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**Banca Popolare
di Sondrio**

FONDATA NEL 1871

IL GRUPPO BANCARIO AL CENTRO DELLE ALPI

9M 2023

Consolidated Results Presentation

November 7th, 2023





- 1 BUSINESS AND FINANCIAL HIGHLIGHTS**
- 2 9M 2023 FINANCIAL RESULTS**
- 3 CEO'S FINAL REMARKS**
- 4 ANNEXES**



① BUSINESS AND FINANCIAL HIGHLIGHTS

9M 2023 RESULTS AT A GLANCE



NET RESULT

348.6 €M
(+130.4% YoY)

ROE

14.1%
(from 6.4% at 9M 2022)

COST-INCOME

40.3%
(from 52.1% at 9M 2022)

NPL COVERAGE

61.9%
(from 59.6% at 9M 2022)

NET NPL RATIO

1.7%
(from 2.2% at 9M 2022)

CET1 RATIO

16.3%
*(large buffer over 8.5% 2023
SREP requirement)*

9M 2023 BUSINESS HIGHLIGHTS



9M 2023 KEY FIGURES

- NET RESULT EQUAL TO 348.6 €M (+130.4% Y/Y)
- ROE EQUAL TO 14.1%
- CORE REVENUE UP 27% Y/Y
- NII UP 40% Y/Y
- NET FEES & COMMISSIONS UP 5% Y/Y
- COST-INCOME RATIO AT 40.3%

SOUND ASSET QUALITY

- ANNUALISED COST OF RISK AT 0.41% (INCLUDING THE INCREASE OF PRUDENTIAL OVERLAYS)
- NPE COVERAGE AT 61.9%
- NO EVIDENCE OF ASSET DETERIORATION, WITH DEFAULT RATIO BELOW 1%
- GROSS AND NET NPE RATIO AT 4.3% AND 1.7% RESPECTIVELY
- OVERLAYS STABLE AT 120 €M

SOLID FUNDING PROFILE

- REGULATORY LIQUIDITY INDICATORS COMFORTABLY ABOVE REQUIREMENTS (LCR AT 187% AND NSFR AT 128%)
- “CORE” CUSTOMER FUNDING REMAINS STABLE
- UNENCUMBERED ECB REFINANCEABLE ASSETS AROUND 8.5 €BN
- FULLY EXECUTION OF 2023 MEDIUM-LONG TERM FUNDING PLAN

OTHER HIGHLIGHTS

- SUPPORT TO THE REAL ECONOMY WITH 3.4 €BN OF NEW LENDING TO HOUSEHOLDS AND BUSINESSES
- LAUNCH OF A NEW 500 €M GREEN BOND FOR THE PURPOSE OF FINANCING GREEN PROJECTS



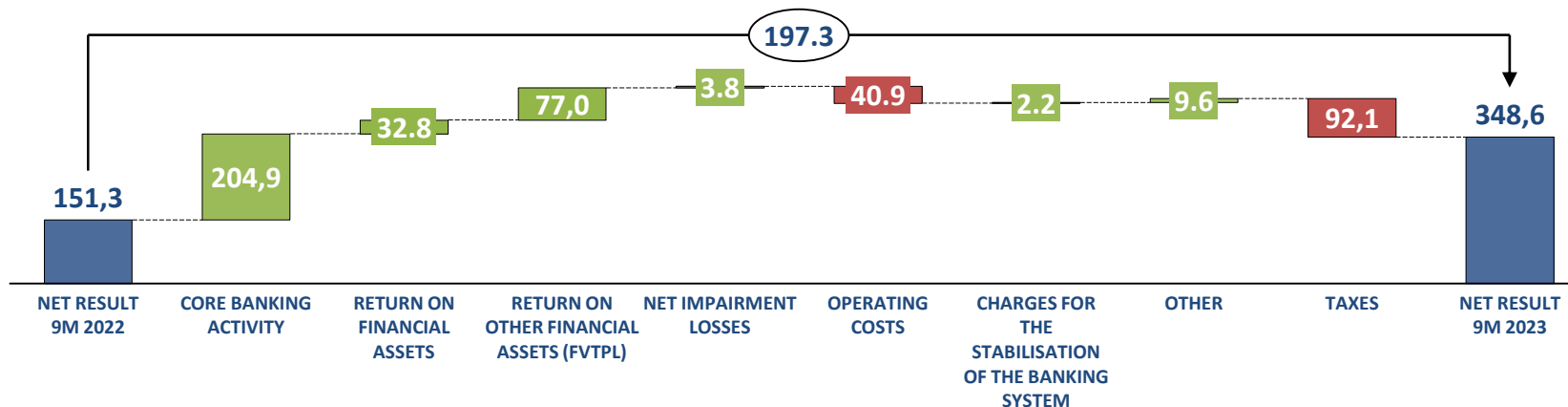
② 9M 2023 FINANCIAL RESULTS

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

STRONG GROWTH OF NII BOOSTS THE BOTTOM LINE



INCOME STATEMENT [1] € M	9M 2022	9M 2023	YoY	
	ACTUAL	ACTUAL	Δ € M	Δ%
CORE BANKING ACTIVITY	753.6	958.5	204.9	27.2%
ow Net interest income	477.3	668.4	191.2	40.1%
ow Net fee and commission income	276.4	290.1	13.7	5.0%
RETURN ON FINANCIAL ASSETS	51.5	84.2	32.8	63.7%
RETURN ON OTHER FINANCIAL ASSETS (FVTPL)	-74.2	2.8	77.0	-
TOTAL INCOME	730.9	1,045.6	314.6	43.0%
NET IMPAIRMENT LOSSES	-103.9	-100.1	3.8	-3.6%
OPERATING COSTS	-381.0	-421.8	-40.9	10.7%
CHARGES FOR THE STABILISATION OF THE BANKING SYSTEM	-43.0	-40.9	2.2	-5.1%
GROSS RESULT	217.6	507.0	289.4	133.0%
NET RESULT	151.3	348.6	197.3	130.4%



- ✓ CORE BANKING ACTIVITY +204.9 €M YoY (+27.2%) DRIVEN MAINLY BY NII GROWTH (+40.1% YoY)
- ✓ TOTAL RETURN ON FINANCIAL ASSETS ≈ +32.8 €M YoY (+63.7%)

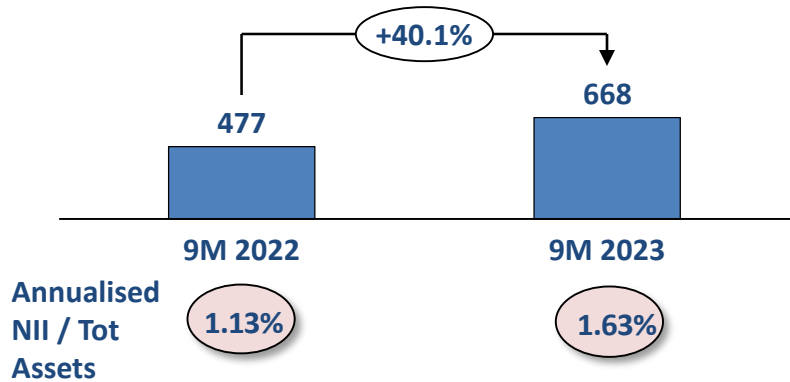
[1] Reclassified data, please see page 35 for details.

Q3 NII REINFORCES A VERY POSITIVE TREND...

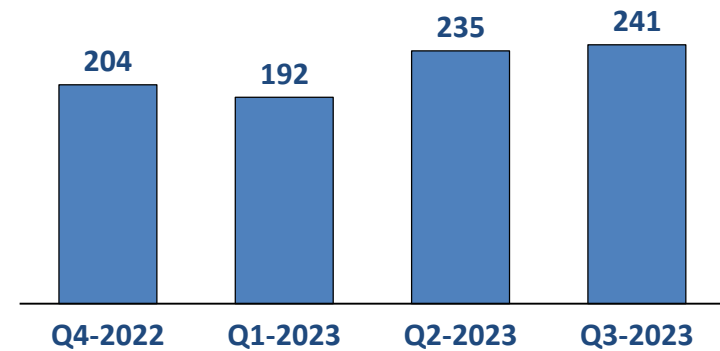


NET INTEREST INCOME EVOLUTION (€M)

Yearly Evolution

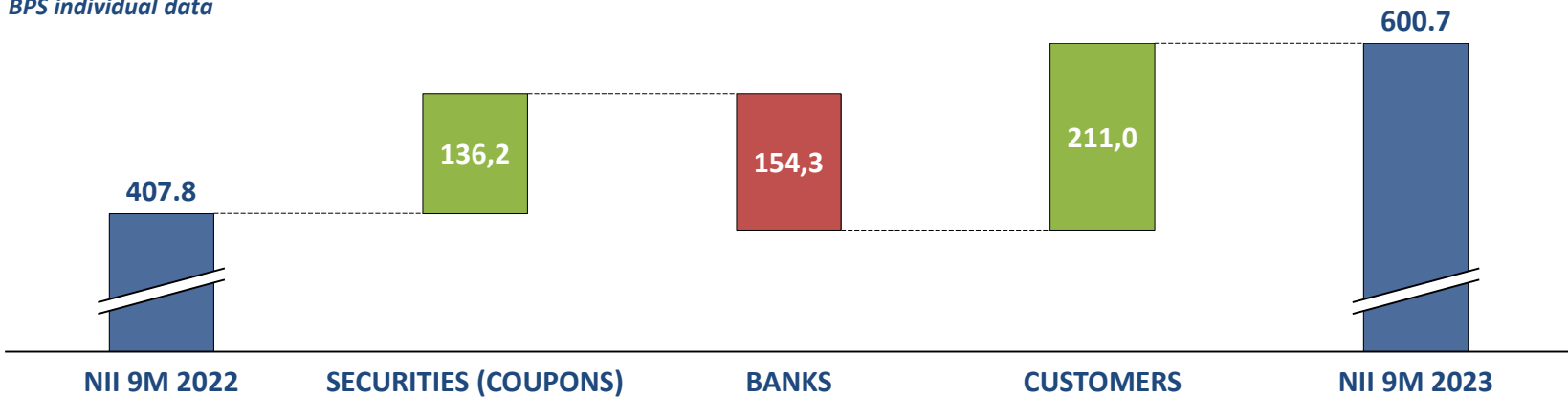


Quarterly Evolution



NII'S MOVING PARTS (€M)

BPS individual data



...WITH COMMERCIAL ACTIVITY AS MAIN DRIVER

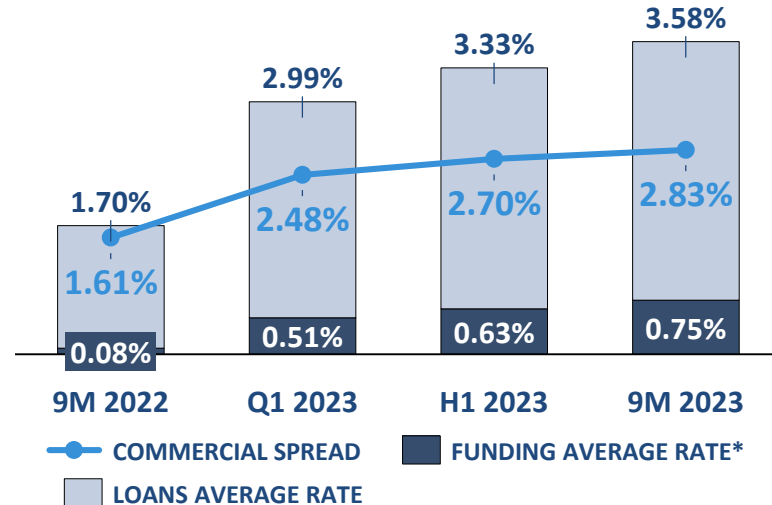


Management data

9M 2023 NII'S DRIVERS

- ✓ COMMERCIAL SPREAD OPENS UP FROM 1.61% AS OF 30 SEPTEMBER 2022 TO 2.83% AS OF 30 SEPTEMBER 2023
- ✓ 9M 2023 OBSERVED DEPOSIT BETA = 28%¹
- ✓ COUPON FLOWS OF PROPRIETARY PORTFOLIO MORE THAN DOUBLED (219 €M FROM 83 €M IN 9M 2022)¹
- ✓ NET NEGATIVE IMPACT FOR ABOUT 104 €M OF INTERBANK FUNDING (vs +50 €M 9M 2022) MAINLY REFERRED TO TLTRO III COMPONENT¹

COMMERCIAL SPREAD EVOLUTION



*Funding from institutional clients and private pension schemes is not considered.

FY 2023 NII GUIDANCE

YoY GROWTH CONFIRMED AT AROUND 30%

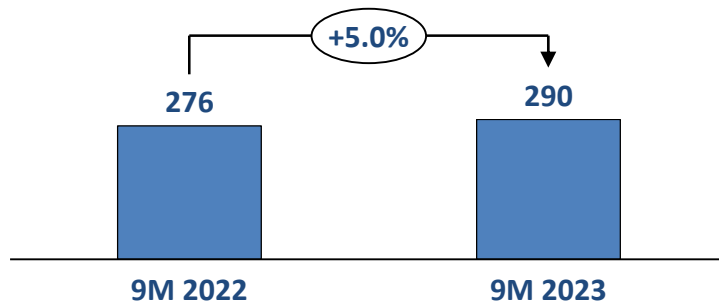
(1) BPS individual data as at 30/09/2023

RESILIENT CONTRIBUTION FROM NET FEES AND COMMISSIONS

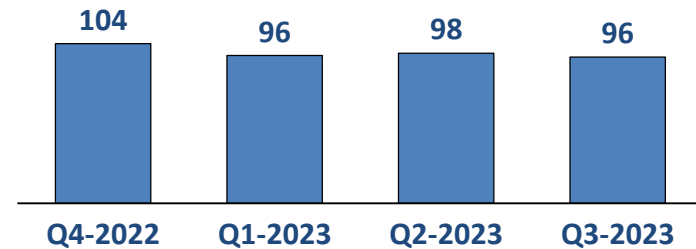


NET FEES (€M)

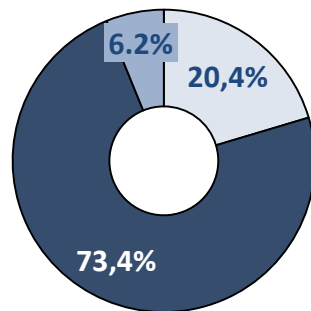
Yearly Evolution



Quarterly Evolution



9M 2023 BREAKDOWN



- ASSET UNDER MANAGEMENT AND CUSTODY
- BANKING SERVICES
- BANCASSURANCE

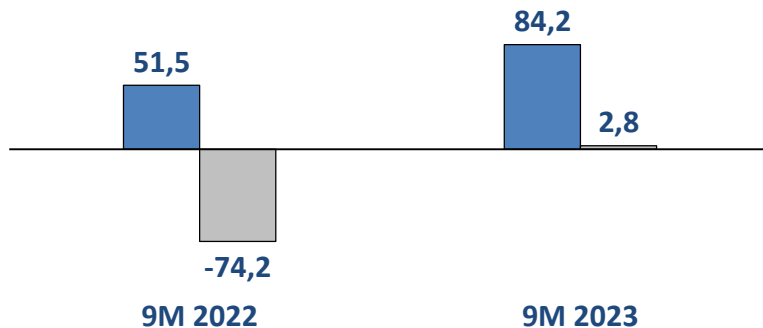
- ✓ REMARKABLE INCREASE OF COMMISSIONS RELATING ESPECIALLY TO CUSTOMER LOANS (INCLUDING FACTORING), ASSET UNDER MANAGEMENT AND MAINTENANCE AND MANAGEMENT OF CURRENT ACCOUNTS
- ✓ POSITIVE CONTRIBUTION Y/Y FROM THE PLACEMENT OF SERVICES OF THE INTERNATIONAL DEPARTMENT

SOLID FINANCIAL ASSETS PERFORMANCE



BREAKDOWN OF RETURN ON FINANCIAL ASSETS (€M)

Yearly Evolution



- ✓ INCREASED RETURN ON FINANCIAL ASSETS (84.2 €M vs 51.5 €M 9M 2022)
- ✓ FVTPL MARK TO MARKET GAINS FOR AROUND 3 €M MAINLY RELATED TO FIXED INCOME FUNDS AND SICAV (STOCK FURTHER REDUCED AND EQUAL TO 150 €M)

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

DETAILS OF FINANCIAL ASSETS PERFORMANCE

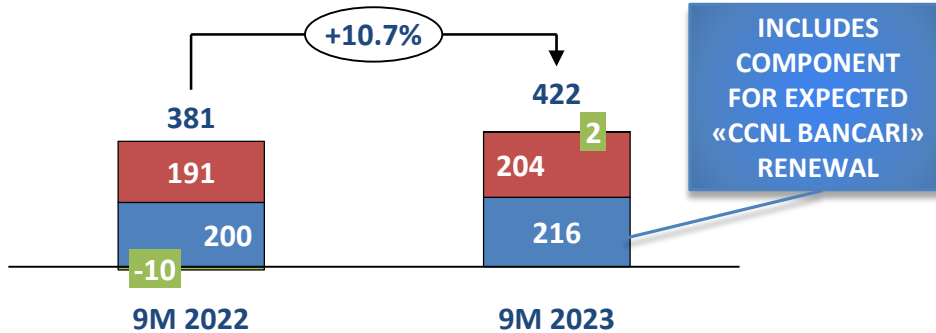
	9M 2022	9M 2023	YoY		Q2-2023	Q3-2023	QoQ	
			Δ € M	Δ%			Δ € M	Δ%
DIVIDENDS AND SIMILAR INCOME	6.1	4.6	-1.5	-24.9%	1.6	2.3	0.6	38.1%
NET TRADING INCOME	4.5	76.3	71.8	-	26.3	21.4	-4.9	-18.7%
NET HEDGING INCOME	-0.0	-0.0	0.0	200.0%	-0.2	0.0	0.2	-
NET GAINS FROM SALES OR REPURCHASES	40.9	3.3	-37.5	-91.8%	2.2	0.1	-2.1	-94.3%
RETURN ON FINANCIAL ASSETS	51.5	84.2	32.8	63.7%	30.0	23.8	-6.1	-20.5%
NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL	-74.2	2.8	77.0	-	-8.8	-1.1	7.7	-87.7%
O/W LOANS	-15.2	0.4	15.6	-	-1.8	-0.7	1.1	-62.2%
O/W OTHER (MAINLY FUNDS AND SICAV)	-59.0	2.4	61.4	-	-7.0	-0.4	6.6	-94.4%
TOTAL	-22.7	87.1	109.7	-	21.2	22.7	1.6	7.5%

COST-INCOME RATIO IMPROVES IN SPITE OF HIGHER OPERATING COSTS...



OPERATING COSTS¹ (€M)

Yearly Evolution

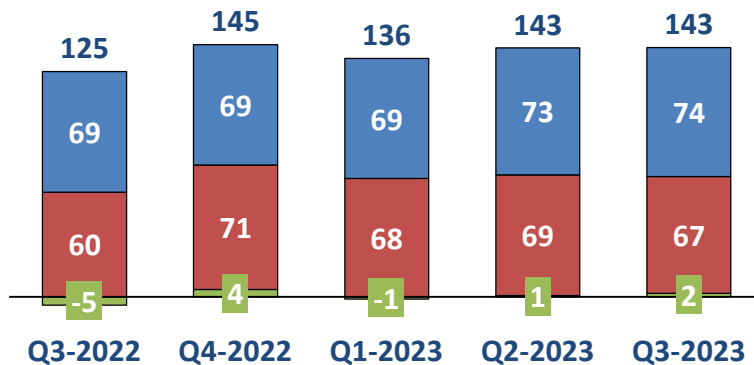


SRF/DGS CHARGES

43.0

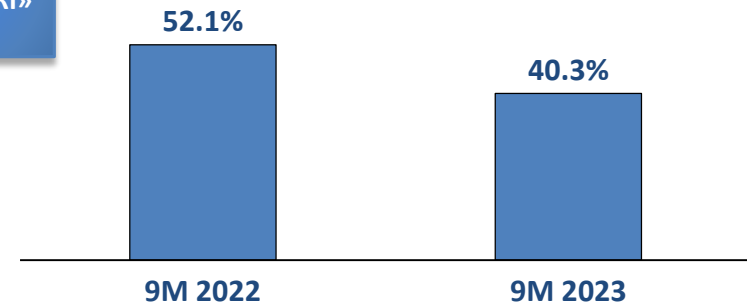
40.9

Quarterly Evolution

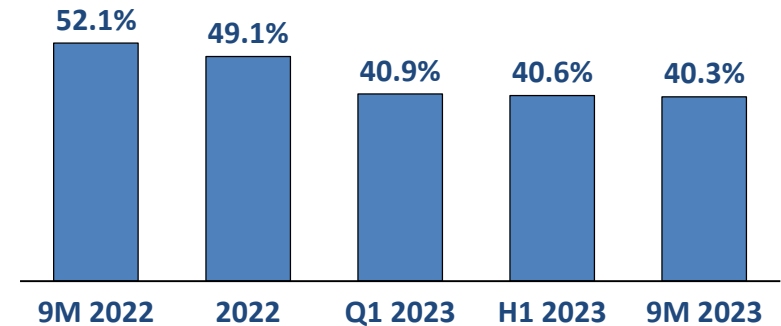


COST / INCOME RATIO (%)

Yearly Evolution



C/I Evolution



PERSONNEL EXPENSES OTHER ADMINISTRATIVE EXPENSES OTHER

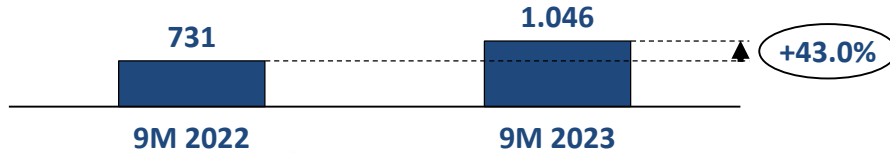
(1) Operating costs are considered net of System charges.

... ON THE BACK OF BEST EVER QUARTERLY OPERATING PERFORMANCE



TOTAL INCOME (€M)

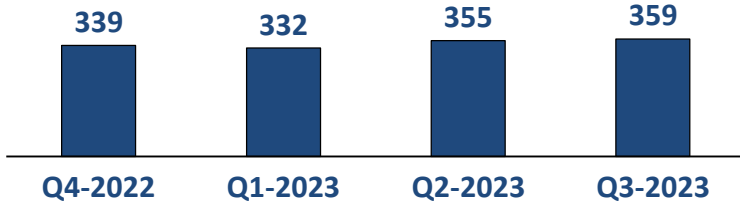
Yearly Evolution



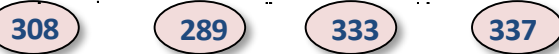
Core Business⁽¹⁾ contribution



Quarterly Evolution

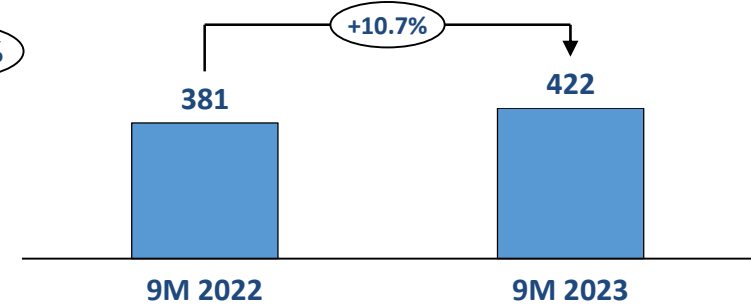


Core Business⁽¹⁾ contribution

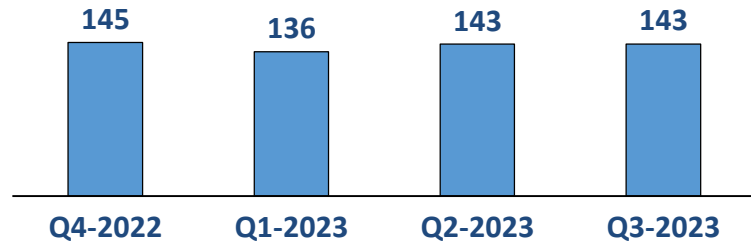


OPERATING COSTS (€M)

Yearly Evolution

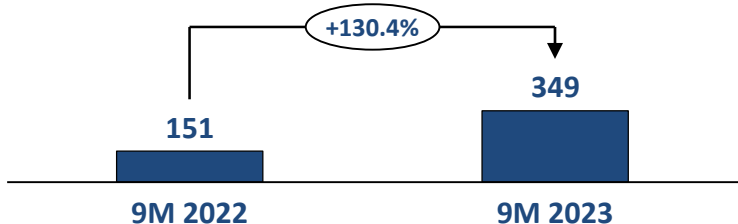


Quarterly Evolution

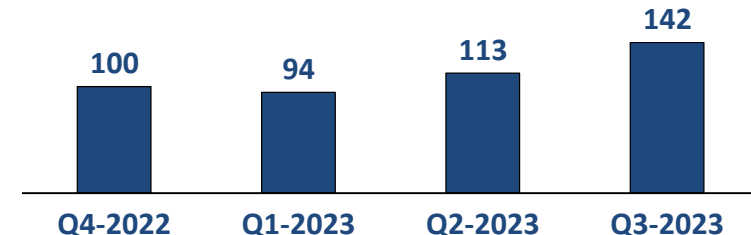


NET RESULT (€M)

Yearly Evolution



Quarterly Evolution



(1) Core business = NII+ NF&C

A SOUND FUNDING STRUCTURE...



TOTAL FUNDING (€BN)

"CORE" DIRECT CUSTOMER FUNDING¹ (€BN)

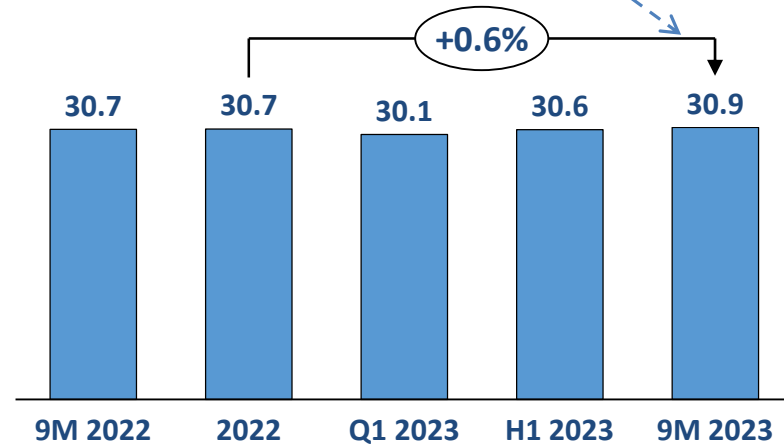
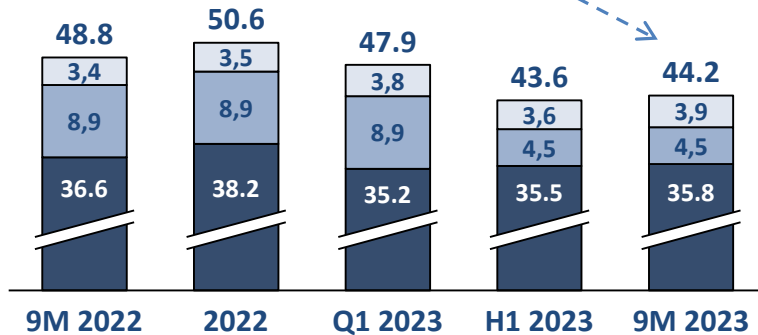
BONDS
 FUNDING FROM ECB
 FUNDING FROM CUSTOMERS

TLTRO III COMING DUE IN 2024:

806 €M (27/03/2024)

3.7 €BN (25/09/2024)

SOLID DEPOSITS BASE THANKS TO LONG-TERM RELATIONSHIPS WITH CUSTOMERS



- ✓ "CORE" DIRECT CUSTOMER FUNDING¹ EQUAL TO 30,897 €M SLIGHTLY UP COMPARED TO 30,704 €M AS OF 31/12/2022 (+0.6%); Q3 2023 vs Q2 2023 SHOWS A POSITIVE TREND (+0.9%), MAINLY THANKS TO A STRONG GROWTH OF TERM-DEPOSITS
- ✓ 2023 MEDIUM-LONG TERM FUNDING PLAN FULLY EXECUTED 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 FOR INSTITUTIONAL INVESTORS IN GREEN FORMAT) ALONGSIDE WITH A 500 €M NEW COVERED BOND (ISSUED IN OCTOBER).

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

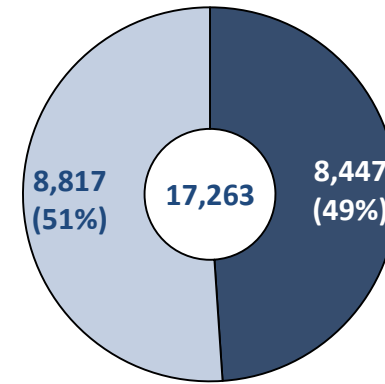
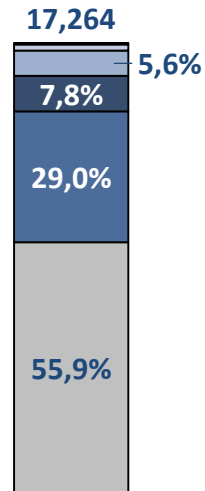
...WITH AN IMPROVED LIQUIDITY POSITION



STOCK OF ELIGIBLE ASSETS (€M)

ELIGIBLE ASSETS AVAILABILITY (€M)

BPS individual management data

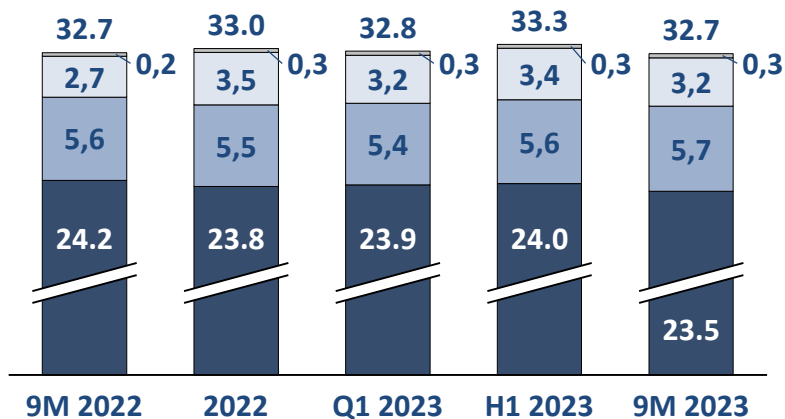


- ✓ THE LIQUIDITY INDICATORS REMAIN SIGNIFICANTLY ABOVE REGULATORY REQUIREMENTS (LCR AT 187% AND NSFR AT 128%) IN SPITE OF HALVING TLTRO III EXPOSURE AFTER THE OVER 4.3 €BN REPAYMENT AT THE END OF JUNE
- ✓ COUNTERBALANCING CAPACITY OF MORE THAN 12 €BN
- ✓ AMPLE STOCK OF UNENCUMBERED ELIGIBLE ASSETS

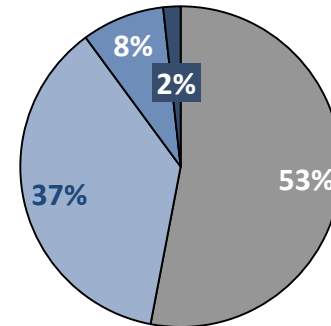
LOAN BOOK marginally lower...



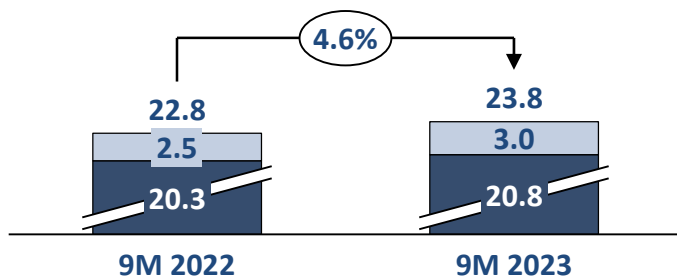
NET CUSTOMER LOANS (€BN)



NET LOANS BY TYPE OF CUSTOMER 9M 2023



INSTALLMENT LOANS AND FACTORING (€BN)



- ✓ INSTALLMENTS LOANS AND FACTORING STILL GROWING YoY
- ✓ AROUND 28% OF LOANS ARE RELATED TO BPS SUISSE, FACTORIT AND BNT
- ✓ INCIDENCE OF FLOATING-RATE LOANS AROUND 70%

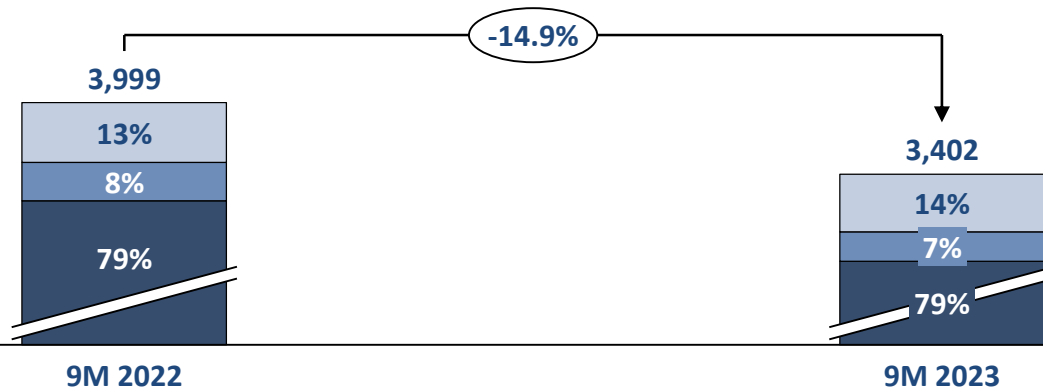
... BUT NEW LENDING IN LINE WITH 2023 BUDGET



NEW DISBURSEMENTS (€M)

Yearly Evolution

■ BPS ■ FACTORIT ■ SUISSE



FOCUS ON INSTALLMENT LOANS

BPS individual management data

INSTALLMENT LOANS NEW DISBURSEMENTS (€ M)	9M 2022	9M 2023
TOTAL	2,533	2,325
of which MORTGAGE LOANS	971	860
of which OTHER UNSECURED LOANS	1,471	1,377
of which PERSONAL LOANS	91	88

➤ NEW LENDING AT AVERAGE RATE OF 4.94% (VS 1.99% 9M 2022); 84% ARE FLOATING-RATE LOANS

ASSET QUALITY REMAINS UNDER CONTROL...



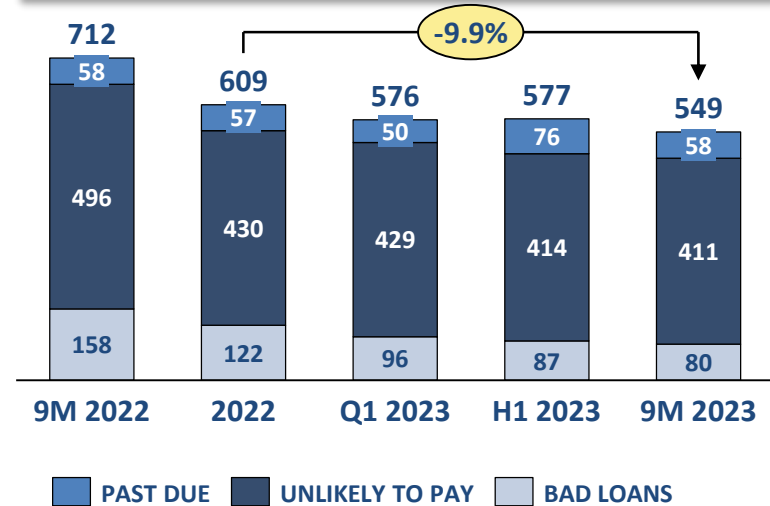
NPL MANAGEMENT

- ✓ YTD SINGLE NAME UTP DISPOSALS FOR AROUND 16 €M
- ✓ VERY HIGH COVERAGE OF NON PERFORMING LOANS (ABOVE 60%)
- ✓ NET NPL RATIO EQUAL TO 1.7% (i.e. 549 €M of net exposure)
- ✓ ENVISAGED BAD LOANS DISPOSAL BY THE END OF THE YEAR INSTRUMENTAL FOR ANTICIPATING THE 2025 DERISKING TARGET

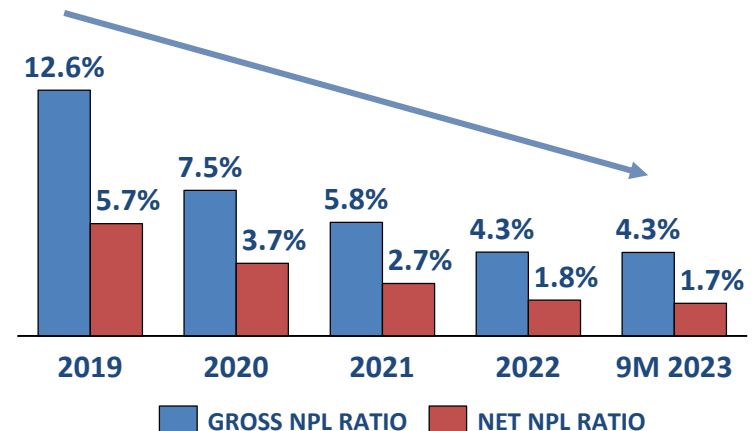
NPL COVERAGE (%)

	2022	9M 2023
BAD LOANS	76.5%	84.9%
UTP	51.2%	51.0%
PAST DUE	7.8%	17.8%
TOTAL NPLs	58.3%	61.9%

NET NPL STOCK EVOLUTION (€M)



FIRM DERISKING COMMITMENT SINCE 2019



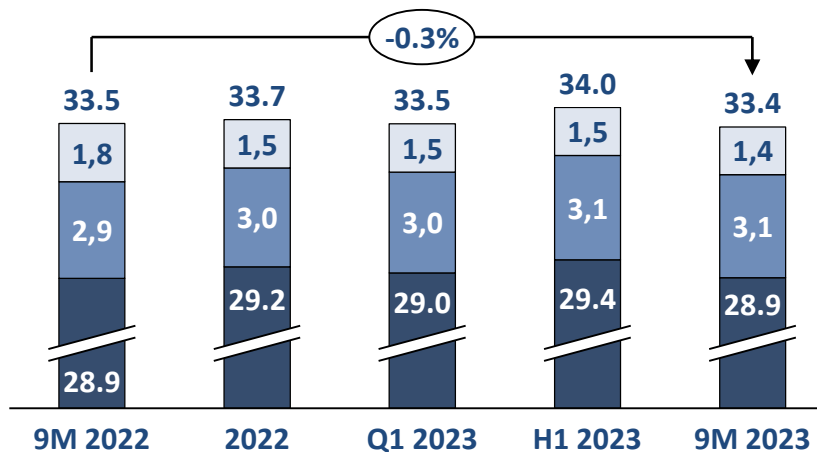
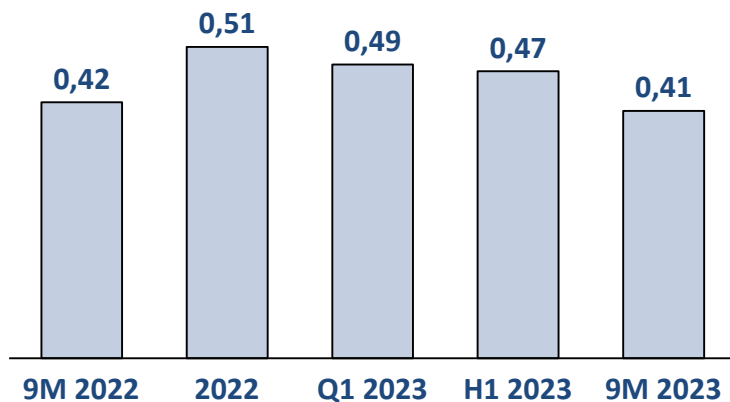
...WITH A STEADY COST OF RISK



EVOLUTION OF COST OF RISK (%)

FOCUS ON STAGING¹ (€BN)

Gross Customer Loans



LLP (€M)



■ STAGE 1 ■ STAGE 2 ■ STAGE 3

KEY COMMENTS

- ✓ PRUDENTIAL MANAGEMENT OVERLAYS EQUAL TO AROUND 120 €M WHICH INCLUDE CLIMATE CHANGE RISK COMPONENT LEAVING ROOM TO COPE WITH A POTENTIAL DETERIORATION OF CREDIT QUALITY
- ✓ OVERALL PERFORMING LOANS COVERAGE UP TO 0.54% FROM 0.45% AS OF YE 2022
- ✓ STAGE 2 LOANS COVERAGE UP TO 3.91% FROM 3.39% AS OF YE 2022

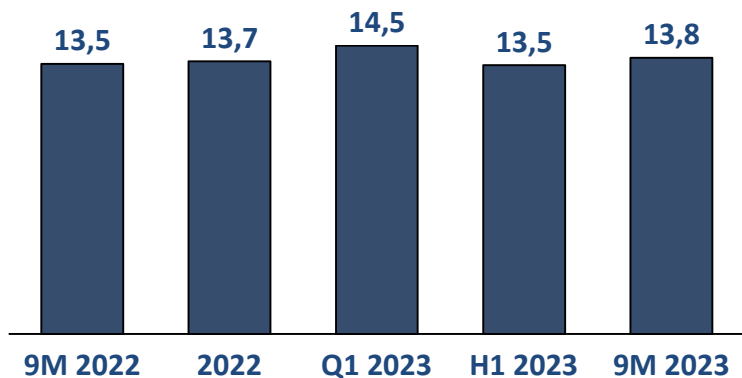
(1) Net of loans measured at fair value.

A PRUDENT PROPRIETARY PORTFOLIO...



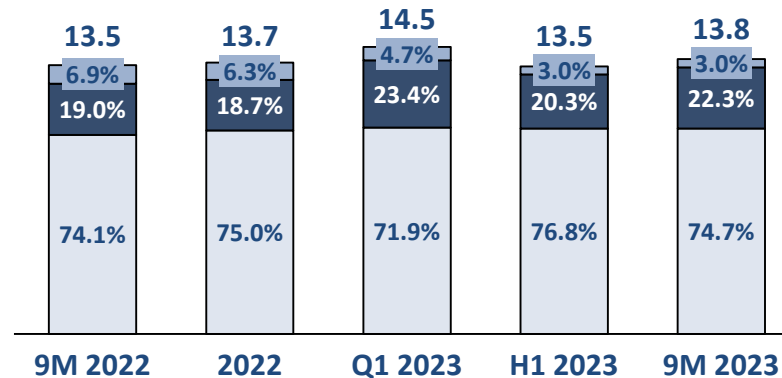
SECURITIES PORTFOLIO (€BN)

Quarterly Evolution



BREAKDOWN BY PORTFOLIO (%)

Legend: Held to collect (HTC) (light blue), Held to collect and sell (HTCS) (dark blue), FVTPL (medium blue)



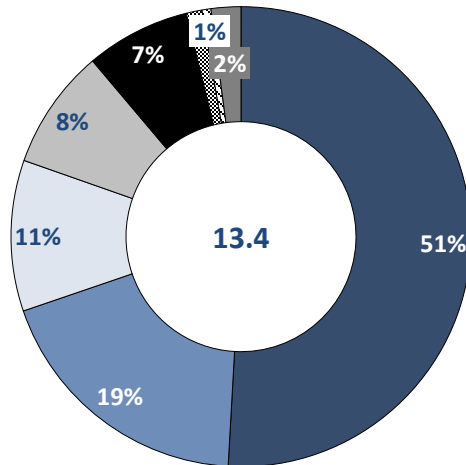
BREAKDOWN BY TYPE OF ASSETS (%)

€ BN	9M 2022	2022	Q1 2023	H1 2023	9M 2023	% ON TOTAL
BONDS	12.6	12.8	13.7	13.0	13.4	96.8%
EQUITY	0.2	0.1	0.1	0.1	0.1	0.9%
OTHER (MAINLY FUNDS AND SICAV)	0.8	0.8	0.6	0.3	0.3	2.3%
TOTAL	13.5	13.7	14.5	13.5	13.8	100.0%

...WITH A HIGH INCIDENCE OF FLOATING RATE BONDS

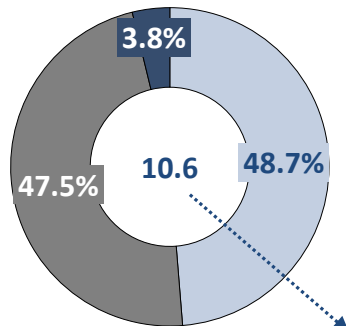


DEBT SECURITIES COMPONENT BREAKDOWN⁽¹⁾ – 9M 2023



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

GOVERNMENT BONDS⁽¹⁾: BREAKDOWN BY TYPE OF RATE – 9M 2023



- FIXED RATE
- FLOATING RATE
- INFLATION-LINKED

ITALIAN «GOVIES»: 6.8 €BN (o/w FLOATING RATE NOTES CCTs EQUAL TO 5 €BN)

KEY FEATURES OF THE BOND COMPONENT

- ✓ SIGNIFICANT FLOATING-RATE COMPONENT STRONGLY CONTRIBUTING TO NII
- ✓ INCREASINGLY DIVERSIFIED PORTFOLIO WITH EXPOSURE TO GERMAN, SPANISH, FRENCH, DUTCH AND AUSTRIAN “GOVIES”
- ✓ INCIDENCE OF ITALIAN “GOVIES” <50% (OF TOTAL PORTFOLIO)
- ✓ YIELD TO MATURITY ABOUT 4.7%; DURATION 3.5 Y; VOLATILITY 1.8

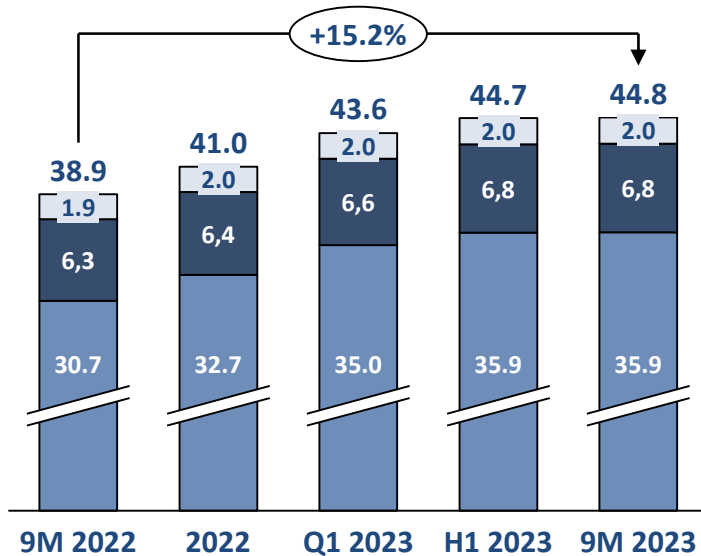
(1) BPS individual management data as at 30/09/2023

INDIRECT FUNDING: POSITIVE NEW INFLOWS OF ASSET UNDER MANAGEMENT AND BANCASSURANCE PRODUCTS

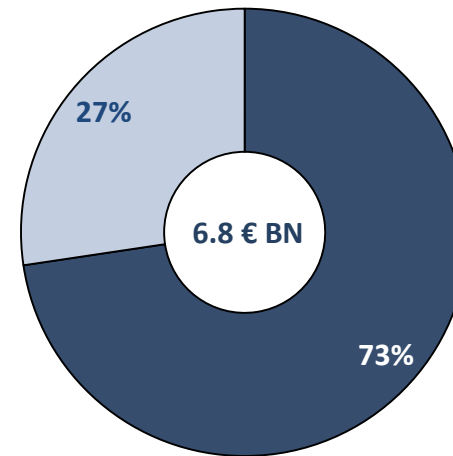


INDIRECT FUNDING (€BN)

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



AUM BREAKDOWN (€BN)

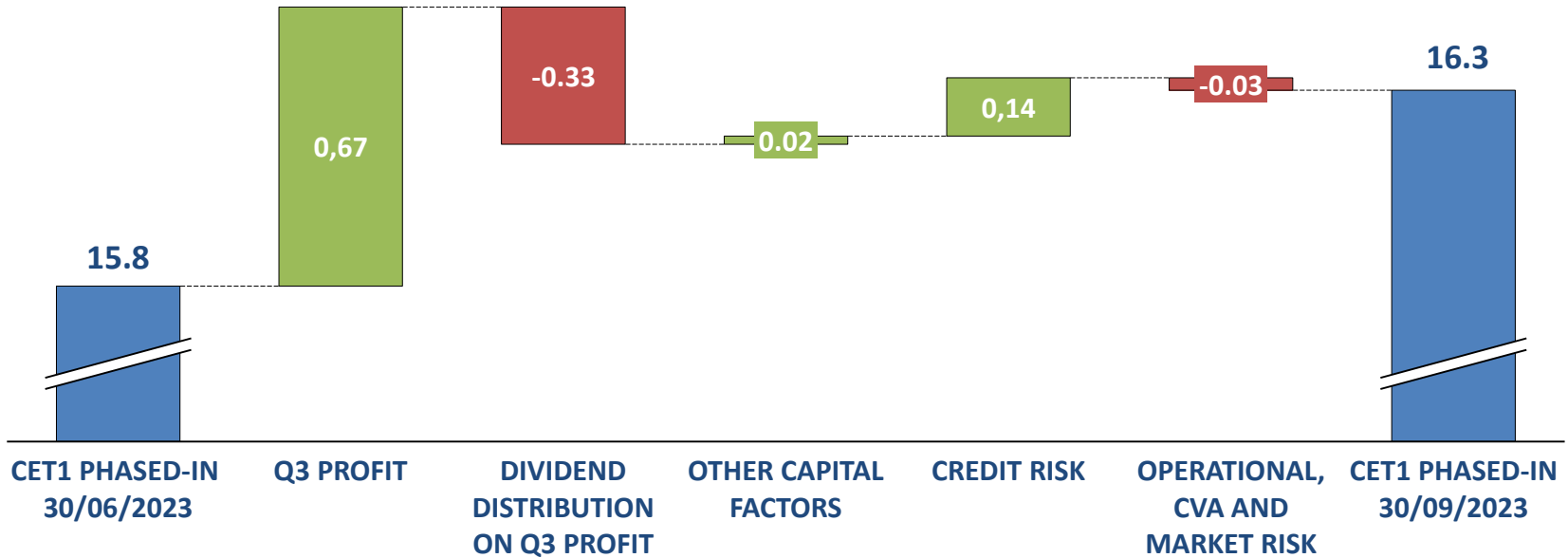


9M 2023

- MUTUAL FUNDS
- INDIVIDUAL PORTFOLIOS MANAGEMENT

- ✓ NET NEW INFLOWS FOR ASSET UNDER MANAGEMENT PRODUCTS AROUND 320 €M
- ✓ BANCASSURANCE BUSINESS ALSO POSITIVE WITH NEW INFLOWS OVER 50 €M

CET1 RATIO SHOWING A POSITIVE Q/Q DYNAMIC...



✓ AROUND 175 €M OF IMPLIED DIVIDEND ACCRUED YTD (ASSUMING A 50% PAYOUT RATIO)

✓ STRONG ORGANIC CAPITAL GENERATION - CREDIT RWA DOWN FOR 180 €M

...FURTHER INCREASING THE LARGE BUFFER OVER REGULATORY REQUIREMENTS



CET 1 RATIO [Phased-in]

16.3%

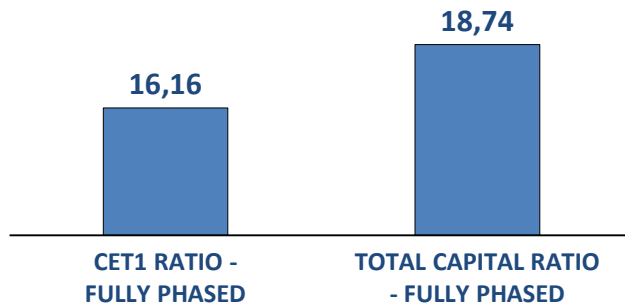
LEVERAGE RATIO [Phased-in]

5.7%

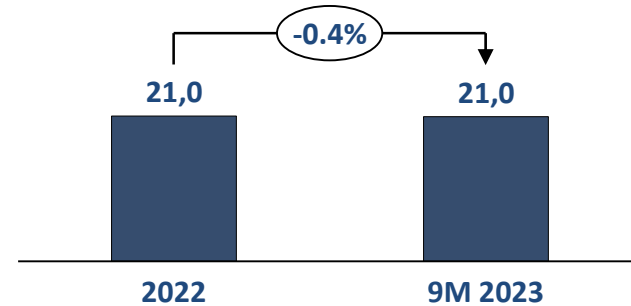
TEXAS RATIO

15%

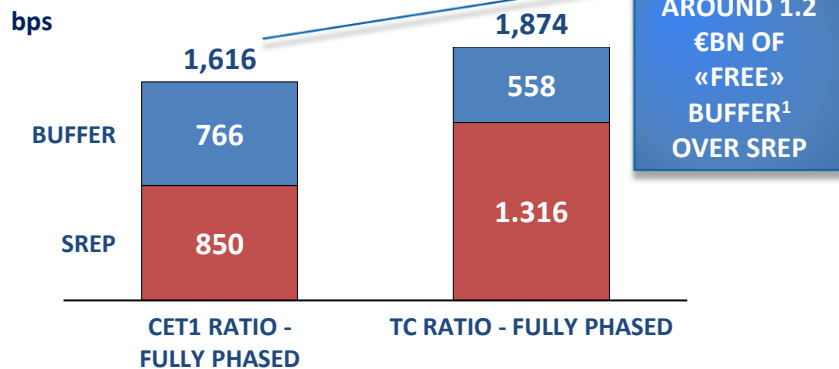
CET 1 RATIO & TOTAL CAPITAL RATIO (%)



RWA (€BN)



BUFFER OVER 2023 SREP REQUIREMENTS



2023 SREP REQUIREMENTS

TOTAL CAPITAL RATIO 13.16%

CET1 RATIO 8.50%

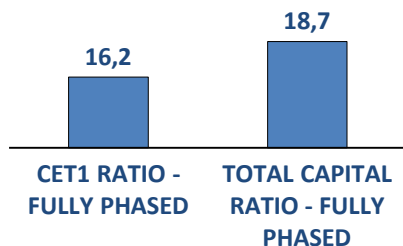
(1) Net of usage in place of AT1 instruments and to a very limited extent T2 instruments.

TO SUM UP: AFTER Q3 2023 BPS IS ON VERY SOLID FOOTING

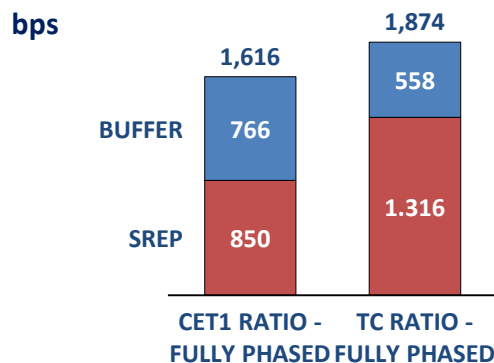


SOLID CAPITAL POSITION

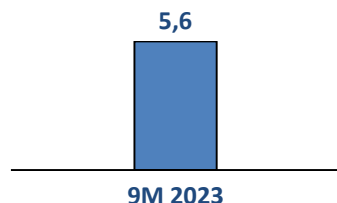
CET1 RATIO & TOTAL CAPITAL RATIO (%)



BUFFER OVER 2023 SREP REQUIREMENTS

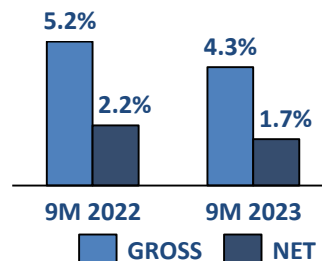


LEVERAGE RATIO (FULLY-PHASED)

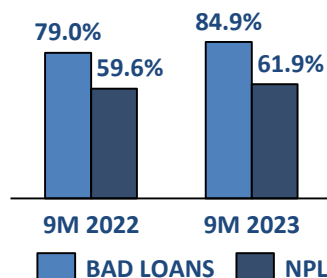


SOUND ASSET QUALITY

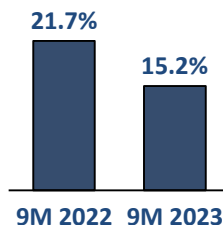
NPL RATIOS



COVERAGE RATIOS



TEXAS RATIO¹



AMPLE LIQUIDITY

LCR

187%

NSFR

128%

UNENCUMBERED ELIGIBLE ASSETS €BN

8.4

LOANS / DEPOSITS

91.6%

MREL-TREA²

31.8%

(1) Net NPLs/(net equity-intangible assets) | (2) «MREL-TREA»: Minimum Requirement for own funds and Eligible Liabilities - Total Risk Exposure Amount. Minimum required ratio = 22.8% and 25.3% with CBR.



3 CEO'S FINAL REMARKS



WELL ON TRACK TO ANTICIPATE ON EVERY KEY METRIC THE TARGETS SET BY
«NEXT STEP» 2022-2025 BUSINESS PLAN:



AFTER THE EXCELLENT 9 MONTHS FINANCIAL PERFORMANCE, THE BANK IS WELL POSITIONED TO DELIVER 2023 FULL YEAR RECORD RESULTS WITH ROE TARGET OF 14%



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

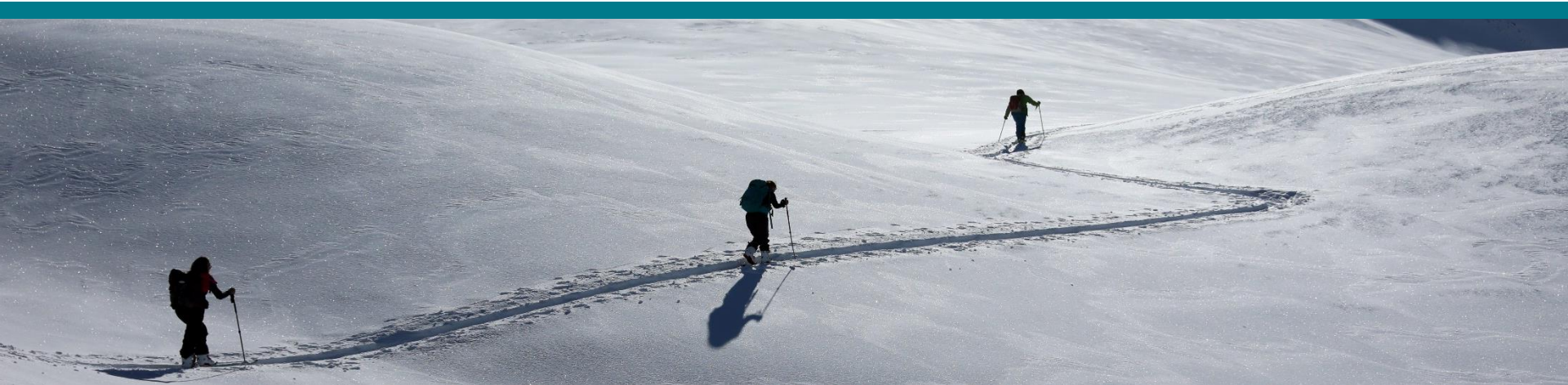
ACQUISITION OF THE
CONTROLLING STAKE OF
FACTORIT

2017

FULL ACQUISITION OF
BNT BANK

2022

FULL ACQUISITION
OF FACTORIT



GEOGRAPHICAL DISTRIBUTION



Banca Popolare di Sondrio FOUNDED IN 1871

482 POINTS OF SALES:

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

WITH A PRESENCE IN:

- 35 PROVINCES
- 9 REGIONS



BANKING GROUP'S EMPLOYEES: 3,539

Number of branches in the region

NOTE: Company's data as of 30/09/2023



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.

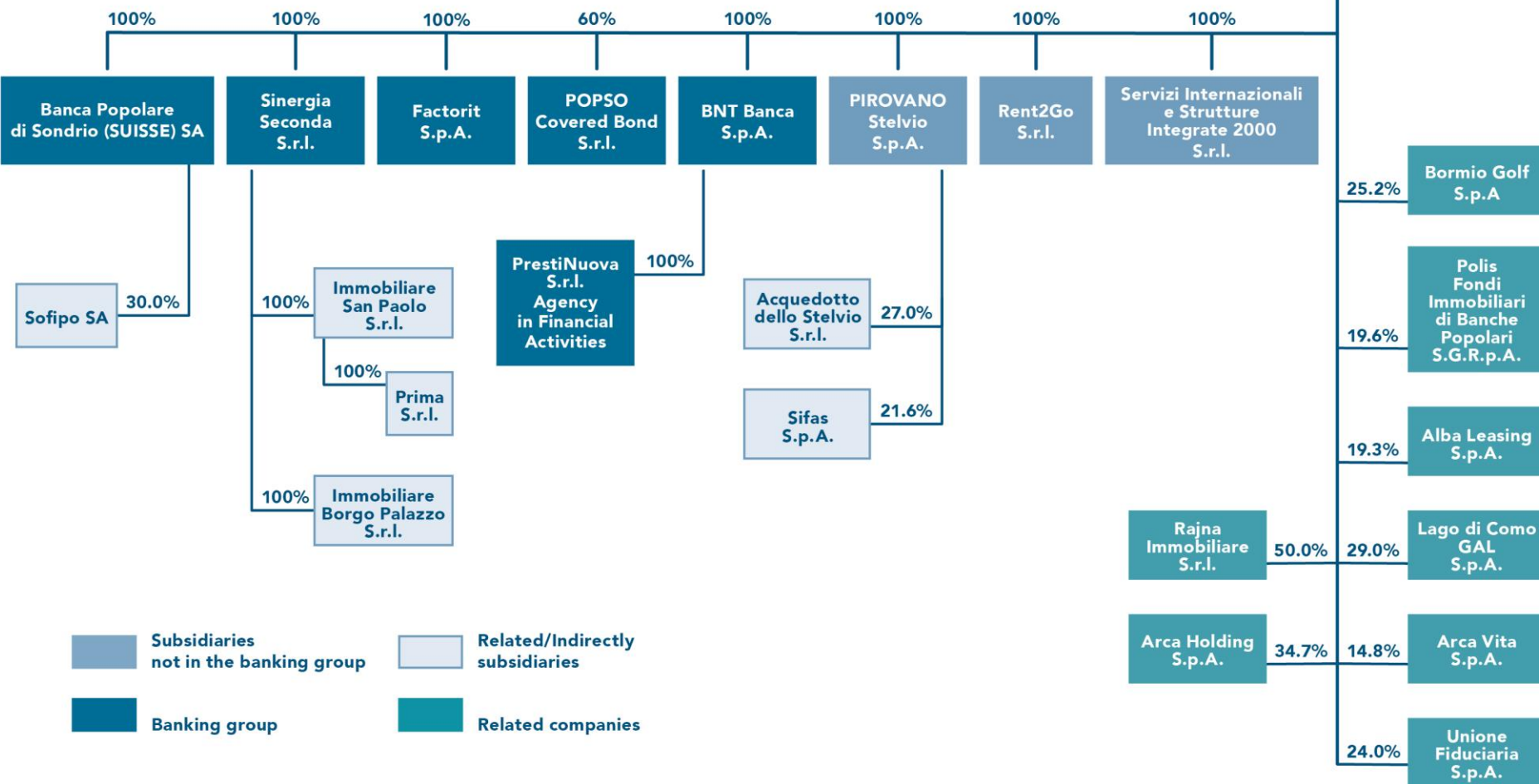
BNT BANCA
Banca della Nuova Terra

Offices in • MILANO • PALERMO • CATANIA • CALTANISSETTA • PRATO
Operating at Banca Popolare di Sondrio's branches and at its partner banks' counters.

GROUP STRUCTURE



Banca Popolare di Sondrio S.p.A.



NOTE: Company's data as of 30/09/2023

FINANCIAL STATEMENT: BALANCE SHEET ASSETS



THOUSANDS OF EUROS

ASSETS		30/09/2023	31/12/2022
10.	CASH AND CASH EQUIVALENTS	3,653,546	6,990,689
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	749,477	1,254,070
	a) financial assets held for trading	210,451	179,665
	c) financial assets mandatorily at fair value through profit or loss	539,026	1,074,405
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	3,087,080	2,555,705
40.	FINANCIAL ASSETS AT AMORTISED COST	43,665,341	43,870,637
	a) loans and receivables with banks	2,080,045	1,865,249
	b) loans and receivables with customers	41,585,296	42,005,388
50.	HEDGING DERIVATIVES	1,395	248
60.	FAIR VALUE CHANGE IN HEDGED FINANCIAL ASSETS (+/-)	(1,371)	(198)
70.	EQUITY INVESTMENTS	363,559	322,632
90.	PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	679,075	650,908
100.	INTANGIBLE ASSETS	37,283	36,669
	of which:		
	- goodwill	16,997	16,997
110.	TAX ASSETS	286,357	342,647
	a) current	1,750	17,654
	b) deferred	284,607	324,993
130.	OTHER ASSETS	2,266,362	1,830,354
TOTAL ASSETS		54,788,104	57,854,361

FINANCIAL STATEMENT: BALANCE SHEET LIABILITY & EQUITY



THOUSANDS OF EUROS

LIABILITY AND EQUITY		30/09/2023	31/12/2022
10.	FINANCIAL LIABILITIES AT AMORTISED COST	49,625,771	53,152,710
	a) due to banks	9,979,085	11,381,703
	b) due to customers	35,660,842	38,122,246
	c) securities issued	3,985,844	3,648,761
20.	FINANCIAL LIABILITIES HELD FOR TRADING	28,979	115,871
40.	HEDGING DERIVATIVES	33	227
60.	TAX LIABILITIES	102,858	32,359
	a) current	78,010	3,160
	b) deferred	24,848	29,199
80.	OTHER LIABILITIES	1,011,852	834,629
90.	PROVISION FOR POST-EMPLOYMENT BENEFITS	33,613	35,597
100.	PROVISIONS FOR RISKS AND CHARGES:	330,304	295,528
	a) loans commitments and	77,137	63,204
	b) pensions and similar	167,368	167,827
	c) other provisions	85,799	64,497
120.	VALUATION RESERVES	(37,088)	(68,086)
150.	RESERVES	1,929,454	1,790,468
160.	SHARE PREMIUM	78,949	78,978
170.	SHARE CAPITAL	1,360,157	1,360,157
180.	TREASURY SHARES (-)	(25,381)	(25,402)
190.	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	14	4
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)	348,589	251,321
TOTAL LIABILITIES AND EQUITY		54,788,104	57,854,361

FINANCIAL STATEMENT: INCOME STATEMENT



THOUSANDS OF EUROS

ITEMS	30/09/2023	30/09/2022
10. INTEREST AND SIMILAR INCOME	1,286,976	565,944
of which: interest calculated using the effective interest method	1,274,539	559,099
20. INTEREST AND SIMILAR EXPENSE	(618,534)	(88,692)
30. NET INTEREST INCOME	668,442	477,252
40. FEE AND COMMISSION INCOME	306,103	290,769
50. FEE AND COMMISSION EXPENSE	(16,009)	(14,410)
60. NET FEE AND COMMISSION INCOME	290,094	276,359
70. DIVIDENDS AND SIMILAR INCOME	4,579	6,099
80. NET TRADING INCOME	76,335	4,517
90. NET HEDGING INCOME	(12)	(4)
100. NET GAINS FROM SALES OR REPURCHASES OF:	4,481	43,716
a) financial assets at amortized cost	4,617	32,261
b) financial assets at fair value through other comprehensive income	(222)	11,452
c) financial liabilities	86	3
110. NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	2,802	(74,151)
b) other financial assets mandatorily measured at fair value	2,802	(74,151)
120. TOTAL INCOME	1,046,721	733,788
130. NET IMPAIRMENT LOSSES FOR CREDIT RISK RELATING TO:	(93,510)	(88,210)
a) financial assets at amortized cost	(93,323)	(88,543)
b) financial assets at fair value through other comprehensive income	(187)	333
140. NET GAINS FROM CONTRACTUAL CHANGES WITHOUT DERECOGNITION	6,185	3,589
150. NET FINANCIAL INCOME	959,396	649,167
180. NET FINANCIAL INCOME AND INSURANCE INCOME	959,396	649,167
190. ADMINISTRATIVE EXPENSES:	(465,569)	(434,790)
a) personnel expenses	(220,611)	(201,031)
b) other administrative expenses	(244,958)	(233,759)
200. NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES	(32,945)	(29,850)
a) commitments for guarantees given	(13,916)	(22,107)
b) other net provisions	(19,029)	(7,743)
210. DEPRECIATION AND NET IMPAIRMENT LOSSES ON PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	(37,196)	(33,068)
220. AMORTISATION AND NET IMPAIRMENT LOSSES ON INTANGIBLE ASSETS	(12,458)	(11,232)
230. OTHER NET OPERATING INCOME	71,570	62,818
240. OPERATING COSTS	(476,598)	(446,122)
250. SHARE OF PROFITS OF INVESTEEs	25,288	16,053
260. NET FAIR VALUE LOSSES ON PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS MEASURED	(1,490)	(1,614)
280. NET GAINS ON SALES OF INVESTMENTS	387	130
290. PRE-TAX PROFIT FROM CONTINUING OPERATIONS	506,983	217,614
300. TAXES ON INCOME FOR THE YEAR FOR CONTINUING OPERATIONS	(158,394)	(66,328)
310. POST-TAX PROFIT FROM CONTINUING OPERATIONS	348,589	151,286
330. NET PROFIT (LOSS) FOR THE PERIOD	348,589	151,286
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	348,589	151,286
EARNINGS (LOSS) PER SHARE	0.769	0.334
DILUTED EARNINGS (LOSSES) PER SHARE	0.769	0.334

FINANCIAL STATEMENT: RECLASSIFIED P&L



(in thousands of euro)	30/09/2023	30/09/2022	(+/-)	% change
Net interest income	668,442	477,252	191,190	40.06
Dividends and similar income	4,579	6,099	-1,520	-24.92
Net fee and commission income	290,094	276,359	13,735	4.97
Net gains on financial assets [a]	79,670	45,382	34,288	75.55
Result of other financial assets at FVTPL [b]	2,802	-74,151	76,953	n.s.
of which Loans	387	-15,168	15,555	n.s.
of which Other	2,415	-58,983	61,398	n.s.
Total income	1,045,587	730,941	314,646	43.05
Net impairment losses [c]	-100,107	-103,881	3,774	-3.63
Net financial income	945,480	627,060	318,420	50.78
Personnel expenses [d]	-215,989	-200,050	-15,939	7.97
Other administrative expenses [e]	-204,101	-190,715	-13,386	7.02
Other net operating income [d]	66,948	61,837	5,111	8.27
Net accruals to provisions for risks and charges [f]	-19,029	-7,743	-11,286	145.76
Depreciation and amortisation on tangible and intangible assets	-49,654	-44,300	-5,354	12.09
Operating costs	-421,825	-380,971	-40,854	10.72
Operating result	523,655	246,089	277,566	112.79
Charges for the stabilization of the banking System [e]	-40,857	-43,044	2,187	-5.08
Share of profits of investees and net gains on sales of investmen	24,185	14,569	9,616	n.s.
Pre-tax profit from continuing operations	506,983	217,614	289,369	132.97
Income taxes	-158,394	-66,328	-92,066	n.s.
Net profit (loss) for the period	348,589	151,286	197,303	130.42
Net (profit) loss of the period attributable to minority interests	0	0	0	n.s.
Net profit (loss) for the period attributable to the owners of Par	348,589	151,286	197,303	130.42

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 1,134 € 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 4,622 € 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.

FINANCIAL STATEMENT: RECLASSIFIED P&L QUARTERLY EVOLUTION



(in million of euro)	Q3 - 2023	Q2 - 2023	Q1 - 2023	Q4 - 2022	Q3 - 2022
Net interest income	241.1	235.3	192.0	203.8	156.9
Dividends and similar income	2.3	1.6	0.7	0.4	0.4
Net fee and commission income	95.6	98.1	96.5	104.2	91.8
Net gains on financial assets [a]	21.6	28.3	29.8	24.2	3.6
Result of other financial assets at FVTPL [b]	-1.1	-8.8	12.7	6.6	-6.6
of which Loans	-0.7	-1.8	2.9	4.7	2.1
of which Other	-0.4	-7.0	9.8	1.9	-8.6
Total income	359.4	354.5	331.7	339.2	246.2
Net impairment losses [c]	-21.2	-39.1	-39.8	-65.9	-60.1
Net financial income	338.2	315.4	291.9	273.3	186.2
Personnel expenses [d]	-74.1	-72.9	-69.0	-69.1	-69.3
Other administrative expenses [e]	-66.9	-69.2	-68.0	-71.3	-60.1
Other net operating income [d]	22.1	22.9	22.0	20.4	22.9
Net accruals to provisions for risks and charges [f]	-6.5	-7.2	-5.4	-6.5	-1.5
Depreciation and amortisation on tangible and intangible assets	-17.7	-16.5	-15.4	-18.2	-16.8
Operating costs	-143.2	-142.9	-135.7	-144.8	-124.8
Operating result	195.1	172.5	156.1	128.5	61.4
Charges for the stabilization of the banking System [e]	0.0	-5.9	-35.0	-2.9	-3.0
Share of profits of investees and net gains on sales of investment	10.0	1.2	13.0	10.6	5.3
Pre-tax profit from continuing operations	205.1	167.8	134.1	136.3	63.7
Income taxes	-63.6	-55.1	-39.7	-36.2	-17.5
Net profit (loss) for the period	141.5	112.7	94.4	100.0	46.2
Net (profit) loss of the period attributable to minority interests	0.0	0.0	0.0	0.0	0.0
Net profit (loss) for the period attributable to the owners of Par	141.5	112.7	94.4	100.0	46.2

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



30-09-2023

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	(4,27%)	1.440.662	892.066	(1,68%)	548.596	61,92%
of which Bad loans	(1,58%)	531.734	451.545	(0,25%)	80.189	84,92%
of which Unlikely to pay	(2,49%)	838.522	427.977	(1,26%)	410.545	51,04%
of which Past due	(0,21%)	70.406	12.544	(0,18%)	57.862	17,82%
Performing exposures	(95,73%)	32.301.519	173.642	(98,32%)	32.127.877	0,54%
Total loans to customers	(100%)	33.742.181	1.065.708	(100%)	32.676.473	3,16%

31-12-2022

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	(4,29%)	1,460,176	851,580	(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	997,334	(100%)	33,020,179	2.93%



FINANCIAL RATINGS

SUSTAINABILITY RATING

FitchRatings

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**



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Banca Popolare di Sondrio

FOUNDED IN 1871

THE BANKING GROUP IN THE HEART OF THE ALPS



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