLIED (-0.80%)

✓ AROUND 6 €BN UNENCUMBERED ELIGIBLE ASSETS

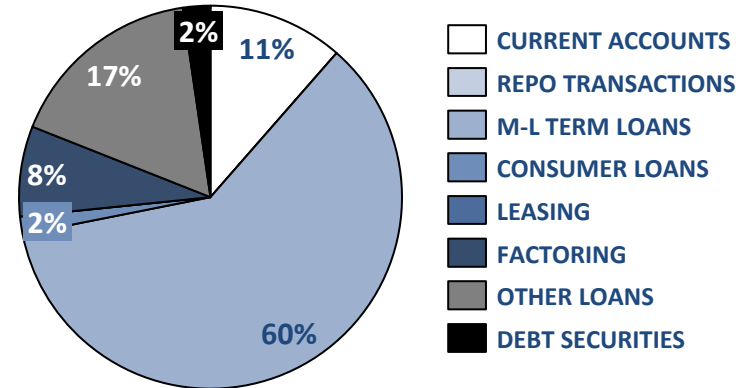
FOCUS ON CUSTOMER LOANS: SIGNIFICANT LENDING VOLUME GROWTH



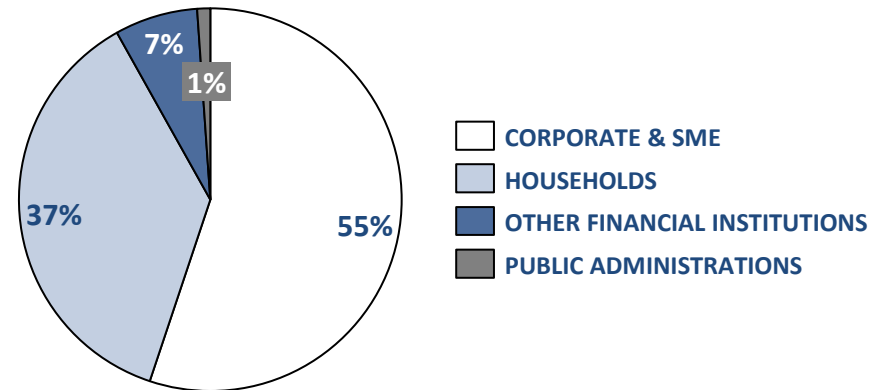
NET CUSTOMER LOANS (€BN)



NET LOANS BY TYPE AS AT 30/09/2022



NET LOANS BY TYPE OF CUSTOMER AS AT 30/09/2022



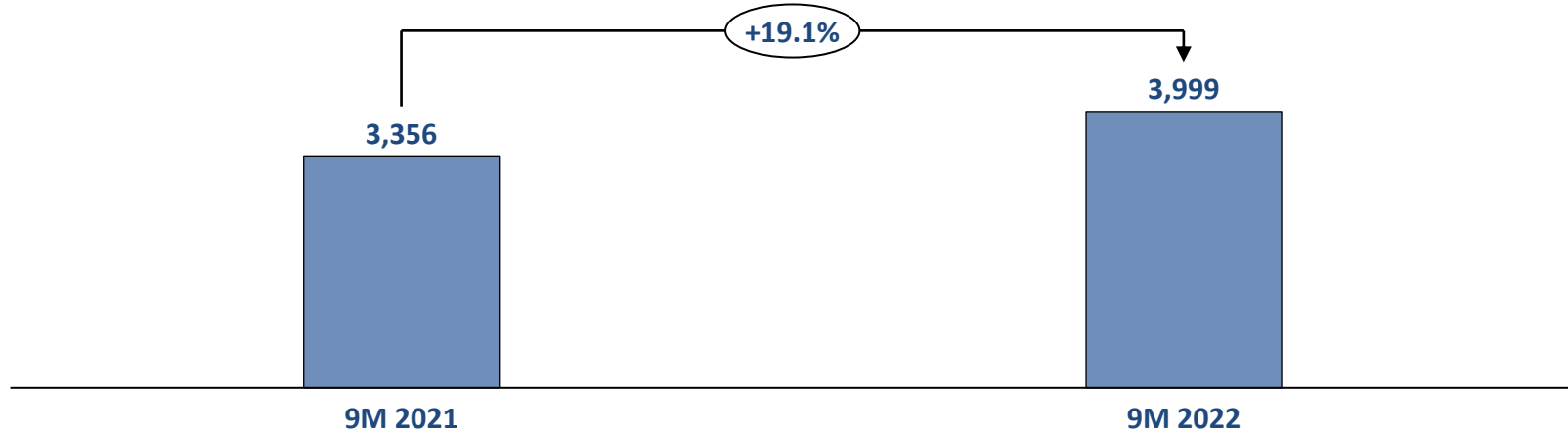
✓ **REMARKABLE GROWTH OF MEDIUM-LONG TERM LOANS, IN PARTICULAR MORTGAGES**

FOCUS ON NEW LENDING



NEW DISBURSEMENTS (€M)

Yearly Evolution



FOCUS ON INSTALLMENT LOANS

BPS individual management data

INSTALLMENT LOANS NEW DISBURSEMENTS (€ M)	9M 2021	9M 2022
TOTAL	2,404	2,533
of which MORTGAGE LOANS	830	971
of which OTHER UNSECURED LOANS	1,498	1,471
of which PERSONAL LOANS	76	91

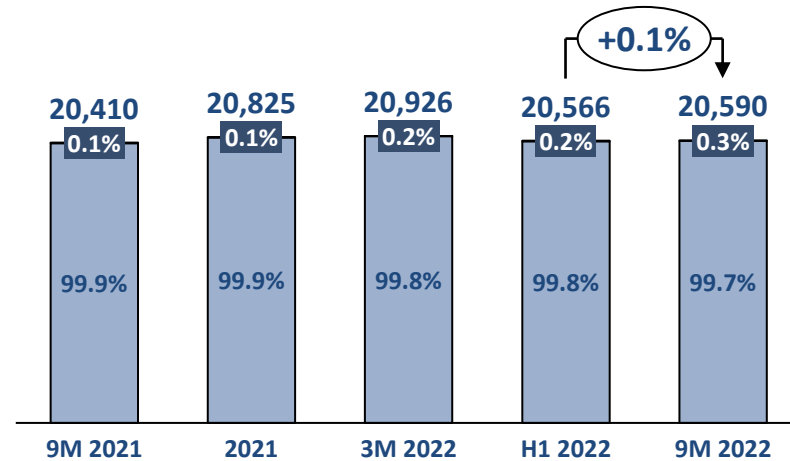
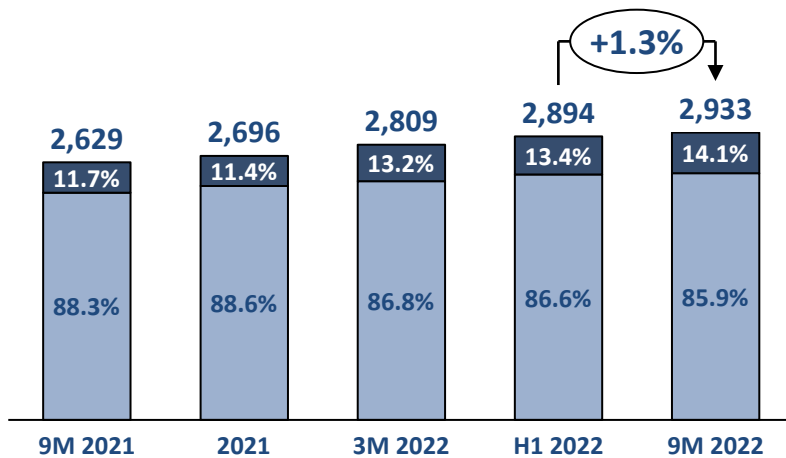
**VARIABLE RATE LOANS
PREVAILING IN THE
NEW LENDING**

STATE-GUARANTEED LOANS



DISBURSEMENTS (€M)

NR. OF FINALIZED PROPOSALS



% OF TOTAL LOANS BOOK

10.5 10.8 11.1 10.6 11.0

■ M.C.C. SCHEMES ■ SACE

ASSET QUALITY UNDER CONTROL...



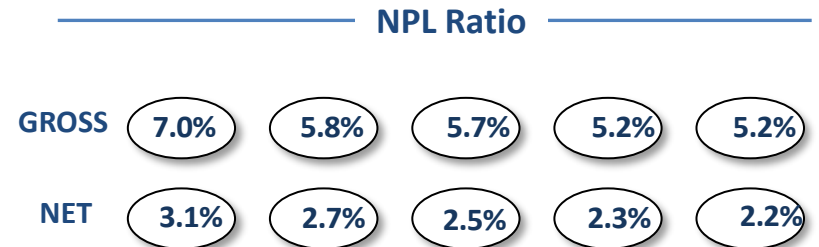
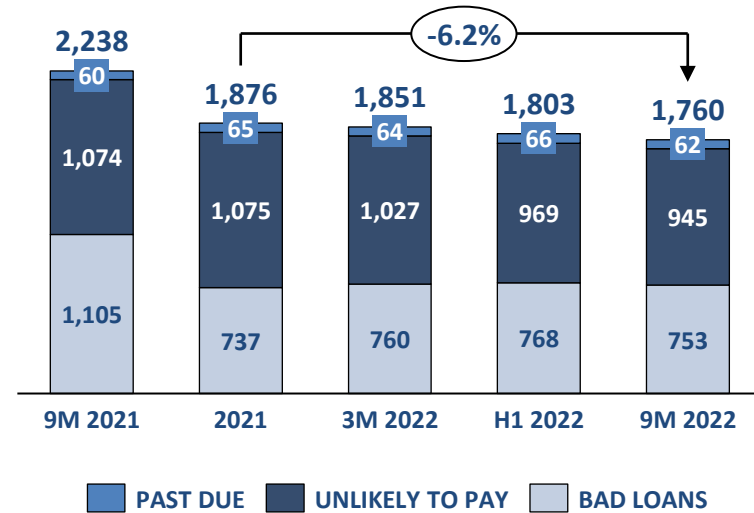
NPL MANAGEMENT

- ✓ VERY HIGH COVERAGE
- ✓ NET NPL RATIO AT 2.2%
(i.e. 712 € M of net exposure)
- ✓ FURTHER DERISKING AHEAD THANKS TO SMALL DISPOSALS AND INTERNAL WORKOUT

NPL COVERAGE (%)

	2021	9M 2022
BAD LOANS	73.9%	79.0%
UTP	45.2%	47.5%
PAST DUE	14.3%	7.3%
TOTAL NPLs	55.4%	59.6%

GROSS NPL STOCK (€M)



...WITH NO EVIDENCE OF DETERIORATION...

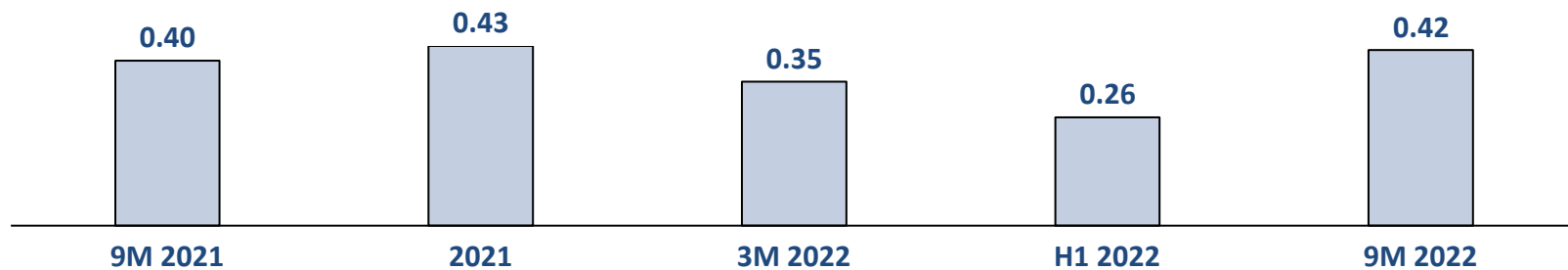


CREDIT QUALITY INDICATORS

BPS individual management data

	9M 2021	2021	3M 2022	H1 2022	9M 2022
DEFAULT RATE	1.00%	1.12%	1.04%	0.93%	0.96%
DANGER RATE	10.94%	9.62%	9.86%	10.46%	8.84%
CURE RATE	5.51%	6.13%	7.44%	7.92%	7.20%

EVOLUTION OF COST OF RISK (%)



LLP
(€M)

91

134

27

43

104

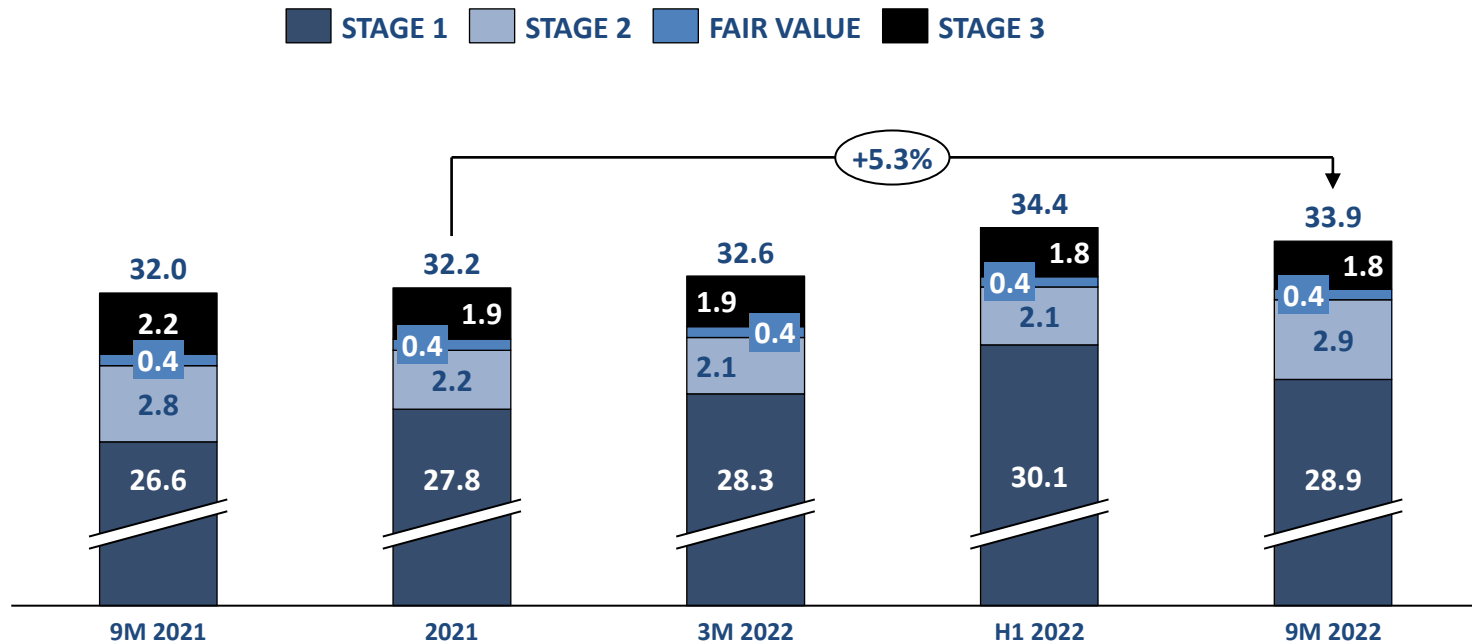
✓ COST OF RISK UNDER CONTROL, IN LINE WITH THE BUSINESS PLAN ASSUMPTIONS

...WHILE KEEPING A CONSERVATIVE APPROACH



FOCUS ON STAGING (€BN)

Gross Customer Loans



- ✓ INCREASED ALLOCATION IN STAGE 2 FOR PRUDENTIAL REASONS RELATED TO THE RUSSIAN/UKRAIN AND ENERGY PRICES CRISES
- ✓ MORE THAN 50 €M MANAGEMENT OVERLAYS: A BUFFER FOR THE EXPECTED MACROECONOMIC DETERIORATION

FINANCIAL ASSETS PORTFOLIO

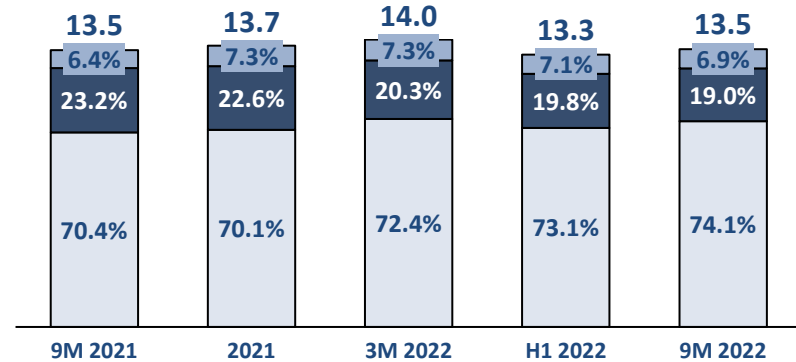
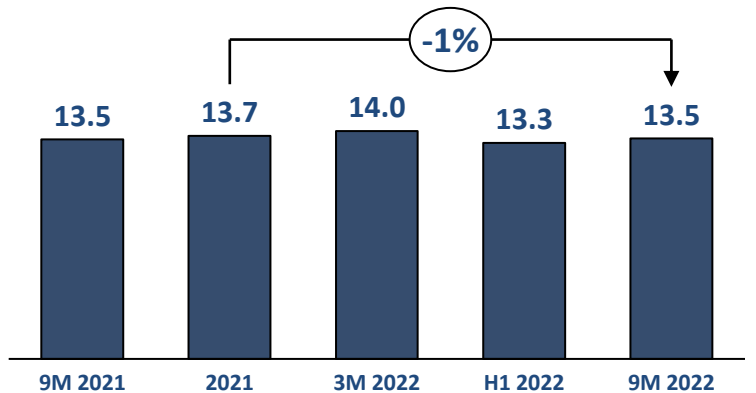


SECURITIES PORTFOLIO (€BN)

BREAKDOWN BY PORTFOLIO (%)

Quarterly Evolution

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



BREAKDOWN BY TYPE OF ASSETS (%)

€ BN	9M 2021	2021	3M 2022	H1 2022	9M 2022	% ON TOTAL
BONDS	12.6	12.7	13.0	12.3	12.6	92.8%
EQUITY	0.2	0.2	0.2	0.2	0.2	1.2%
OTHER (MAINLY FUNDS AND SICAV)	0.7	0.9	0.9	0.8	0.8	6.0%
TOTAL	13.5	13.7	14.0	13.3	13.5	100.0%

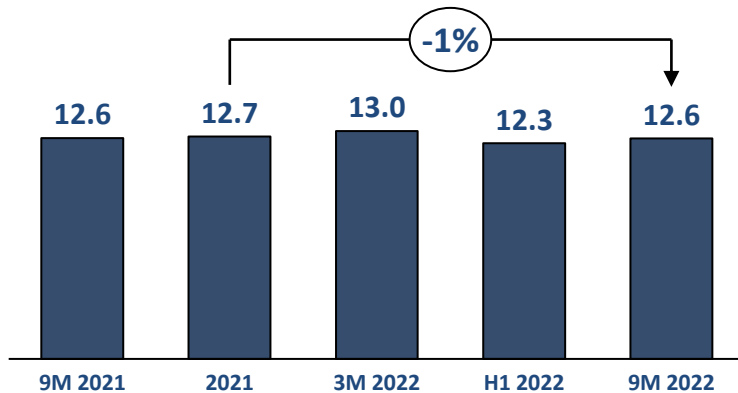
✓ "PRUDENT" PORTFOLIO ALLOCATION CONFIRMED

FOCUS ON THE BOND COMPONENT



BONDS (€BN)

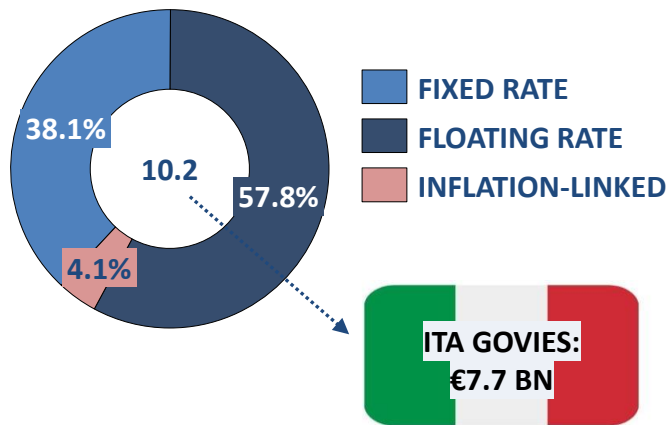
Quarterly Evolution



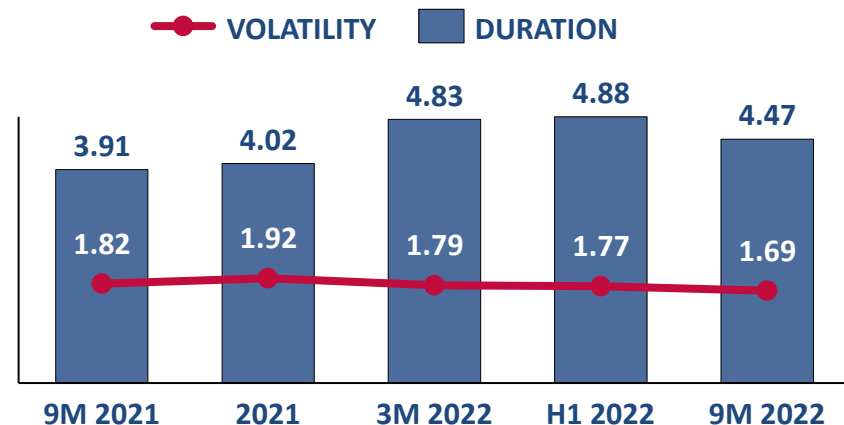
KEY FEATURES

- ✓ **INCIDENCE OF ITALIAN GOVERNMENT BONDS REDUCED AT AROUND 55% OF OVERALL PORTFOLIO**
- ✓ **SIGNIFICANT FLOATING-RATE COMPONENT (AROUND 6 €BN OF CCTs) THAT WILL BENEFIT FROM THE COUPON REFIX IN Q4 2022 (EURIBOR 6M AT AROUND 2%)**
- ✓ **CONTAINED AND STABLE VOLATILITY (MODIFIED DURATION OF 1.7%)**

GOVERNMENT BONDS⁽¹⁾: EVOLUTION BY TYPE OF RATE – 9M 2022



GOVERNMENT BONDS⁽¹⁾: EVOLUTION OF DURATION AND VOLATILITY



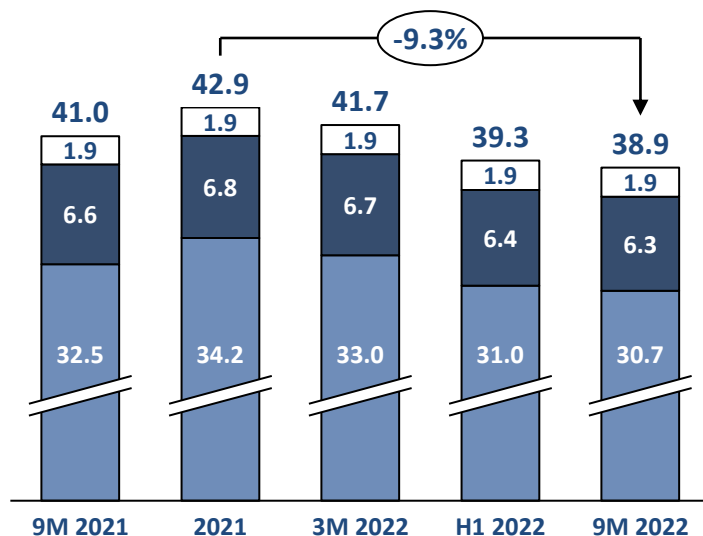
(1) BPS individual management data as at 30/09/2022

INDIRECT FUNDING: NEW INFLOWS OF ASSET UNDER MANAGEMENT PRODUCTS REMAIN POSITIVE

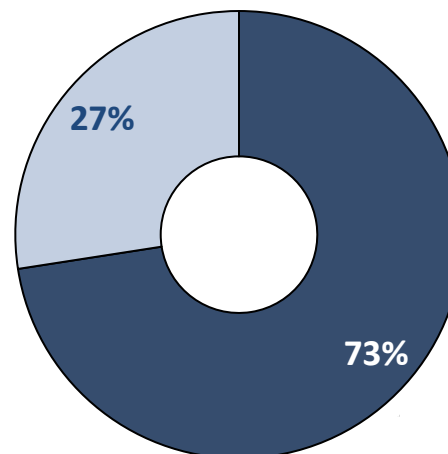


INDIRECT FUNDING (€BN)

- DIRECT FUNDING FROM INSURANCE PREMIUMS
- ASSETS UNDER MANAGEMENT
- ASSETS UNDER CUSTODY



AUM BREAKDOWN (€BN)

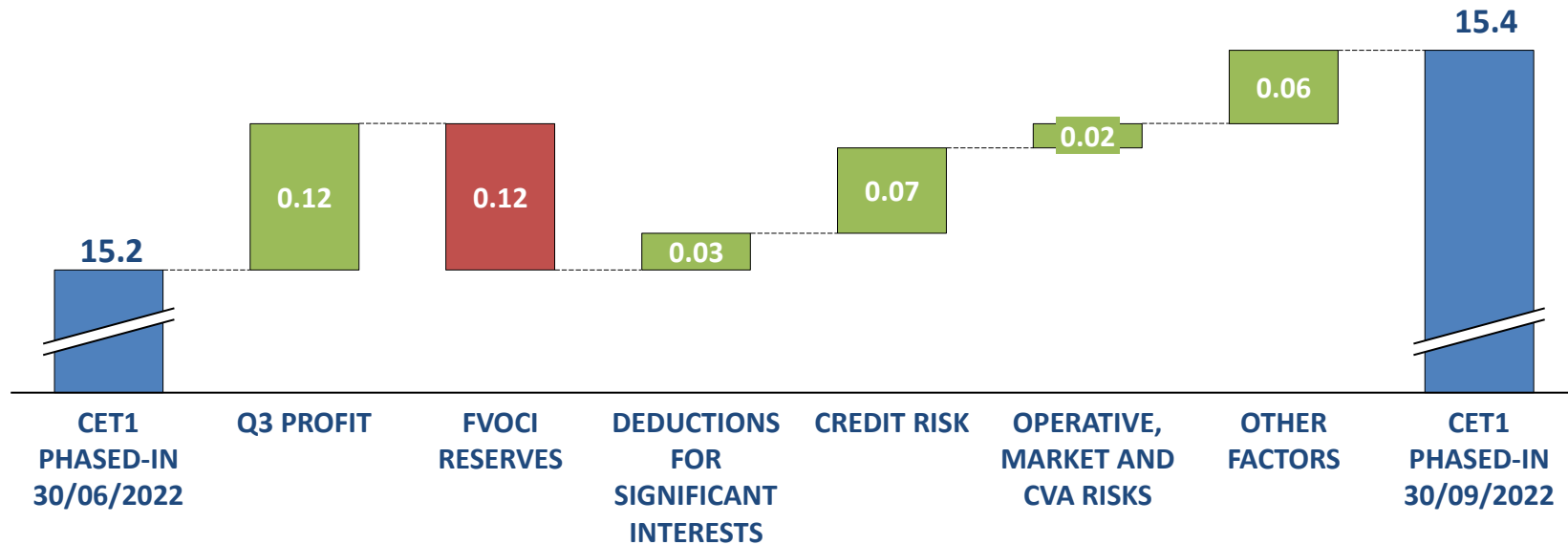


9M 2022



- MUTUAL FUNDS
- INDIVIDUAL PORTFOLIOS MANAGEMENT

- ✓ NET NEW INFLOWS FOR ASSET UNDER MANAGEMENT PRODUCTS ARE POSITIVE (OVER 360 €M) IN SPITE OF NEGATIVE MARKETS DYNAMICS (AFFECTING OVERALL AUM)
- ✓ BANCASSURANCE BUSINESS ALSO POSITIVE WITH NEW INFLOWS OVER 70 € M

POSITIVE CET1 EVOLUTION Q/Q...



MAIN DRIVERS RELATED TO THE BANK'S OPERATING ACTIVITY:

- 
 PROFIT FOR THE PERIOD (NET OF 50% DIVIDEND PAYOUT): +12 BPS
 REDUCTION OF RWAs: +9 BPS
- 
 RESERVES FVOCI VARIATION: -12 BPS

...CONFIRMING THE LARGE BUFFER OVER REGULATORY REQUIREMENTS



CET 1 RATIO [Phased-in]

15.4%

LEVERAGE RATIO [Phased-in]

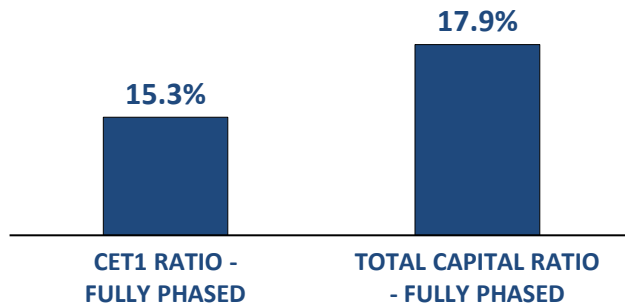
5.1%

TEXAS RATIO

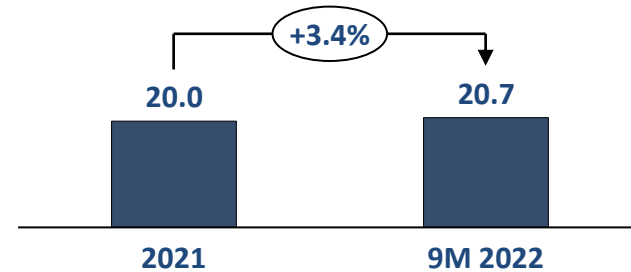
22%

CET 1 RATIO & TOTAL CAPITAL RATIO (%)

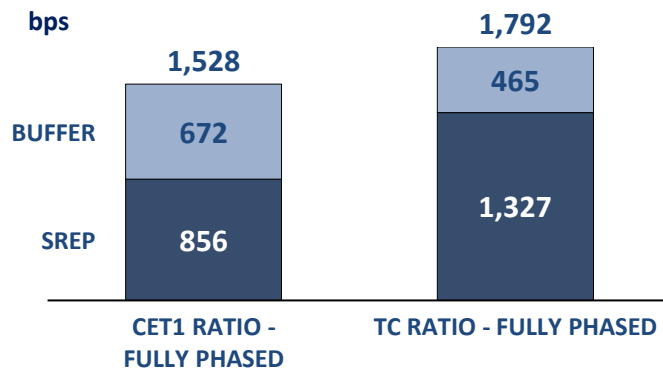
■ 9M 2022



RWA (€BN)



BUFFER OVER 2022 SREP REQUIREMENTS



2022 SREP REQUIREMENTS

TOTAL CAPITAL RATIO 13.27%

CET1 RATIO 8.56%



③ FINAL REMARKS



THE 9M 2022 RESULTS CONFIRM THE BPS' PROFITABLE AND SUSTAINABLE BUSINESS MODEL AND THE ABILITY TO FACE FUTURE CHALLENGES





④ ANNEXES

KEY MILESTONES IN BPS HISTORY



FOUNDATION AS
ONE OF THE FIRST
ITALIAN
COOPERATIVE
BANKS

1871

ESTABLISHED BPS
SUISSE AND THE
BPS BANKING
GROUP

1995

ENTRY AS A
SIGNIFICANT BANK
IN THE ECB'S SSM

2014

TRANSFORMATION
INTO JOINT-STOCK
COMPANY

2021

1991

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

2010

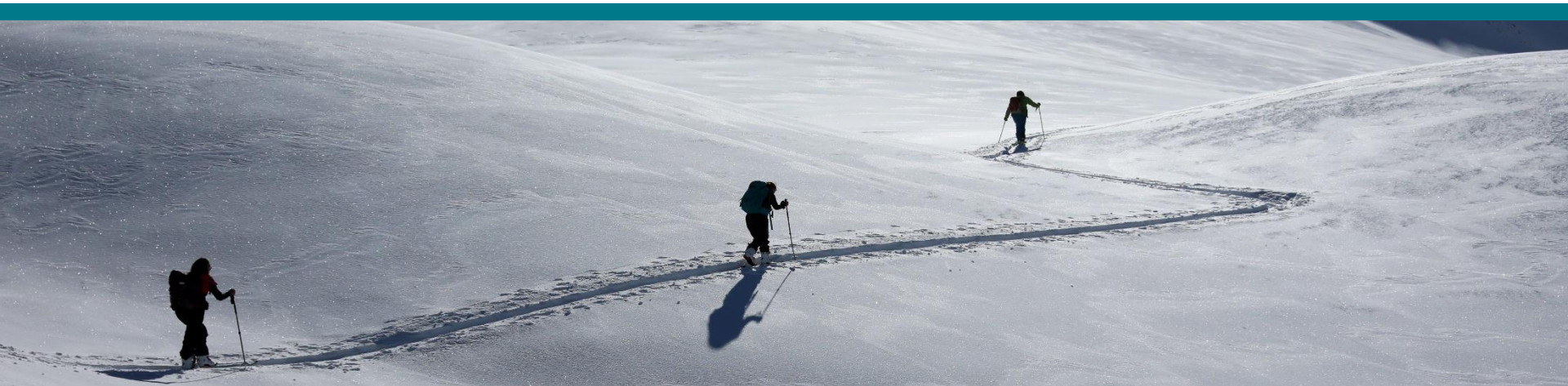
ACQUISITION OF
THE CONTROLLING
STAKE OF
FACTORIT

2017

FULL ACQUISITION
OF BNT BANK

2022

FULL ACQUISITION
OF FACTORIT



GEOGRAPHICAL DISTRIBUTION



Banca Popolare di Sondrio FOUNDED IN 1871

483 POINTS OF SALES:

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

WITH A PRESENCE IN:

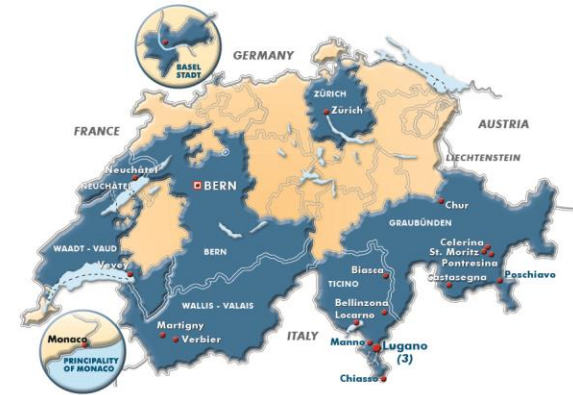
- 35 PROVINCES
- 9 REGIONS



BANKING GROUP'S EMPLOYEES: 3,440

Number of branches in the region

NOTE: Company's data as of 30/09/2022



BPS (SUISSE)

Banca Popolare di Sondrio (SUISSE)

OPERATING IN THE SWISS TERRITORY IT HAS 20 OFFICES IN 8 CANTONS, AS WELL AS THE REPRESENTATIVE OFFICE IN VERBIER, THE DIRECT BANKING VIRTUAL BRANCH IN LUGANO AND THE MONACO BRANCH OUTSIDE SWITZERLAND IN THE PRINCIPALITY OF THE SAME NAME

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.

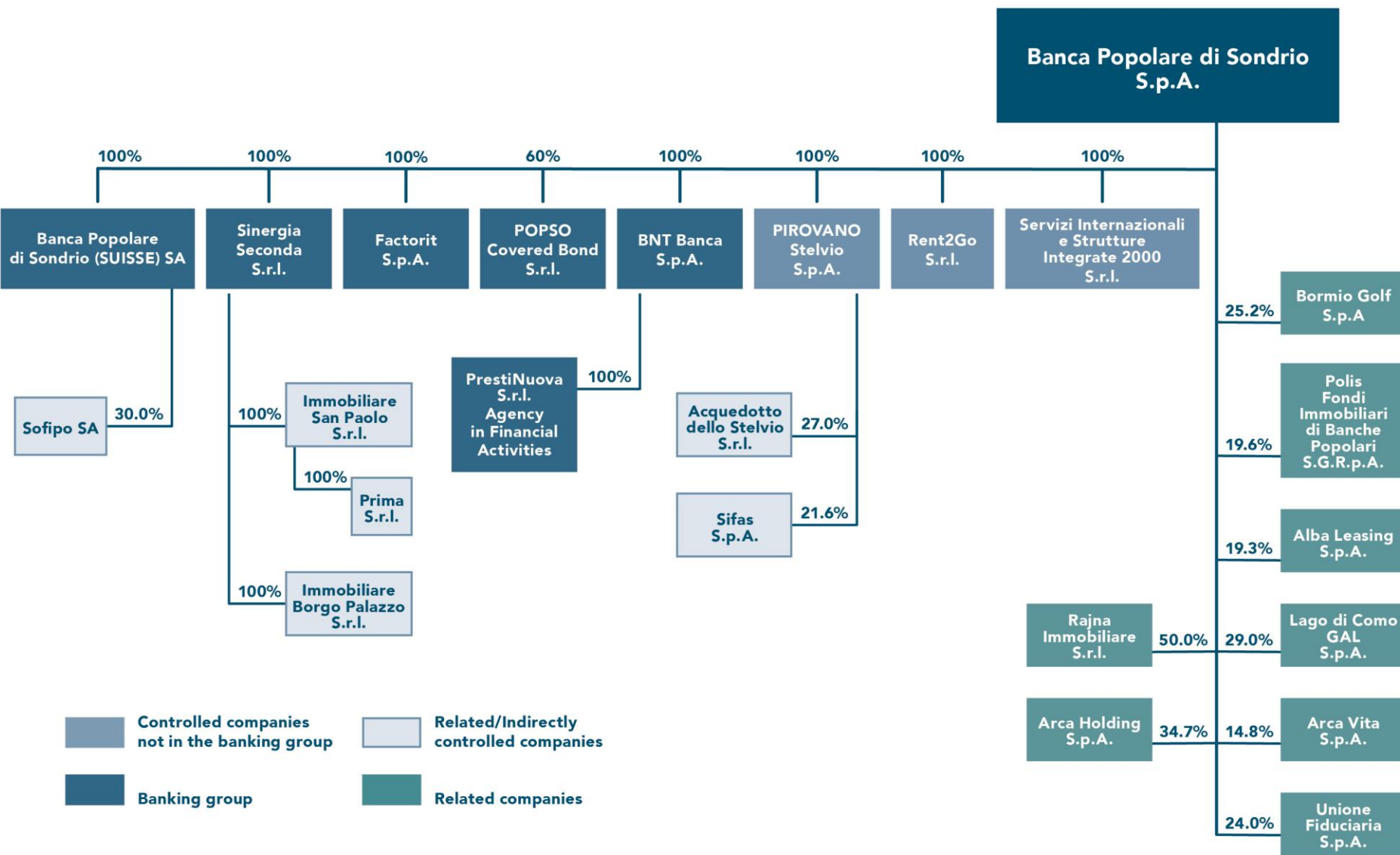
BNT BANCA
Banca della Nuova Terra

Offices in

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

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

GROUP STRUCTURE



NOTE: Company's data as of 30/09/2022

FINANCIAL STATEMENT: BALANCE SHEET ASSETS



THOUSANDS OF EUROS

ASSETS		30/09/2022	31/12/2021
10.	CASH AND CASH EQUIVALENTS	6,394,688	5,652,733
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	1,335,556	1,432,185
	a) financial assets held for trading	189,031	204,294
	b) financial assets designed at fair value	-	-
	c) financial assets mandatorily at fair value through profit or loss	1,146,525	1,227,891
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2,573,865	3,102,150
40.	FINANCIAL ASSETS AT AMORTISED COST	43,125,763	42,717,673
	a) loans and receivables with banks	1,606,846	3,276,349
	b) loans and receivables with customers	41,518,917	39,441,324
50.	HEDGING DERIVATIVES	9	-
60.	FAIR VALUE CHANGE IN HEDGED FINANCIAL ASSETS (+/-)	277	-
70.	EQUITY INVESTMENTS	333,826	339,333
80.	TECHNICAL RESERVES OF REINSURERS	-	-
90.	PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	656,307	579,446
100.	INTANGIBLE ASSETS	36,792	31,013
	of which:		
	- goodwill	18,001	12,632
110.	TAX ASSETS	345,749	330,343
	a) current	3,172	8,658
	b) deferred	342,577	321,685
120.	NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE	-	-
130.	OTHER ASSETS	1,666,378	831,273
TOTAL ASSETS		56,469,210	55,016,149

FINANCIAL STATEMENT: BALANCE SHEET LIABILITY & EQUITY



THOUSANDS OF EUROS

LIABILITY AND EQUITY		30/09/2022	31/12/2021
10.	FINANCIAL LIABILITIES AT AMORTISED COST	51,057,277	50,178,641
	a) due to banks	11,099,553	10,874,856
	b) due to customers	36,429,388	35,603,482
	c) securities issued	3,528,336	3,700,303
20.	FINANCIAL LIABILITIES HELD FOR TRADING	209,232	104,339
30.	FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	-	-
40.	HEDGING DERIVATIVES	529	2,446
50.	FAIR VALUE CHANGE IN HEDGED FINANCIAL LIABILITIES (+/-)	-	-
60.	TAX LIABILITIES	45,467	39,872
	a) current	17,577	4,258
	b) deferred	27,890	35,614
70.	LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	-	-
80.	OTHER LIABILITIES	1,515,640	986,522
90.	PROVISION FOR POST-EMPLOYMENT BENEFITS	34,484	40,190
100.	PROVISIONS FOR RISKS AND CHARGES:	285,954	289,062
	a) loans commitments and	65,357	43,225
	b) pensions and similar	164,703	191,565
	c) other provisions	55,894	54,272
110.	TECHNICAL RESERVES	-	-
120.	VALUATION RESERVES	(46,738)	32,437
121.	OF WHICH RELATED TO DISCONTINUED OPERATIONS	-	-
130.	REDEEMABLE SHARES	-	-
140.	EQUITY INSTRUMENTS	-	-
150.	RESERVES	1,802,328	1,555,718
155.	OF WHICH INTERIM DIVIDENDS	-	-
160.	SHARE PREMIUM	78,978	79,005
170.	SHARE CAPITAL	1,360,157	1,360,157
180.	TREASURY SHARES (-)	(25,388)	(25,457)
190.	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	4	104,583
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)	151,286	268,634
TOTAL LIABILITIES AND EQUITY		56,469,210	55,016,149

FINANCIAL STATEMENT: INCOME STATEMENT



THOUSANDS OF EUROS

ITEMS	30/09/2022	30/09/2021
10. INTEREST AND SIMILAR INCOME	565,944	473,500
of which: interest calculated using the effective interest method	559,099	467,091
20. INTEREST AND SIMILAR EXPENSE	(88,692)	(83,141)
30. NET INTEREST INCOME	477,252	390,359
40. FEE AND COMMISSION INCOME	290,769	271,687
50. FEE AND COMMISSION EXPENSE	(14,410)	(12,803)
60. NET FEE AND COMMISSION INCOME	276,359	258,884
70. DIVIDENDS AND SIMILAR INCOME	6,099	4,658
80. NET TRADING INCOME	4,517	44,109
90. NET HEDGING INCOME	(4)	35
100. NET GAINS FROM SALES OR REPURCHASES OF:	43,716	31,446
a) financial assets at amortized cost	32,261	18,024
b) financial assets at fair value through other comprehensive income	11,452	13,443
c) financial liabilities	3	(21)
110. NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	(74,151)	25,098
a) financial assets and liabilities designated at fair value	-	-
b) other financial assets mandatorily measured at fair value	(74,151)	25,098
120. TOTAL INCOME	733,788	754,589
130. NET IMPAIRMENT LOSSES FOR CREDIT RISK RELATING TO:	(88,210)	(104,847)
a) financial assets at amortized cost	(88,543)	(105,534)
b) financial assets at fair value through other comprehensive income	333	687
140. NET GAINS FROM CONTRACTUAL CHANGES WITHOUT DERECOGNITION	3,589	(5,397)
150. NET FINANCIAL INCOME	649,167	644,345
160. NET INSURANCE PREMIUMS	-	-
170. OTHER NET INSURANCE INCOME (EXPENSE)	-	-
180. NET FINANCIAL INCOME AND INSURANCE INCOME	649,167	644,345
190. ADMINISTRATIVE EXPENSES:	(434,790)	(415,556)
a) personnel expenses	(201,031)	(199,963)
b) other administrative expenses	(233,759)	(215,593)
200. NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES	(29,850)	17,505
a) commitments for guarantees given	(22,107)	19,008
b) other net provisions	(7,743)	(1,503)
210. DEPRECIATION AND NET IMPAIRMENT LOSSES ON PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	(33,068)	(27,758)
220. AMORTISATION AND NET IMPAIRMENT LOSSES ON INTANGIBLE ASSETS	(11,232)	(11,562)
230. OTHER NET OPERATING INCOME	62,818	53,648
240. OPERATING COSTS	(446,122)	(383,723)
250. SHARE OF PROFITS OF INVESTEEES	16,053	25,623
260. NET FAIR VALUE LOSSES ON PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS MEASURED	(1,614)	(320)
270. GOODWILL IMPAIRMENT LOSSES	-	-
280. NET GAINS ON SALES OF INVESTMENTS	130	279
290. PRE-TAX PROFIT FROM CONTINUING OPERATIONS	217,614	286,204
300. TAXES ON INCOME FOR THE YEAR FOR CONTINUING OPERATIONS	(66,328)	(80,083)
310. POST-TAX PROFIT FROM CONTINUING OPERATIONS	151,286	206,121
320. POST-TAX PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	-	-
330. NET PROFIT (LOSS) FOR THE PERIOD	151,286	206,121
340. NET (PROFIT) LOSS OF THE PERIOD ATTRIBUTABLE TO MINORITY INTERESTS	-	(4,649)
350. NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF PARENT BANK	151,286	201,472
EARNINGS (LOSS) PER SHARE	0.334	0.444
DILUTED EARNINGS (LOSSES) PER SHARE	0.334	0.444

FINANCIAL STATEMENT: RECLASSIFIED P&L



(in thousands of euro)	30/09/2022	30/09/2021	(+/-)	% change
Net interest income	477,252	390,359	86,893	22.26
Dividends and similar income	6,099	4,658	1,441	30.94
Net fee and commission income	276,359	258,884	17,475	6.75
Net gains on financial assets [d]	45,382	75,590	-30,208	-39.96
Result of other financial assets at FVTPL	-74,151	25,098	-99,249	-
of which Loans	-15,168	7,002	-22,170	-
of which Other	-58,983	18,096	-77,079	-
Total income	730,941	754,589	-23,648	-3.13
Net impairment losses [a] [d]	-103,881	-91,236	-12,645	13.86
Net financial income	627,060	663,353	-36,293	-5.47
Personnel expenses [b]	-200,050	-191,577	-8,473	4.42
Other administrative expenses [c]	-190,715	-180,850	-9,865	5.45
Other net operating income [b]	61,837	45,262	16,575	36.62
Net accruals to provisions for risks and charges [a]	-7,743	-1,503	-6,240	415.17
Depreciation and amortisation on tangible and intangible assets	-44,300	-39,320	-4,980	12.67
Operating costs	-380,971	-367,988	-12,983	3.53
Operating result	246,089	295,365	-49,276	-16.68
Charges for the stabilization of the banking System [c]	-43,044	-34,743	-8,301	23.89
Share of profits of investees and net gains on sales of investments	14,569	25,582	-11,013	-43.05
Pre-tax profit from continuing operations	217,614	286,204	-68,590	-23.97
Income taxes	-66,328	-80,083	13,755	-17.18
Net profit (loss) for the period	151,286	206,121	-54,835	-26.60
Net (profit) loss of the period attributable to minority interests	0	-4,649	4,649	-
Net profit (loss) for the period attributable to the owners of Parent bank	151,286	201,472	-50,186	-24.91

Notes:

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

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

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

The results at 30/09/2022 have been subject to the following reclassifications:

[a] reclassified net provisions for credit risk for commitments and guarantees issued for 22.107 € million initially included in item net accruals to provisions for risks and charges [a] commitments for guarantees given] showing them among net impairment losses;

[b] reclassified personnel expenses and other operating income by netting them off against the proceeds of the retirement employees fund for 0.981 € million;

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

[d] reclassified gains related to NPL disposals for 2.847 € million initially included in item gains/losses on financial assets valued at amortized cost showing them among net impairment losses.

The results at 30/09/2021 have been made consistent with those of 2022.

FINANCIAL STATEMENT: RECLASSIFIED P&L QUARTERLY EVOLUTION



(in million of euro)	Q3 - 2022	Q2 - 2022	Q1 - 2022	Q4 - 2021	Q3 - 2021
Net interest income	156.9	164.1	156.2	138.6	126.3
Dividends and similar income	0.4	5.4	0.2	0.6	0.5
Net fee and commission income	91.8	93.1	91.5	98.8	87.9
Net gains on financial assets [d]	4.0	24.3	17.1	37.6	21.8
Result of other financial assets at FVTPL	-6.6	-34.0	-33.6	1.6	12.7
of which Loans	2.1	-4.3	-13.0	-2.8	7.3
of which Other	-8.6	-29.7	-20.6	4.4	5.4
Total income	246.7	252.9	231.4	277.1	249.2
Net impairment losses [a] [d]	-60.5	-16.1	-27.3	-43.1	-41.8
Net financial income	186.2	236.8	204.1	234.0	207.5
Personnel expenses [b]	-69.3	-64.2	-66.5	-67.1	-66.5
Other administrative expenses [c]	-60.1	-68.2	-62.5	-67.2	-57.0
Other net operating income [b]	22.9	22.1	16.9	16.3	15.0
Net accruals to provisions for risks and charges [a]	-1.5	-6.7	0.4	-14.5	-1.5
Depreciation and amortisation on tangible and intangible assets	-16.8	-15.5	-12.0	-14.7	-13.6
Operating costs	-124.8	-132.5	-123.7	-147.1	-123.7
Operating result	61.4	104.2	80.4	86.9	83.8
Charges for the stabilization of the banking System [c]	-3.0	-10.0	-30.0	-8.4	0.0
Share of profits of investees and net gains on sales of investments	5.3	2.6	6.7	9.8	9.5
Pre-tax profit from continuing operations	63.7	96.8	57.1	88.3	93.3
Income taxes	-17.5	-32.0	-16.8	-19.4	-26.6
Net profit (loss) for the period	46.2	64.8	40.3	68.9	66.7
Net (profit) loss of the period attributable to minority interests	0.0	0.0	0.0	-1.7	-2.0
Net profit (loss) for the period attributable to the owners of Parent bank	46.2	64.8	40.3	67.2	64.8

Notes:

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

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

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

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

LOANS TO CUSTOMERS NON PERFORMING AND PERFORMING EXPOSURES



30-09-2022

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	(5.19%)	1,760,395	1,048,348	(2.17%)	712,047	59.55%
of which Bad loans	(2.22%)	753,149	595,162	(0.48%)	157,987	79.02%
of which Unlikely to pay	(2.78%)	944,748	448,625	(1.51%)	496,123	47.49%
of which Past due	(0.18%)	62,498	4,561	(0.18%)	57,937	7.30%
Performing exposures	(94.81%)	32,165,958	129,202	(97.83%)	32,036,756	0.40%
Total loans to customers	(100%)	33,926,353	1,177,550	(100%)	32,748,803	3.47%

31-12-2021

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

RATINGS



Fitch Ratings

Rating updated on
27 July 2022

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

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



Rating updated on
15 November 2021

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	R-5
	B (low)	
	CCC	
	CC	
	C	
	D	
	D	

BPS

ITALY



Rating updated on
23 March 2022

Long term: **BBB-**
OUTLOOK: **POSITIVE**

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



- ❑ *This document has been prepared by Banca Popolare di Sondrio for information purpose only and does not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advice or recommendation with respect of such securities or other financial instruments.*
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- ❑ *Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2), Maurizio Bertoletti, in his capacity as manager in charge of financial reporting declares that the accounting information contained in this Presentation reflects the group's documented results, financial accounts and accounting records.*

www.popso.it



Banca Popolare di Sondrio

FOUNDED IN 1871

THE BANKING GROUP IN THE HEART OF THE ALPS



BPS (SUISSE)

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PrestiNuova

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of BNT Banca

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PIROVANO

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