



Banca Popolare di Sondrio

BOARD OF DIRECTORS APPROVES RESULTS AS AT 31 MARCH 2024

**NET PROFIT € 145.2 MILLION
BEST QUARTER IN THE BANK'S HISTORY
(+53.8% y/y)**

ROE AT 15.3%

CET1 RATIO AT 15.1%¹ AND TOTAL CAPITAL RATIO AT 17.9%¹

**SOLID CONTRIBUTION FROM CORE BANKING ACTIVITIES
(€ 374 million; +29.6% y/y)**

**FURTHER GROWTH IN NET INTEREST INCOME
(€ 267 million; +39% y/y)**

**POSITIVE TREND IN NET COMMISSIONS CONFIRMED
(€ 107 million; +10.8% y/y)**

**RENEWED SUPPORT TO THE REAL ECONOMY
(€ 1.7 billion of new lending to households and businesses;
stock of net loans to customers +3.1% y/y)**

**EXCELLENT OPERATIONAL EFFICIENCY
(Cost/Income ratio at 36.9%)**

**SOLID LIQUIDITY POSITION
(LCR 171%; NSFR 118%; Free refinanceable assets at € 8.8 billion)**

**RESULT 2024
EXPECTED TO BE SUBSTANTIALLY IN LINE WITH 2023**

"The growth path we have undertaken now finds new confirmation in the excellent results of the first quarter of 2024, with a net profit of more than 145 million euro, up 53.8%. Our strategy of focusing on core banking business, while innovating and diversifying our business model, has enabled us to acquire new customers, gain room for development in new territories, and gradually consolidate our position, making a concrete contribution to the economic growth of the territories served.

*Rewarded in terms of profitability, solidity and resilience, strengthened by the goodness of the choices made, we are confident that this year we will replicate the excellent result achieved last year", said **Mario Alberto Pedranzini, Chief Executive Officer and General Manager of Banca Popolare di Sondrio.***

"At the recent Annual General Meeting, strategic and institutional shareholders and the retail investor community expressed a solid governance structure, which is a prerequisite for facing any reasonable challenge and evolving our unique way of doing bank with the aim of creating value for those 'around' us".

Sondrio, 7 May 2024 - The Board of Directors, which met today, examined and approved the consolidated interim report as at 31 March 2024. It also updated the composition of the Executive Committee, of which they are now members: Stoppani dott. Lino Enrico - Vice chairman, Pedranzini cav. lav. rag. dott. Mario Alberto - Chief Executive Officer, Falck dott. ing. Federico - Senior director and Ms. Credaro Loretta.

Preliminary estimates released by ISTAT regarding the first quarter of 2024 deliver a macroeconomic picture that dismisses the hypothesis of a prolonged recessionary phase, showing growth on the previous quarter of 0.3% and a positive change in the Italian economy for the entire year of 0.5%. Against this backdrop, the Banca Popolare di Sondrio Group continued to seize business development opportunities, recording a net profit of 145.2 million euro, up 53.8% compared to the same period last year.

Below are some **details on the most important economic and financial indicators:**

- the **net result for the period**, a positive € 145.2 million, reflects the strong increase in **core banking business**, whose income amounted to € 373.9 million (+29.6% compared to 31 March 2023; **net interest margin** +39% and **net commissions** +10.8%). The significant contribution from **financial assets** of € 36.5 million also contributed to the overall result. **Operating expenses** amounted to € 150.8 million, up 11.1%, reflecting in particular inflationary dynamics and the renewal of the labour contract; the cost-income ratio showed a further improvement to 36.9% from 40.9%. **Net value adjustments** amounted to € 42.8 million (+7.5%). **Charges for stabilisation of the banking system** amounted to € 20 million, down from € 35

million in the comparative period, due to the discontinuation of the ordinary contribution to the Single Resolution Fund, whose pre-established endowment, as announced by the Single Resolution Board on 15 February 2024, has been reached;

- **capital ratios**¹ remain at particularly high levels, showing a large buffer against regulatory requirements. The fully loaded ratios were 15.1% for the CET1 ratio and 17.9% for the Total Capital ratio;
- the **bank's creditworthiness** now stands at investment grade in the ratings of all rating agencies (S&P Global, Fitch Ratings, Morningstar DBRS, Scope Ratings), recognising the bank's soundness, profitability and resilience;
- the **growing integration of sustainability** in the company's strategy, in line with the commitments undertaken in the 2022-2025 "Next Step" Business Plan, is also reflected in the improvement of important ESG ratings and scoring, such as those assigned by the international organisation CDP and the independent agency Standard Ethics, whose ratings are now A- and EE+ respectively, and thus at the top of the Italian banking system;
- the **gross impaired loans ratio**, as summarised by the gross NPL ratio, decreased to 3.8% from 4.3% in March 2023. The net impaired loans ratio, reflecting high provisions, stood at 1.6%;
- the **coverage ratios of impaired loans**, all of which have risen further since the beginning of the year, are confirmed particularly significant. In detail, the **coverage ratio of total non-performing loans** rose to 60% from 57.3%, that referring only to **positions classified as bad loans** increased to 84.8% from 82.1% and the coverage ratio of **unlikely-to-pay** increased to 54.2% from 51%. The coverage ratio for **performing loans** remained almost stable at 0.75%;
- the **cost of risk** stood at 51 basis points, broadly in line with the figure for the first quarter of last year (49 basis points). The **default rate** as at 31 March 2024 was 1.1%;
- the **Texas ratio**, the ratio of total net impaired loans to tangible equity, decreased further to 13.6% from 14.9% in December 2023;
- **direct customer deposits** amounted to € 41,986 million, (-1% compared to the end of 2023). The component coming from institutional investors has increased since the beginning of the year, mainly due to the placement of new bonds, in line with the funding plan; the remainder of direct funding fell marginally, largely due to reallocation choices made by customers. In line with what had already been observed in the previous year, the shift of part of on-demand funding towards time-bound technical forms was confirmed;
- **indirect deposits**, at € 47,954 million, increased from € 46,319 million at the end of 2023 (+3.5%), as a result of both the favourable performance of financial markets and the aforementioned customer decisions. Assets under administration amounted to € 40,388 million compared to € 39,143 million as at 31 December 2023 (+3.2%). Assets under management amounted to € 7,566 million, up from € 7,176 million at the end of 2023 (+5.4%), with net inflows of around € 200 million² confirming the trend observed last year;

- **insurance deposits** amounted to € 2,113 million compared to € 2,067 million as at 31 December 2023 (+2.3%), with net inflows also positive at over € 42 million²;
- **loans to customers** amounted to € 33,867 million, down (-1.8%) from € 34,480 million at the end of 2023. On the other hand, disbursements for the period amounted to around € 1.7bn, a good increase compared to the comparison period (€ 1.3bn, +33%);
- **liquidity indicators**, both short-term (Liquidity Coverage Ratio) and medium-term (Net Stable Funding Ratio), are well above the minimum regulatory requirements. The Liquidity Coverage Ratio stood at 171% (from 188% at 31/12/2023) even incorporating the repayment of the TLTRO tranche maturing on 27 March (€ 806 million), the Net Stable Funding Ratio stands at 118%;
- the contribution of **subsidiaries and associates** to the Group's net result remained positive and substantially in line with the comparison period.

Income results (million euro)	31/03/2024	31/03/2023	Change
Result from core banking activities	373.9	288.5	+29.6%
of which interest margin	267.0	192.0	+39.0%
of which net commissions	106.9	96.5	+10.8%
Result from financial activities	36.5	30.5	+19.7%
Result of other fin. activities at FVTPL	-1.2	12.7	n.s.
Intermediation margin	409.2	331.7	+23.4%
Net value adjustments (*)	42.8	39.8	+7.5%
Operating costs (*) (**)	150.8	135.7	+11.1%
System charges (**)	20.0	35.0	-42.9%
Profit before tax	209.8	134.1	+56.5%
Net result	145.2	94.4	+53.8%

The result from financial activities is the sum of items 70 - 80 - 90 - 100 in the income statement.

The result of other financial assets measured at FVTPL is included in item 110 of the income statement.

(*) Net value adjustments are the sum of items 130 - 140 - 200 (a) in the income statement.

(**) Charges for stabilising the banking system have been separated from other administrative expenses and shown separately.

Balance sheet results (million euro)	31/03/2024	31/12/2023	Change
Direct customer deposits	41,986	42,393	-1.0%
Indirect customer deposits	47,954	46,319	+3.5%
Assets under administration	40,388	39,143	+3.2%
Assets asset management	7,566	7,176	+5.4%
Insurance deposits from customers	2,113	2,067	+2.3%
Total customer deposits	92,053	90,778	+1.4%

Net loans to customers*	33,867	34,480	-1.8%
Performance Indicators	31/03/2024	31/12/2023	
Cost-income ratio	36.9%	39.6%	
Cost of credit risk	0.51%	0.65%	
Gross NPL ratio	3.8%	3.7%	
CET 1 ratio - fully phased in ¹	15.1%	15.1%	
Total Capital ratio - fully phased-in ¹	17.9%	17.5%	

(*) Includes loans to customers (item 40b), excluding securities not arising from securitisation transactions, and loans at fair value included in item 20c).

The following comments refer to the data presented in the attached “Summary of Reclassified Consolidated Income Statement”.

The Group's Economic Performance

Consolidated **net profit** as at 31 March 2024 amounted to € 145.2 million, compared to € 94.4 million in the reference period. This result stems from a consolidated gross profit of € 209.8 million, from which taxes of € 64.6 million must be deducted, corresponding to a tax rate of 30.8%.

Net interest income amounted to € 267 million, up 39% compared to 31 March 2023, due to higher contributions from money broking with customers and coupon flow referring to the proprietary portfolio, as well as the reduction of negative margins referring to the interbank channel. As regards the commercial spread, there was a further marginal widening.

Net fee and commission income from services amounted to € 106.9 million, showing a significant increase (+10.8%) compared to € 96.5 million in the reference period, reflecting the bank's vitality and vibrancy in the customer services component.

The **result from financial activities** was positive at € 36.5 million, compared to € 30.5 million in the reference period. **Dividends** received amounted to € 1 million, up from € 0.7 million as at 31 March 2023. The **result from trading activities** amounted to € 27.1 million, compared to € 28.6 million in the comparison period. **Gains on disposal or repurchase** amounted to € 8.4 million, compared to € 1 million in March 2023.

The **result from other financial assets at fair value** (item 110) was negative by € 1.2 million, compared to the positive contribution of € 12.7 million in the reference period. In this respect, the contribution of loans to customers was negative (€ 2 million) and compares with the € 2.9 million capital gains realised at the end of March 2023.

Intermediation margin therefore amounted to € 409.2 million from € 331.7 million in the comparison period (+23.4%).

Net value adjustments amounted to € 42.8 million, compared to € 39.8 million in the reference period (+7.5%). The stock of managerial overlays on the performing loan portfolio remained stable at about € 200 million.

For an easier reading of the amount of net value adjustments, the following is noted:

- item 130 of the profit and loss account, which relates to exposures to customers and banks in the form of both loans and securities, amounts to €47.8 million and consists almost entirely of adjustments relating to financial assets measured at amortised cost;
- item 140, which recognises gains/losses from contractual amendments without cancellations, arising from changes in contractual cash flows, was negative by € 0.7 million in the reporting period;
- the aggregate of the above-mentioned items thus amounts to € 48.5 million.

Net releases relating to credit risk for commitments and guarantees amounted to € 5.7 million. This leads to € 42.8 million in net value adjustments.

The ratio of net valuation adjustments (€ 42.8 million) to net loans to customers (€ 33,867 million), the so-called **cost of credit**, was therefore 0.51%, compared to 0.49% in March 2023.

The **net result from financial operations amounted** to € 366.4 million, compared to € 291.9 million in the reference period (+25.5%).

Operating expenses increased (+11.1%) and amounted to € 150.8 million compared to € 135.7 million in the reference period. Other administrative expenses amounted to € 73.8 million, compared to € 68 million in the comparison period (+8.6%), also due to the well-known inflationary dynamics. Staff expenses amounted to € 76.6 million, up from € 69 million in the comparison period (+11.1%), reflecting both the effects of the coming into force of the renewal of the banking sector contract and further growth in the number of employees. Overall administrative expenses thus amounted to € 150.4 million, up from € 136.9 million (+9.9%) in the comparison period.

Net provisions for risks and charges showed provisions of € 1.1 million, compared to € 5.4 million in the comparison period.

Adjustments to tangible and intangible assets amounted to € 16.6 million, up from € 15.4 million in March 2023 (+7.7%).

Other operating expenses and income amounted to € 17.3 million, compared to € 22 million in the comparison period (-21.2%).

In light of the above, the **cost-income ratio**, calculated as the ratio of operating expenses to net banking income, was 36.9% from 39.6% as of 31 December 2023.

The **operating result** therefore amounted to € 215.6 million, compared to € 156.1 million in March 2023 (+38.1%).

Charges for the stabilisation of the banking system amounted to € 20 million compared to € 35 million in the comparison period (-42.9%) due to the discontinuation of the ordinary contribution to the Single Resolution Fund, the predetermined endowment of which was reached, as announced by the Single Resolution Board on 15 February 2024.

Gains/losses on equity investments and other investments showed a positive balance of € 14 million, compared with € 13 million in the comparative period, mainly determined by the positive contribution of Arca Holding S.p.A. and Arca Vita S.p.A..

The **total pre-tax result** therefore amounted to € 209.8 million, compared to € 134.1 million as at 31 March 2023. Finally, after deducting **income tax of € 64.6 million**, we arrive at a **net profit for the period** of € 145.2 million, which compares with € 94.4 million in March 2023.

Balance sheet aggregates

Direct funding from customers amounted to € 41,986 million, (-1% compared to the end of 2023). The component from institutional investors has increased since the beginning of the year, mainly due to the placement of new bonds, in line with the funding plan, while the remainder of direct funding fell marginally, largely due to reallocation choices made by customers. In line with what had already been observed in the previous year, the shift of part of on-demand funding towards term-deposits was confirmed.

Indirect deposits stood at € 47,954 million compared to € 46,319 million at the end of 2023 (+3.5%) as a result of both the favourable performance of financial markets and the aforementioned customer decisions. **Assets under administration** amounted to € 40,388 million compared to € 39,143 million as at 31 December 2023 (+3.2%). **Assets under management** amounted to € 7,566 million compared to € 7,176 million at the end of 2023 (+5.4%). Net inflows were positive by about € 200 million², confirming the trend observed last year. **Insurance deposits** totalled € 2,113 million from € 2,067 million in the comparative period (+2.3%), with net inflows remaining positive at over € 42 million². **Total customer deposits** therefore stood at € 92,053 million from € 90,778 million at the end of 2023 (+1.4%).

Net loans to customers amounted to € 33,867 million, down from € 34,480 million at the end of 2023 (-1.8%), reflecting the slowdown in investments and the decline in loans to households, mortgages in particular.

As regards the staging breakdown, the stage 2 component amounted to € 4,627 million with a net ratio of 13.7% of total loans.

Net impaired loans totalled € 532 million, down from € 562 million as at 31 December 2023 (-5.5%). As a percentage of total net loans, they amounted to 1.6%, in line with the figure at the end of 2023. Coverage levels remained particularly high; that referring to total impaired positions stood at 60% from 57.3% at the end of 2023.

Net bad loans amounted to €51.8 million (-16.8%), accounting for 0.2% of total loans to customers, in line with the end of 2023. The coverage ratio was 84.8% compared to 82.1% as at December 2023.

Net unlikely-to-pay amounted to € 419 million compared to € 438 million as at 31 December 2023 (-4.4%), with a coverage ratio increasing to 54.2% from 51%. As a percentage of total loans, they stood at 1.2%, in line with the December 2023 figure (1.3%).

Net impaired exposures past due and/or in arrears amounted to € 61 million from € 62 million at the end of 2023 (-1.9%), with a coverage ratio of 16.2% compared to 15.6% at the end of 2023 and a ratio of 0.2% to total loans, in line with last year.

The coverage ratio of performing loans remained more or less stable at 0.75%; the provisioning level of stage 2 positions was 4.1%.

Financial assets, represented by proprietary securities and derivatives, amounted to € 14,251 million, an increase of € 313 million (+2.2%) when compared with the volumes recorded at the end of the comparative year. More in detail: **financial assets held for trading** rose from € 150.1 million at the end of 2023 to € 250.7 million in March 2024 (+67%); **other financial assets mandatorily measured at fair value** remained substantially stable at € 221.7 million (+0.8%); **financial assets measured at fair value with an impact on comprehensive income** rose from € 3.213 million at the end of 2023 to € 3,565 million in the period under review (+11%), while the volume of **financial assets measured at amortised cost** fell from € 10,356 million at the end of 2023 to € 10,214 million at 31 March 2024 (-1.4%). The total volume of Italian government bonds stood at € 6,580 million, down (-5.1%) from € 6,936 million at the end of 2023. With reference to the latter aggregate, the volume of floating-rate and inflation-indexed securities stood at around € 4.5 billion, down from around € 5.4 billion at 31 December 2023 (-19%).

The share of the portfolio allocated to **ESG debt securities** increased further to € 1,859 million².

Equity investments amounted to € 393 million, up from € 376 million at the end of 2023 due to the equity valuation of investee companies.

After the repayment of € 806 million of the TLTRO tranche maturing on 27 March 2024, **the Group's exposure to the ECB** is € 3,700 million relating solely to the TLTRO tranche maturing next September.

As at 31 March 2024, the **liquidity indicators**, both short-term (LCR-Liquidity Coverage Ratio) and medium/long-term (NSFR-Net Stable Funding Ratio), were well above the minimum requirement for the current financial year (100%). Specifically, the Liquidity Coverage Ratio stood at 171% from 155% in March 2023, even against the repayment of the TLTRO tranche due in March 2024 (€ 806 million). The Net Stable Funding Ratio stood at 118%.

The Group can always rely on a substantial portfolio of refinanceable assets, which, net of haircuts applied, amounted to € 17,582 million compared to € 17,489 million as at 31 December 2023. Available assets amounted to € 8,755 million, up from € 7,281 million

as at 31 December 2023. The counterbalancing capacity, which includes the available daily liquidity balance, remained essentially stable at € 12 billion.

Consolidated shareholders' equity, including profit for the period, amounted to € 3,933 million as at 31 March 2024, up € 124 million on the figure at the end of 2023 (+3.3%).

Consolidated (fully phased) **regulatory capital**¹ as at 31 March 2024 stood at € 4,139 million, up from the 31 December 2023 figure of € 3,998 million (+3.5%).

The **capital ratios**¹ for regulatory purposes as at 31 March 2024, calculated on the basis of regulatory capital, were equal to:

- CET1 ratio: 15.2% (phased-in), 15.1% (fully loaded);
- Tier1 ratio: 15.2% (phased-in), 15.1% (fully loaded);
- Total Capital ratio: 18% (phased-in), 17.9% (fully loaded).

The **Leverage Ratio** as at 31 March 2024 is 5.64% under the current transitional (phased-in) criteria and 5.60% under the fully loaded criteria.

The **MREL Ratio** stood at 29.3%, remaining unchanged from the figure at the end of 2023.

As at 31 March 2024, the Banking Group's **staff** consisted of 3,610 employees, an increase of 30 resources compared to the situation at the end of 2023.

As regards the **foreseeable evolution of operations**, the current macroeconomic context suggests a moderate recovery in growth and the containment of inflationary pressures, which should allow the European Central Bank to gradually ease monetary policy. In the presence of these factors, it is believed that our Group, thanks to the positive dynamics of the core business and the careful management of operating costs, will be able to substantially replicate the results achieved in 2023.

The consolidated interim report as at 31 March 2024 will be published, on a voluntary basis, on the corporate website "<https://istituzionale.popso.it/en>" and deposited on the authorised eMarket Storage mechanism "<https://www.emarketstorage.it/en>" and at the bank's head office.

DECLARATION

Pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, the manager in charge of preparing the company's financial reports, Mr. Maurizio Bertolotti, declares that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

Signed:

Maurizio Bertoletti, manager in charge of preparing corporate accounting documents.

Attachments:

summary of the main consolidated results;
key consolidated balance sheet indicators;
aggregates and consolidated credit quality indicators;
financial assets by portfolio
consolidated aggregates and capital adequacy indicators;
consolidated balance sheet and income statement;
reclassified consolidated income statement summary;
statement of quarterly development of the reclassified consolidated profit and loss account.

The conference call to illustrate the consolidated results of the Banca Popolare di Sondrio Group as at 31 March 2024 will be held today at 4pm. The numbers to access the conference are as follows:

- from Italy: +39 02 802 09 11
- from the UK: +44 1 212818004
- from the USA (international local number): +1 718 7058796
- from the USA (toll-free): 1 855 2656958

The presentation will take place in Italian, with simultaneous translation into English.
Link to live audio webcast:

<https://87399.choruscall.eu/links/bpds240507.html>

The presentation material will be available for download in the Investor Relations/Financial Presentations section of our website <https://istituzionale.popso.it/en> shortly before the start of the event.

Notes:

- 1) Capital ratios are shown taking into account the portion of the profit for the period that can be allocated to self-financing, the inclusion of which in own funds is subject to approval by the Supervisor.
- 2) Management information.

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The English translation is provided solely for the benefit of the reader, and, in the case of discrepancies, the Italian version shall prevail.



RESULTS IN BRIEF

(in million of euro)			
	31/03/2024	31/12/2023	Change %
Balance sheet			
Loans to customers	33,867	34,480	-1.78
Loans and receivables with customers measured at amortised cost	33,567	34,159	-1.73
Loans and receivables with customers measured at fair value through profit or loss	300	321	-6.55
Loans and receivables with banks	2,205	2,122	3.93
Financial assets that do not constitute loans	14,251	13,939	2.24
Equity investments	393	376	4.30
Total assets	56,742	57,722	-1.70
Direct funding from customers	41,986	42,393	-0.96
Indirect funding from customers	47,954	46,319	3.53
Direct funding from insurance premiums	2,113	2,067	2.25
Customer assets under administration	92,053	90,778	1.40
Other direct and indirect funding	18,341	19,545	-6.16
Equity	3,933	3,809	3.25
Income statement			
Net interest income	267	192	39.04
Total income	409	332	23.36
Profit from continuing operations	210	134	56.46
Profit (loss) for the period	145	94	53.83
Capital ratios			
CET1 Capital ratio (phased-in)	15.19%	15.37%	
Total Capital ratio (phased-in)	17.98%	17.73%	
Free capital	2,310	2,225	
Other information on the banking group			
Number of employees	3,610	3,580	
Number of branches	379	377	



ALTERNATIVE PERFORMANCE INDICATORS

Key ratios	31/03/2024	31/12/2023
Equity/Direct funding from customers	9.37%	8.99%
Equity/Loans and receivables with customers	11.61%	11.05%
Equity/Financial assets	27.60%	27.33%
Equity/Total assets	6.93%	6.60%
Profitability indicators	31/03/2024	31/03/2023
Cost/Income ratio *	36.85%	40.92%
Net interest income/Total income *	65.26%	57.90%
Administrative expenses/Total income *	36.77%	41.28%
Net interest income/Total assets	0.47%	0.33%
Net financial income/Total assets *	0.65%	0.51%
Net profit for the year/Total assets	0.26%	0.16%
Asset quality indicators	31/03/2024	31/12/2023
NPL ratio	3.80%	3.71%
Texas ratio	13.65%	14.91%
Net non-performing loans/Equity	1.32%	1.63%
Net non-performing loans/Loans and receivables with customers	0.15%	0.18%
Loans and receivables with customers/Direct funding from customers	80.66%	81.33%
Cost of credit *	0.51%	0.65%

* Ratios have been calculated using the values as shown in the reclassified summary income statement



LOANS TO CUSTOMERS - NON PERFORMING AND PERFORMING EXPOSURES
31/03/2024

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	(3.8%)	1,328,437	796,874	(1.57%)	531,563	59.99%
of which Bad loans	(0.98%)	340,868	289,084	(0.15%)	51,784	84.81%
of which Unlikely to pay	(2.62%)	914,936	496,034	(1.24%)	418,902	54.22%
of which Past due	(0.21%)	72,633	11,756	(0.18%)	60,877	16.19%
Performing exposures	(96.2%)	33,586,312	251,215	(98.43%)	33,335,097	0.75%
Total loans to customers	(100%)	34,914,749	1,048,089	(100%)	33,866,660	3.00%

LOANS TO CUSTOMERS - NON PERFORMING AND PERFORMING EXPOSURES
31/12/2023

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	(3.71%)	1,316,481	754,173	(1.63%)	562,308	57.29%
of which Bad loans	(0.98%)	348,408	286,186	(0.18%)	62,222	82.14%
of which Unlikely to pay	(2.52%)	894,499	456,493	(1.27%)	438,006	51.03%
of which Past due	(0.21%)	73,574	11,494	(0.18%)	62,080	15.62%
Performing exposures	(96.29%)	34,167,755	249,871	(98.37%)	33,917,884	0.73%
Total loans to customers	(100%)	35,484,236	1,004,044	(100%)	34,480,192	2.83%



FINANCIAL ASSETS BY PORTFOLIO
31/03/2024

(in thousands of euro)	Total	of which italian government securities	of which foreign government securities
Financial assets held for trading	250,749	0	46,850
Other financial assets mandatorily measured at fair value	221,710	0	0
Financial assets valued at fair value through other comprehensive income	3,564,590	1,274,618	1,536,525
Financial assets measured at amortised cost	10,214,265	5,305,616	2,776,694
Total	14,251,314	6,580,234	4,360,069

FINANCIAL ASSETS BY PORTFOLIO
31/12/2023

(in thousands of euro)	Total	of which italian government securities	of which foreign government securities
Financial assets held for trading	150,073	0	0
Other financial assets mandatorily measured at fair value	220,051	0	0
Financial assets valued at fair value through other comprehensive income	3,212,616	1,479,931	1,028,400
Financial assets measured at amortised cost	10,355,943	5,456,226	2,795,577
Total	13,938,683	6,936,157	3,823,977



CAPITAL RATIOS

31/03/2024

(in thousands of euro)	Phased-in	Fully-phased
Total own funds	4,162,217	4,139,361
of which Common Equity Tier 1 capital (CET1)	3,516,085	3,493,229
of which Additional Tier 1 capital (AT1)	0	0
of which Tier 2 capital (T2)	646,132	646,132
RWA	23,151,727	23,150,624
CET 1 ratio	15.19%	15.09%
Tier 1 ratio	15.19%	15.09%
Total capital ratio	17.98%	17.88%
Leverage ratio	5.64%	5.60%

CAPITAL RATIOS

31/12/2023

(in thousands of euro)	Phased-in	Fully-phased
Total own funds	4,053,190	3,998,240
of which Common Equity Tier 1 capital (CET1)	3,512,520	3,457,570
of which Additional Tier 1 capital (AT1)	0	0
of which Tier 2 capital (T2)	540,670	540,670
RWA	22,855,292	22,852,976
CET 1 ratio	15.37%	15.13%
Tier 1 ratio	15.37%	15.13%
Total capital ratio	17.73%	17.50%
Leverage ratio	5.54%	5.46%



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

ASSETS		31/03/2024	31/12/2023
10.	CASH AND CASH EQUIVALENTS	3,151,653	4,546,559
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	772,297	690,970
	a) financial assets held for trading	250,749	150,073
	c) financial assets mandatorily at fair value through profit or loss	521,548	540,897
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	3,564,590	3,212,616
40.	FINANCIAL ASSETS AT AMORTISED COST	44,859,242	45,530,807
	a) loans and receivables with banks	2,205,355	2,122,051
	b) loans and receivables with customers	42,653,887	43,408,756
50.	HEDGING DERIVATIVES	-	1
60.	FAIR VALUE CHANGE IN HEDGED FINANCIAL ASSETS (+/-)	1,274	1,775
70.	EQUITY INVESTMENTS	392,545	376,357
90.	PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	702,673	677,074
100.	INTANGIBLE ASSETS	38,039	37,756
	of which:		
	- goodwill	16,997	16,997
110.	TAX ASSETS	251,961	260,813
	a) current	1,230	1,375
	b) deferred	250,731	259,438
130.	OTHER ASSETS	3,007,578	2,387,037
TOTAL ASSETS		56,741,852	57,721,765



LIABILITY AND EQUITY		31/03/2024	31/12/2023
10.	FINANCIAL LIABILITIES AT AMORTISED COST	50,612,625	52,310,486
	a) due to banks	8,626,812	9,917,675
	b) due to customers	36,660,536	37,916,301
	c) securities issued	5,325,277	4,476,510
20.	FINANCIAL LIABILITIES HELD FOR TRADING	17,281	69,577
40.	HEDGING DERIVATIVES	1,400	1,924
60.	TAX LIABILITIES	120,167	71,354
	a) current	93,863	41,999
	b) deferred	26,304	29,355
80.	OTHER LIABILITIES	1,659,311	1,062,057
90.	PROVISION FOR POST-EMPLOYMENT BENEFITS	33,925	33,459
100.	PROVISIONS FOR RISKS AND CHARGES:	363,876	363,620
	a) loans commitments and	90,512	96,237
	b) pensions and similar	180,036	178,950
	c) other provisions	93,328	88,433
120.	VALUATION RESERVES	(12,854)	(16,222)
150.	RESERVES	2,387,202	1,950,646
160.	SHARE PREMIUM	78,949	78,949
170.	SHARE CAPITAL	1,360,157	1,360,157
180.	TREASURY SHARES (-)	(25,429)	(25,418)
190.	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	14	14
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)	145,228	461,162
TOTAL LIABILITIES AND EQUITY		56,741,852	57,721,765



CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

ITEMS		31/03/2024	31/03/2023
10.	INTEREST AND SIMILAR INCOME	547,032	360,383
	of which: interest calculated using the effective interest method	542,349	356,759
20.	INTEREST AND SIMILAR EXPENSE	(280,017)	(168,336)
30.	NET INTEREST INCOME	267,015	192,047
40.	FEE AND COMMISSION INCOME	112,626	102,232
50.	FEE AND COMMISSION EXPENSE	(5,757)	(5,750)
60.	NET FEE AND COMMISSION INCOME	106,869	96,482
70.	DIVIDENDS AND SIMILAR INCOME	983	663
80.	NET TRADING INCOME	27,054	28,612
90.	NET HEDGING INCOME	25	196
100.	NET GAINS FROM SALES OR REPURCHASES OF:	8,412	909
	a) financial assets at amortized cost	2,882	1,488
	b) financial assets at fair value through other comprehensive income	4,905	(664)
	c) financial liabilities	625	85
110.	NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	(1,189)	12,677
	b) other financial assets mandatorily measured at fair value	(1,189)	12,677
120.	TOTAL INCOME	409,169	331,586
130.	NET IMPAIRMENT LOSSES FOR CREDIT RISK RELATING TO:	(47,848)	(35,474)
	a) financial assets at amortized cost	(47,916)	(35,032)
	b) financial assets at fair value through other comprehensive income	68	(442)
140.	NET GAINS FORM CONTRACTUAL CHANGES WITHOUT DERECOGNITION	(669)	2,585
150.	NET FINANCIAL INCOME	360,652	298,697
180.	NET FINANCIAL INCOME AND INSURANCE INCOME	360,652	298,697
190.	ADMINISTRATIVE EXPENSES:	(173,057)	(174,562)
	a) personnel expenses	(79,244)	(71,584)
	b) other administrative expenses	(93,813)	(102,978)
200.	NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES	4,620	(12,219)
	a) commitments for guarantees given	5,703	(6,836)
	b) other net provisions	(1,083)	(5,383)
210.	DEPRECIATION AND NET IMPAIRMENT LOSSES ON PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	(13,061)	(11,900)
220.	AMORTISATION AND NET IMPAIRMENT LOSSES ON INTANGIBLE ASSETS	(3,529)	(3,511)
230.	OTHER NET OPERATING INCOME	19,939	24,630
240.	OPERATING COSTS	(165,088)	(177,562)
250.	SHARE OF PROFITS OF INVESTEEES	13,994	12,970
280.	NET GAINS ON SALES OF INVESTMENTS	285	16
290.	PRE-TAX PROFIT FROM CONTINUING OPERATIONS	209,843	134,121
300.	TAXES ON INCOME FOR THE YEAR FOR CONTINUING OPERATIONS	(64,615)	(39,714)
310.	POST-TAX PROFIT FROM CONTINUING OPERATIONS	145,228	94,407
330.	NET PROFIT (LOSS) FOR THE PERIOD	145,228	94,407
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	145,228	94,407
	EARNINGS (LOSS) PER SHARE	0.320	0.208
	DILUTED EARNINGS (LOSSES) PER SHARE	0.320	0.208



RECLASSIFIED CONSOLIDATED SUMMARY INCOME STATEMENT

(in thousands of euro)	31/03/2024	31/03/2023	(+/-)	% Change
Net interest income	267,015	192,047	74,968	39.04
Dividends and similar income	983	663	320	48.27
Net fee and commission income	106,869	96,482	10,387	10.77
Net gains on financial assets [a]	35,491	29,811	5,680	19.05
Result of other financial assets at FVTPL [b]	-1,189	12,677	-13,866	n.s.
of which Loans	-2,011	2,918	-4,929	n.s.
of which Other	822	9,759	-8,937	n.s.
Total income	409,169	331,680	77,489	23.36
Net impairment losses [c]	-42,814	-39,819	-2,995	7.52
Net financial income	366,355	291,861	74,494	25.52
Personnel expenses [d]	-76,633	-68,954	-7,679	11.14
Other administrative expenses [e]	-73,812	-67,973	-5,839	8.59
Other net operating income [d]	17,328	22,000	-4,672	-21.24
Net accruals to provisions for risks and charges [f]	-1,083	-5,383	4,300	-79.88
Depreciation and amortisation on tangible and intangible assets	-16,590	-15,411	-1,179	7.65
Operating costs	-150,790	-135,721	-15,069	11.10
Operating result	215,565	156,140	59,425	38.06
Charges for the stabilization of the banking System [e]	-20,001	-35,005	15,004	-42.86
Share of profits of investees and net gains on sales of investments	14,279	12,986	1,293	9.96
Pre-tax profit from continuing operations	209,843	134,121	75,722	56.46
Income taxes	-64,615	-39,714	-24,901	n.s.
Net profit (loss) for the period	145,228	94,407	50,821	53.83
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 Parent	145,228	94,407	50,821	53.83

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] Reclassified personnel expenses and other operating income by netting them off against the proceeds of the retirement employees fund for 2.611 € 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.



RECLASSIFIED CONSOLIDATED QUARTERLY INCOME STATEMENTS

(in million of euro)	Q1 - 2024	Q4 - 2023	Q3 - 2023	Q2 - 2023	Q1 - 2023
Net interest income	267.0	268.5	241.1	235.3	192.0
Dividends and similar income	1.0	3.1	2.3	1.6	0.7
Net fee and commission income	106.9	112.5	95.6	98.1	96.5
Net gains on financial assets [a]	35.5	35.6	21.6	28.3	29.8
Result of other financial assets at FVTPL [b]	-1.2	2.4	-1.1	-8.8	12.7
of which Loans	-2.0	-1.1	-0.7	-1.8	2.9
of which Other	0.8	3.5	-0.4	-7.0	9.8
Total income	409.2	422.1	359.4	354.5	331.7
Net impairment losses [c]	-42.8	-124.4	-21.2	-39.1	-39.8
Net financial income	366.4	297.7	338.2	315.4	291.9
Personnel expenses [d]	-76.7	-77.1	-74.1	-72.9	-69.0
Other administrative expenses [e]	-73.7	-78.9	-66.9	-69.2	-68.0
Other net operating income [d]	17.3	27.4	22.1	22.9	22.0
Net accruals to provisions for risks and charges [f]	-1.1	-7.5	-6.5	-7.2	-5.4
Depreciation and amortisation on tangible and intangible assets	-16.6	-22.8	-17.7	-16.5	-15.4
Operating costs	-150.8	-158.9	-143.2	-142.9	-135.7
Operating result	215.6	138.8	195.1	172.5	156.1
Charges for the stabilization of the banking System [e]	-20.0	2.0	0.0	-5.9	-35.0
Share of profits of investees and net gains on sales of investments	14.2	12.5	10.0	1.2	13.0
Pre-tax profit from continuing operations	209.8	153.3	205.1	167.8	134.1
Income taxes	-64.6	-40.7	-63.6	-55.1	-39.7
Net profit (loss) for the period	145.2	112.6	141.5	112.7	94.4
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 Parent	145.2	112.6	141.5	112.7	94.4

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.