Banca Popolare di Sondrio

BOARD OF DIRECTORS APPROVES RESULTS AS AT 31 MARCH 2025

NET PROFIT € 173.3 MILLION
BEST QUARTER IN THE BANK'S HISTORY (+19.3% y/y)
(net of taxes of € 78.9 million)

ROE AT 16.7%

INCREASING CORE BANKING BUSINESS
(€ 387.5 million; +3.6% y/y)

SOLID CONTRIBUTION OF NET INTEREST INCOME
(€ 272.1 million; + 1.9% y/y)

NET COMMISSIONS SIGNIFICANTLY UP, MAINLY IN THE ASSET MANAGEMENT AND BANCASSURANCE SEGMENTS
(€ 115.4 million; + 8.0% y/y)

STRONG SUPPORT FOR THE REAL ECONOMY CONFIRMED
(€ 2.1 billion new disbursements to households and businesses; + 22.5% y/y)

NET NON PERFORMING LOANS FURTHER DECLINING
(€ 374 million; -6.1% since the beginning of the year)

NET NPL RATIO AT 1.0% (vs. 1.1% as at 31/12/2024)

EXCELLENT OPERATIONAL EFFICIENCY
(Cost/Income ratio at 37.7%)

CET1 RATIO AT 14.3%[1] AND TOTAL CAPITAL RATIO AT 16.8%[1]

LIQUIDITY INDICATORS AT HIGH LEVELS
(LCR 163%; NSFR 127%; Free refinanceable assets at € 10.7 billion)

PIERLUIGI MOLLA APPOINTED CHAIRMAN UNTIL THE EXPIRY OF HIS MANDATE

"The first quarter of 2025 closes with excellent results: net profit stands at over € 170 million, up 19.3%. This once again rewards our strategy focused on core banking activities, best interpreting the needs of our customers in a complex and constantly evolving context, and supporting the necessary adjustments to the operating model through investments in innovation and people", said ***Mario Alberto Pedranzini, Chief Executive Officer and General Manager of Banca Popolare di Sondrio***. *"The reported results constitute the best way forward in the implementation of the new Business Plan 2025-2027: the representation to the market of clear and consistent guidelines with the corporate philosophy is integrated with the ability of the structure to implement it with its own specificities. By combining solid fundamentals with forward-looking vision, we demonstrate that ambition in accepting challenges is matched by knowing how to do things, always "our way". We are confident of customer appreciation and aware that there is room to penetrate to meet niche needs. The goal is to expand market share, diversify revenue sources, strengthen our business model and make it even more profitable and resilient. In the development directions outlined, "our way forward", we trust that all stakeholders will recognise the values of seriousness, resourcefulness, reliability and proximity to customers that have always distinguished our unique and distinctive way of banking".*

Sondrio, 6 May 2025 - The Board of Directors of Banca Popolare di Sondrio, which met today, examined and approved the consolidated interim report as at 31 March 2025, which closed with a net profit of 173.3 million euro. The Board also appointed, until the expiry of his mandate in 2026, Dr Pierluigi Molla (non-executive, non-independent director), as Chairman. It also updated the composition of the Executive Committee, which now includes:
Lino Enrico Stoppani - Deputy Chairman;
Mario Alberto Pedranzini - Managing Director;
Loretta Credaro - Director.

According to preliminary estimates released by ISTAT, the first quarter of 2025 saw an acceleration in growth for the Italian economy from 0.2% to 0.3%. Assuming the provisional data is confirmed, the acquired increase in gross domestic product for the entire year will be 0.4%. Against this macroeconomic backdrop, the Banca Popolare di Sondrio Group continued to make the most of its strong commercial positioning in the areas where it operates, recording a net profit of € 173.3 million, up 19.3% 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**, net of taxes amounting to € 78.9 million, is positive at € 173.3 million and reflects the increase in **core banking business**, whose income amounted to € 387.5 million (+3.6% compared to 31 March 2024; **net interest**

margin +1.9% and **net commissions** +8.0%). This figure also incorporates the positive results from **financial assets** amounting to € 33.3 million and benefits from the reduction in **net value adjustments**, which amounted to € 22.5 million (-47.4%), while it was affected by an increase in **operating expenses** to € 158.0 million (+4.8%). The cost-income ratio stood at 37.7%, down from 39.0% at the end of 2024. Due to the achievement of the Interbank Deposit Protection Fund's target level last July, the contribution requested to the banks, which had weighed € 20 million in the comparison period, was removed;

- **capital ratios**[1] declined in the quarter due to the adoption of the new Basel IV regulations, which are currently phased-in, and to the positive trend in lending to the corporate sector; they remained at high levels, with a wide margin compared to regulatory requirements. In detail, CET1 stood at 14.3% and Total Capital at 16.8%. These levels do not incorporate the contribution to capital of the valuation of the real estate portfolio at fair value, which will be factored in during the year, in line with the Business Plan forecasts, with a positive impact quantified at around 40 basis points;
- the **creditworthiness** is confirmed at investment grade level by the recent update of the ratings issued by the rating agencies S&P Global Ratings, Fitch Ratings and Scope Ratings, which recognise the bank's capital strength, profitability and asset quality. S&P Global Ratings and Scope Ratings also upgraded the outlook from “stable” to “positive”;
- with its **Sustainability Plan 2025-2027**, the bank reinforces its commitment to a responsible and inclusive future, setting measurable goals ranging from credit to energy transition, to valuing people, through integration of ESG criteria into business processes. The path undertaken recently received positive recognition in the MSCI ESG Ratings with the award of an “A” rating;
- the **gross impaired loans ratio**, summarised by the gross NPL ratio, decreased to 2.9% from 3.8% as at 31 March 2024. By contrast, the net impaired exposures ratio, which incorporates the high level of provisions, stood at 1.0%, down sharply from 1.6% in Q1 2024;
- the **coverage ratios of impaired loans** are confirmed at high levels. More specifically, compared to the end of 2024, the coverage **ratio of total non-performing loans** stands at 64.5% from 62.3%, the coverage **ratio of unlikely-to-pay** increases to 59.5% from 58.5% and the coverage ratio referring only to **positions classified as bad loans** remains substantially stable at 85.1%.
  The coverage ratio of **performing loans** remains stable at 0.83%
- the **cost of risk** was 25 basis points, more than halved compared to 53 basis points in 2024. **The default rate** stood at 1.0%, slight decrease from 31 December 2024;
- the **Texas ratio**, the ratio of total net impaired loans to tangible equity, decreased to 8.7% from 9.7% in December 2024;
- **direct customer deposits** amounted to € 43,823 million (-1.5% compared to the end of 2024). The "core"[2] direct customer funding remained at a high level, contracting marginally due mainly to the reallocation of a portion of deposits to asset under management and insurance products;

- **indirect deposits**, amounting to € 52,440 million, up slightly from € 52,149 million at the end of 2024 (+0.6%). Assets under administration amounted to € 43,852 million compared to € 43,837 million as at 31 December 2024. Assets under management amounted to € 8,588 million compared to € 8,312 million at the end of 2024 (+3.3%), showing net inflows of around € 300 million[3], further increasing compared to the performance, also positive, observed in the first quarter of 2024 ;
- **insurance deposits** amounted to € 2,248 million compared to € 2,190 million as at 31 December 2024 (+2.7%), with positive net inflows of approximately € 60 million[3], a significant increase compared to the also positive trend observed in the first quarter of 2024;
- **loans to customers** amounted to € 35,880 million, up from the levels at the end of 2024 (€ 35,027 million; +2.4%). Disbursements in the first quarter showed significant growth, amounting to approximately € 2.1 billion, compared to € 1.7 billion in the same period of the previous year (+22.5%);
- **Liquidity indicators**, both short-term (Liquidity Coverage Ratio) and medium-term (Net Stable Funding Ratio), were at levels well above the minimum regulatory requirements. The Liquidity Coverage Ratio stood at 163% and the Net Stable Funding Ratio at 127%;
- the results of **subsidiaries and associates** remained positive. Particularly noteworthy are the economic results achieved by Factorit and BPS (Suisse), which totalled € 18.4 million, further increasing compared to the comparison period (+15.2%).

Income results (million euro)	**31/03/2025**	**31/03/2024**	**Change**
Result from core banking activities	387.5	373.9	+3.6%
of which interest margin	272.1	267.0	+1.9%
of which net commissions	115.4	106.9	+8.0%
Result from financial activities	33.3	36.5	-8.7%
Result of other fin. activities at FVTPL	-1.4	-1.2	+21.9%
Intermediation margin	419.4	409.2	+2.5%
Net value adjustments (*)	22.5	42.8	-47.4%
Operating costs (*) (**)	158.0	150.8	+4.8%
System charges (**)	0	20.0	n.s.
Profit before tax	252.3	209.8	+20.2%
Net result	173.3	145.2	+19.3%

The result from financing activities is the sum of items 70 - 80 - 90 - 100 of the income statement net of gains/losses on disposal of receivables included in Value adjustments (losses of € 0.1 million in Q1 2025).
The result of other financial assets measured at FVTPL is included in item 110 of the income statement.

(*) Net valuation adjustments consist of the sum of items 130 - 140 - 200 a) of the income statement and include gains/losses on disposal of receivables (losses of € 0.1 million in Q1 2025).

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

Balance sheet results (million euro)	31/03/2025	31/12/2024	Change
Direct customer deposits	43,823	44,500	-1.5%
Indirect customer deposits	52,440	52,149	+0.6%
Assets under administration	43,852	43,837	+0.0%
Assets under management	8,588	8,312	+3.3%
Insurance deposits from customers	2,248	2,190	+2.7%
Total customer deposits	98,511	98,839	-0.3%
Net loans to customers*	35,880	35,027	+2.4%

Performance Indicators	31/03/2025	31/12/2024	31/03/2024
Cost-income ratio	37.7%	39.0%	36.9%
Cost of credit risk	0.25%	0.53%	0.51%
Gross NPL ratio	2.9%**	2.9%	3.8%
CET 1 ratio - phased-in[1]	14.3%	15.4%	15.2%
Total Capital ratio - phased-in[1]	16.8%	18.2%	18.0%

(*) Includes loans to customers (item 40b), excluding securities not arising from securitisation transactions, and loans at fair value included in item 20c).
(**) In relation to the Decision issued by ECB on 29 April 2025 as a result of the credit and counterparty risk inspection, described in the Annual Report as at 31 December 2024, profiles of potential reclassification emerged on some positions for the purposes of prudential supervisory reporting (for a gross cash countervalue of € 158 million). Although the bank is continuing its discussions with the ECB on these aspects, including about the events following the start of the inspection and updated methodologies, if it were to make all the reclassifications indicated by the Authority, the ratio of gross Non Performing Loans to total loans would become 3.3% (1.4% net).

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 2025 amounted to € 173.3 million compared to € 145.2 million in the reference period (+19.3%). This result stems from a consolidated gross profit of € 252.3 million, from which taxes of € 78.9 million must be deducted, corresponding to a tax rate of 31.3%.

The **net interest income** stood at € 272.1 million, up 1.9% from 31 March 2024. The commercial margin proved resilient, considering that it was achieved in an environment characterised by a significant contraction in market rates. The contribution from the proprietary portfolio remains high, albeit declining, while the component relating to the stock of tax credits shows growth.

Net fees and commission income from services, amounting to € 115.4 million, showed a significant increase (+8.0%) compared to € 106.9 million in the comparative period, reflecting the bank's strong commercial positioning in customer services. Within the various segments, the growth attributable to commissions from Bancassurance and Assets under Management stands out.

The **result from financial activities** was a positive € 33.3 million, compared to € 36.5 million in the comparison period (-8.7%). **Dividends** received amounted to € 0.4 million, down from € 1.0 million as at 31 March 2024 (-64.2%). The **result from trading activities** amounted to € 23.4 million compared to € 27.1 million in the comparison period (-13.7%). **Gains on disposal or repurchase** amounted to € 9.5 million compared to € 8.4 million in March 2024.

The **result from other financial assets measured at fair value** (item 110) was negative and amounted to € 1.4 million, substantially in line with the result recorded in comparison period (€ 1.2 million capital loss). In this respect, the component relating to loans and advances to customers was negative at € 1.3 million and compares with the € 2 million capital loss in March 2024

Intermediation margin therefore amounted to € 419.4 million from € 409.2 million in the comparison period (+2.5%).

Net value adjustments stood at € 22.5 million compared to € 42.8 million in the comparison period (-47.4%), benefiting from the positive evolution of the loan portfolio and the progressive derisking implemented over the years, supported by high coverage rates. **Managerial overlays**, in particular related to the future update of AIRB models and so-called novel risks, stood at around € 50 million, almost stable compared to the end of 2024.

For an easier understanding of the amount of net impairment losses, the following should be noted:

- item 130 of the profit and loss account, which refers to exposures to customers and banks in the form of both loans and securities, amounts to € 24.0 million and consists almost entirely of adjustments related to financial assets measured at amortised cost;
- item 140, which relates to gains/losses from contractual changes without cancellations, resulting from changes in contractual cash flows, was negative by € 1.6 million in the reporting period;
- the aggregate of the aforementioned items thus amounts to € 25.6 million.

Considering the € 3.2 million in releases for past net provisions for credit risk for commitments and guarantees and the € 0.1 million loss from the sale of impaired loans, one obtains € 22.5 million in net value adjustments.

The ratio of net valuation adjustments (€ 22.5 million) to net loans to customers (€ 35,880 million), the so-called annualised **cost of credit**, was therefore 0.25% compared to 0.51% at the end of March 2024

The **net result from financial operations** amounted to € 396.9 million, compared to € 366.4 million in the comparative period (+8.3%).

Operating expenses increased (+4.8%) to € 158.0 million from € 150.8 million in the reference period. Staff expenses amounted to € 80.8 million from € 76.6 million in the comparative period (+5.4%), reflecting the effects of the salary increase in force since last September for the banking sector, as well as the growth in the number of employees. Other administrative expenses amounted to € 79.5 million euro compared to € 73.8 million euro in the reference period (+7.7%), incorporating the growth in IT costs, which accounted for over 30% of the total aggregate. Administrative expenses as a whole thus stood at € 160.2 million, up from € 150.4 million (+6.5%) in the comparative period.
Net allocations to provisions for risks and charges amounted to € 4.2 million, compared to € 1.1 million in the comparison period, including a component to cover tax credits.
Adjustments to tangible and intangible assets amounted to € 16.4 million, slightly down from € 16.6 million in Q1 2024 (-1.2%).
Other operating expenses and income amounted to € 22.9 million, compared to € 17.3 million in the comparison period (+32.0%).
In light of the above, the **cost-income ratio**, calculated as the ratio of operating expenses to net interest and other banking income, was 37.7% from 39.0% as of 31 December 2024.

The **operating result** therefore amounted to € 238.9 million compared to € 215.6 million as at 31 March 2024 (+10.8%).

By virtue of the Interbank Deposit Protection Fund's target level being reached in July 2024, the contribution required from banks to **stabilise the banking system** is no longer required; these charges amounted to € 20 million in the comparison period.

Gains/losses on participations and other investments showed a positive balance of € 13.4 million compared to € 14.3 million in the reference period, mainly driven by the contribution of Arca Holding S.p.A. and Arca Vita S.p.A.

The **total pre-tax result** was therefore € 252.3 million, compared to € 209.8 million as at 31 March 2024. Lastly, after deducting **income taxes** of € 78.9 million, we arrive at a **net profit for the period** of € 173.3 million, which compares with € 145.2 million in the first quarter of 2024.

Balance sheet aggregates

Direct funding from customers amounted to € 43,823 million (-1.5% compared to the end of 2024). The "core"[2]component of direct deposits remained at a high level, contracting marginally, mainly due to the reallocation of a portion of deposits to asset management and insurance products.

Indirect deposits amounted to € 52,440 million compared to € 52,149 million at the end of 2024 (+0.6%). **Assets under administration** amounted to € 43,852 million compared to € 43,837 million as at 31 December 2024. **Assets under management** amounted to € 8,588 million compared to € 8,312 million at the end of 2024 (+3.3%), showing net inflows of around € 300 million[3] further growth compared to the trend, also positive, observed in the first quarter of 2024. **Insurance deposits** amounted to € 2,248 million compared to € 2,190 million as at 31 December 2024 (+2.7%), with positive net inflows of approximately € 60 million[3], significant increase compared to the performance, also positive, observed in the first quarter of 2024. **Total funding** from customers thus stood at € 98,511 million from € 98,839 million at the end of 2024 (-0.3%).

Net loans to customers amounted to € 35,880 million, up from € 35,027 million at the end of 2024 (+ 2.4%).
Net loans to customers classified in stage 2 amounted to € 3,615 million, accounting for 10.1% of total net loans to customers.

Net impaired loans stood at € 374 million, down from € 398 million as at 31 December 2024 (-6.1%). As a percentage of total net loans, they stood at 1.0%, which compares with 1.1% at the end of 2024. Coverage levels remained particularly high; that referring to total impaired positions stood at 64.5% from 62.3% at the end of 2024.
In this context, **net bad loans** amounted to € 47 million (+6.4%), accounting for 0.13% of total loans to customers, unchanged compared to the end of 2024. Their coverage ratio was substantially stable compared to at the end of the previous year, standing at 85.1%.
Net unlikely-to-pay amounted to € 269 million, stable compared to the end of 2024, with coverage ratio increasing to 59.5% from 58.5%. As a percentage of total loans, they stood at 0.75%, broadly in line with the figure at the end of 2024
Net impaired exposures past due and/or in arrears amounted to € 58 million from € 85 million at the end of 2024 (-32.3%), with a coverage ratio of 22.2% compared to 18.7% at the end of 2024 and a ratio to total loans of 0.16%, down from last year (0.24%).
The coverage ratio for **performing loans** stood at 0.83%, similar to the level as at 31 December 2024; the level of provisions for positions classified as stage 2 was 5.6%, down from 6.0% as at 31 December 2024.

Financial assets, represented by proprietary securities and derivatives, amounted to € 13,228 million, an increase of € 460 million (+3.6%) compared to end of 2024. More in detail: **financial assets held for trading** rose from € 174 million at the end of 2024 to € 228.8 million (+31.5%); **other financial assets mandatorily measured at fair value** were up and amounted to € 338.3 million (+2.3%); **financial assets measured at fair value**

with an impact on comprehensive income rose from € 2.656 million at the end of 2024 to € 2,826 million (+6.4%), while the volume of **financial assets measured at amortised cost** increased from € 9,607 million at the end of 2024 to € 9,835 million (+2.4%). The total volume of Italian government bonds stood at € 6,012 million, up (+3.8%) from € 5,794 million at the end of 2024. With reference to the latter aggregate, the volume of floating-rate securities stood at approximately € 3,695 million, down from approximately € 3,866 million as at 31 December 2024 (-4.4%).
The share of the portfolio allocated to **ESG debt securities** rose further to € 2,096 million[3], accounting for over 15% of the banking book.

Equity investments amounted to € 416 million, up from € 403 million at the end of 2024 (+ 3.3%), mainly due to the equity valuation of investee companies.

As at 31 March 2025, 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 163% from 171% in March 2024. The Net Stable Funding Ratio stands at 127% from 118%.
The Group continues to have a substantial portfolio of refinancible assets which, net of applied haircuts, amounted to € 15,662 million compared to € 14,883 million as at 31 December 2024. Available assets amounted to € 10,742 million, a further increase from € 10,121 million as at 31 December 2024. The counterbalancing capacity, which includes the available daily liquidity balance, remains stable at € 13 billion.

Consolidated shareholders' equity, including profit for the period, amounted to € 4,323 million at 31 March 2025, up € 166 million on the figure at the end of 2024 (+4.0%).

Consolidated (phased-in) **regulatory capital**[1] as at 31 March 2025 stood at € 4,316 million, broadly in line with the 31 December 2024 figure of € 4,349 million.

Capital ratios[1] for regulatory purposes as at 31 March 2025, calculated on the basis of regulatory capital, were equal to:
- CET1 ratio: 14.3% (phased-in);
- Tier1 ratio: 14.3% (phased-in);
- Total Capital ratio: 16.8% (phased-in).

The **Leverage Ratio** as at 31 March 2025 was, applying the transitional criteria in force (phased-in), 5.9%, which is at the same level as at 31 December 2024.

The **MREL Ratio** remained above the regulatory requirement, standing at 27.6% from 30.3% at the end of 2024.

As at 31 March 2025, the banking group's **staff** consisted of 3,716 employees, an increase of 11 resources compared to the situation at the end of 2024.

With reference to the **foreseeable evolution of operations**, the current macroeconomic context, although conditioned by continuing international tensions and the uncertainty linked to the introduction of protectionist measures, lets us glimpse for Italy the possibility of continuing to record a moderate expansion of economic activity. On the monetary policy front, the expected evolution of inflationary dynamics should allow the European Central Bank to further cut the cost of money, concluding the easing phase that began in June last year. Against the backdrop of these dynamics, it is believed that our Group, thanks to the positive dynamics of its core business, the containment of the growth of operating costs and a cost of risk under control, will be able to achieve for the current financial year the targets incorporated in the new 2025-2027 Business Plan recently presented to the market.

The consolidated interim report as at 31 March 2025 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 responsible for preparing the company's financial reports, Ms. Simona Orietti, declares that the accounting information contained in this press release corresponds to the documented results, books and accounting records.
Signed:
Simona Orietti, 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 balance sheet and income statement;
reclassified consolidated income statement summary;
statement of quarterly development of the reclassified consolidated profit and loss account.

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The conference call to illustrate the consolidated results of the Banca Popolare di Sondrio Group as at 31 March 2025 will be held today at 6pm. 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 be held in Italian, with simultaneous translation into English. Link to live audio webcast:
https://87399.choruscall.eu/links/bpds250506.html
The presentation material will be available for download in the Investor Relations/Financial Presentations section of our website https://istituzionale.popso.it/it shortly before the start of the event.

Notes:

1) Capital ratios are shown taking into account the portion of 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. It should be noted that the Bank has decided to make use of the provisions of EU Implementing Regulation 2024/3117 which, in establishing the technical specifications for the implementation of the new prudential supervisory regulations in force as of 1 January 2025 (known as Basel 4), stipulates that the reporting templates referring to 31 March 2025 may be sent to the Supervisory Authority by 30 June 2025; therefore, such data may be subject to refinement before submission.
2) The 'core' component of direct deposits is shown net of repurchase agreements and deposits from institutional customers.
3) 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)			
Balance sheet	**31/03/2025**	**31/12/2024**	**Change %**
Loans to customers	35,880	35,027	2.44
Loans and receivables with customers measured at amortised cost	35,660	34,792	2.49
Loans and receivables with customers measured at fair value through profit or loss	220	235	-6.30
Loans and receivables with banks	2,011	2,136	-5.86
Financial assets that do not constitute loans	13,228	12,768	3.60
Equity investments	416	403	3.32
Total assets	55,866	56,629	-1.35
Direct funding from customers	43,823	44,500	-1.52
Indirect funding from customers	52,440	52,149	0.56
Direct funding from insurance premiums	2,248	2,190	2.65
Customer assets under administration	98,511	98,839	-0.33
Other direct and indirect funding	14,865	16,345	-9.05
Equity	4,323	4,156	4.00
Income statement	**31/03/2025**	**31/03/2024**	**Change %**
Net interest income	272	267	1.89
Total income	419	409	2.49
Profit from continuing operations	252	210	20.21
Profit (loss) for the period	173	145	19.34
Capital ratios *	**31/03/2025**	**31/12/2024**	
CET1 Capital ratio (phased-in)	14.3%	15.4%	
Total Capital ratio (phased-in)	16.8%	18.2%	
Free capital	2,265	2,435	
Other information on the banking group	**31/03/2025**	**31/12/2024**	
Number of employees	3,716	3,705	
Number of branches	381	381	

* Capital ratios are shown taking into account the portion of 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. It should be noted that the Bank has decided to make use of the provisions of EU Implementing Regulation 2024/3117 which, in establishing the technical specifications for the implementation of the new prudential supervisory regulations in force as of 1 January 2025 (so-called Basel 4), stipulates that the reporting templates referring to 31 March 2025 may be sent to the Supervisory Authority by 30 June 2025; such data, therefore, may be subject to refinement before submission.

ALTERNATIVE PERFORMANCE INDICATORS

Key ratios	31/03/2025	31/12/2024
Equity/Direct funding from customers	9.86%	9.34%
Equity/Loans and receivables with customers	12.05%	11.87%
Equity/Financial assets	32.68%	32.55%
Equity/Total assets	7.74%	7.34%
Profitability indicators	**31/03/2025**	**31/03/2024**
Cost/Income ratio *	37.67%	36.85%
Net interest income/Total income *	64.88%	65.26%
Administrative expenses/Total income *	38.21%	36.77%
Net interest income/Total assets	0.49%	0.47%
Net financial income/Total assets *	0.71%	0.65%
Net profit for the year/Total assets	0.31%	0.26%
Asset quality indicators	**31/03/2025**	**31/12/2024**
NPL ratio	2.86%	2.93%
Texas ratio	8.72%	9.66%
Net non-performing loans/Equity	1.09%	1.06%
Net non-performing loans/Loans and receivables with customers	0.13%	0.13%
Loans and receivables with customers/Direct funding from customers	81.88%	78.71%
Cost of credit *	0.25%	0.53%

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

LOANS TO CUSTOMERS - NON PERFORMING AND PERFORMING EXPOSURES 31/03/2025

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	**(2,86%)**	**1,052,841**	**678,907**	**(1,04%)**	**373,934**	**64.48%**
of which Bad loans	**(0,85%)**	314,183	267,245	**(0,13%)**	46,938	85.06%
of which Unlikely to pay	**(1,8%)**	664,281	395,126	**(0,75%)**	269,155	59.48%
of which Past due	**(0,2%)**	74,377	16,536	**(0,16%)**	57,841	22.23%
Performing exposures	**(97,14%)**	**35,803,964**	**297,427**	**(98,96%)**	**35,506,537**	**0.83%**
Total loans to customers	**(100%)**	**36,856,805**	**976,334**	**(100%)**	**35,880,471**	**2.65%**

LOANS TO CUSTOMERS - NON PERFORMING AND PERFORMING EXPOSURES 31/12/2024

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	**(2,93%)**	**1,055,377**	**657,281**	**(1,14%)**	**398,096**	**62.28%**
of which Bad loans	**(0,84%)**	303,557	259,448	**(0,13%)**	44,109	85.47%
of which Unlikely to pay	**(1,8%)**	646,868	378,259	**(0,77%)**	268,609	58.48%
of which Past due	**(0,29%)**	104,952	19,574	**(0,24%)**	85,378	18.65%
Performing exposures	**(97,07%)**	**34,926,842**	**297,515**	**(98,86%)**	**34,629,327**	**0.85%**
Total loans to customers	**(100%)**	**35,982,219**	**954,796**	**(100%)**	**35,027,423**	**2.65%**

FINANCIAL ASSETS BY PORTFOLIO
31/03/2025

(in thousands of euro)	Total	of which italian government securities	of which foreign government securities
Financial assets held for trading	228,829	0	93,225
Other financial assets mandatorily measured at fair value	338,342	0	0
Financial assets valued at fair value through other comprehensive income	2,825,626	147,805	1,975,861
Financial assets measured at amortised cost	9,835,367	5,864,119	1,787,747
Total	**13,228,164**	**6,011,924**	**3,856,833**

FINANCIAL ASSETS BY PORTFOLIO
31/12/2024

(in thousands of euro)	Total	of which italian government securities	of which foreign government securities
Financial assets held for trading	174,038	0	0
Other financial assets mandatorily measured at fair value	330,771	0	0
Financial assets valued at fair value through other comprehensive income	2,656,254	197,550	1,705,880
Financial assets measured at amortised cost	9,607,226	5,596,936	1,939,769
Total	**12,768,289**	**5,794,486**	**3,645,649**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

ASSETS			31/03/2025		31/12/2024
10.	CASH AND CASH EQUIVALENTS		**1,952,225**		**3,738,224**
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**787,441**		**739,876**
	a) financial assets held for trading	228,829		174,038	
	c) financial assets mandatorily at fair value through profit or loss	558,612		565,838	
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		**2,825,626**		**2,656,254**
40.	FINANCIAL ASSETS AT AMORTISED COST		**46,380,447**		**45,459,416**
	a) loans and receivables with banks	2,010,826		2,135,962	
	b) loans and receivables with customers	44,369,621		43,323,454	
50.	HEDGING DERIVATIVES		**-**		**-**
60.	CHANGE IN VALUE OF MACRO-HEDGED FINANCIAL ASSETS (+/-)		**1,458**		**2,139**
70.	EQUITY INVESTMENTS		**416,148**		**402,758**
90.	PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY		**658,592**		**663,577**
100.	INTANGIBLE ASSETS		**35,767**		**35,836**
	of which:				
	- goodwill	12,632		12,632	
110.	TAX ASSETS		**187,569**		**190,030**
	a) current	1,352		1,776	
	b) deferred	186,217		188,254	
120.	NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS		**95,996**		**108,593**
130.	OTHER ASSETS		**2,524,884**		**2,631,879**
	TOTAL ASSETS		**55,866,153**		**56,628,582**

LIABILITY AND EQUITY			31/03/2025		31/12/2024
10.	FINANCIAL LIABILITIES AT AMORTISED COST		**49,343,396**		**50,729,041**
	a) due to banks	5,520,331		6,228,550	
	b) due to customers	38,571,252		39,346,409	
	c) securities issued	5,251,813		5,154,082	
20.	FINANCIAL LIABILITIES HELD FOR TRADING		**30,195**		**16,561**
40.	HEDGING DERIVATIVES		**1,683**		**2,426**
60.	TAX LIABILITIES		**143,895**		**72,423**
	a) current	114,338		41,501	
	b) deferred	29,557		30,922	
70.	LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS		**127**		**3**
80.	OTHER LIABILITIES		**1,606,484**		**1,228,645**
90.	PROVISION FOR POST-EMPLOYMENT BENEFITS		**32,188**		**32,577**
100.	PROVISIONS FOR RISKS AND CHARGES:		**385,596**		**390,567**
	a) loans commitments and	85,622		88,827	
	b) pensions and similar	189,016		189,432	
	c) other provisions	110,958		112,308	
120.	VALUATION RESERVES		**5,854**		**6,559**
150.	RESERVES		**2,729,247**		**2,160,953**
160.	SHARE PREMIUM		**79,037**		**78,934**
170.	SHARE CAPITAL		**1,360,157**		**1,360,157**
180.	TREASURY SHARES (-)		**(25,030)**		**(25,220)**
190.	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		**14**		**14**
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)		**173,310**		**574,942**
	TOTAL LIABILITIES AND EQUITY		**55,866,153**		**56,628,582**

CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

ITEMS			31/03/2025		31/03/2024
10.	INTEREST AND SIMILAR INCOME		462,058		547,032
	of which: interest calculated using the effective interest method	443,913		542,349	
20.	INTEREST AND SIMILAR EXPENSE		(189,992)		(280,017)
30.	**NET INTEREST INCOME**		**272,066**		**267,015**
40.	FEE AND COMMISSION INCOME		121,429		112,626
50.	FEE AND COMMISSION EXPENSE		(5,991)		(5,757)
60.	**NET FEE AND COMMISSION INCOME**		**115,438**		**106,869**
70.	DIVIDENDS AND SIMILAR INCOME		352		983
80.	NET TRADING INCOME		23,356		27,054
90.	NET HEDGING INCOME		54		25
100.	NET GAINS FROM SALES OR REPURCHASES OF:		9,449		8,412
	a) financial assets at amortized cost	5,771		2,882	
	b) financial assets at fair value through other comprehensive income	3,678		4,905	
	c) financial liabilities	-		625	
110.	NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		(1,449)		(1,189)
	b) other financial assets mandatorily measured at fair value		(1,449)		(1,189)
120.	**TOTAL INCOME**		**419,266**		**409,169**
130.	NET IMPAIRMENT LOSSES FOR CREDIT RISK RELATING TO:		(23,953)		(47,848)
	a) financial assets at amortized cost	(23,983)		(47,916)	
	b) financial assets at fair value through other comprehensive income	30		68	
140.	NET GAINS FORM CONTRACTUAL CHANGES WITHOUT DERECOGNITION		(1,632)		(669)
150.	**NET FINANCIAL INCOME**		**393,681**		**360,652**
180.	**NET FINANCIAL INCOME AND INSURANCE INCOME**		**393,681**		**360,652**
190.	ADMINISTRATIVE EXPENSES:		(161,911)		(173,057)
	a) personnel expenses		(82,443)		(79,244)
	b) other administrative expenses		(79,468)		(93,813)
200.	NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES		(1,014)		4,620
	a) commitments for guarantees given		3,170		5,703
	b) other net provisions		(4,184)		(1,083)
210.	DEPRECIATION AND NET IMPAIRMENT LOSSES ON PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY		(12,471)		(13,061)
220.	AMORTISATION AND NET IMPAIRMENT LOSSES ON INTANGIBLE ASSETS		(3,923)		(3,529)
230.	OTHER NET OPERATING INCOME		24,534		19,939
240.	**OPERATING COSTS**		**(154,785)**		**(165,088)**
250.	SHARE OF PROFITS OF INVESTEES		13,271		13,994
260.	NET FAIR VALUE LOSSES ON PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS MEASURED		-		-
270.	GOODWILL IMPAIRMENT LOSSES		-		-
280.	NET GAINS ON SALES OF INVESTMENTS		90		285
290.	**PRE-TAX PROFIT FROM CONTINUING OPERATIONS**		**252,257**		**209,843**
300.	TAXES ON INCOME FOR THE YEAR FOR CONTINUING OPERATIONS		(78,947)		(64,615)
310.	**POST-TAX PROFIT FROM CONTINUING OPERATIONS**		**173,310**		**145,228**
330.	**NET PROFIT (LOSS) FOR THE PERIOD**		**173,310**		**145,228**
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**		**173,310**		**145,228**
	EARNINGS (LOSS) PER SHARE		0.390		0.323
	DILUTED EARNINGS (LOSSES) PER SHARE		0.390		0.323

RECLASSIFIED CONSOLIDATED SUMMARY INCOME STATEMENT

(in thousands of euro)	31/03/2025	31/03/2024	+/-	Change %
Net interest income	272,066	267,015	5,051	1.89
Dividends and similar income	352	983	-631	-64.19
Net fee and commission income	115,438	106,869	8,569	8.02
Net gains on financial assets [a]	32,945	35,491	-2,546	-7.17
Result of other financial assets at FVTPL [b]	-1,449	-1,189	-260	21.87
of which Loans	-1,268	-2,011	743	-36.95
of which Other	-181	822	-1,003	-122.02
Total income	**419,352**	**409,169**	**10,183**	**2.49**
Net impairment losses [c]	-22,501	-42,814	20,313	-47.44
Net financial income	**396,851**	**366,355**	**30,496**	**8.32**
Personnel expenses [d]	-80,779	-76,633	-4,146	5.41
Other administrative expenses [e]	-79,468	-73,812	-5,656	7.66
Other net operating income [d]	22,870	17,328	5,542	31.98
Net accruals to provisions for risks and charges [f]	-4,184	-1,083	-3,101	286.33
Depreciation and amortisation on tangible and intangible assets	-16,394	-16,590	196	-1.18
Operating costs	**-157,955**	**-150,790**	**-7,165**	**4.75**
Operating result	**238,896**	**215,565**	**23,331**	**10.82**
Charges for the stabilization of the banking System [e]	0	-20,001	20,001	-100.00
Share of profits of investees and net gains on sales of investments	13,361	14,279	-918	-6.43
Pre-tax profit from continuing operations	**252,257**	**209,843**	**42,414**	**20.21**
Income taxes	-78,947	-64,615	-14,332	22.18
Net profit (loss) for the period	**173,310**	**145,228**	**28,082**	**19.34**
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	**173,310**	**145,228**	**28,082**	**19.34**

Notes:

[a] The result of financial activities is made up of the sum of items 80-90-100 in the income statement net of losses on disposals of 0.086 million euro.
[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 inclusive of losses on disposals of 0.086 million euro.

[d] Reclassified personnel expenses and other operating income by netting them off against the proceeds of the retirement employees fund for 1.664 million euro;

[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.

[G] Gains (losses) on participations and other investments is the sum of items 250 - 260 - 270 - 280 in the income statement.

RECLASSIFIED CONSOLIDATED QUARTERLY INCOME STATEMENTS

(in million of euro)	Q1 - 2025	Q4 - 2024	Q3 - 2024	Q2 - 2024	Q1 - 2024
Net interest income	272.1	276.5	275.5	271.0	267.0
Dividends and similar income	0.4	0.2	3.1	2.2	1.0
Net fee and commission income	115.4	116.7	105.1	105.8	106.9
Net gains on financial assets [a]	32.9	31.7	33.8	30.8	35.5
Result of other financial assets at FVTPL [b]	-1.4	0.0	-0.4	-6.2	-1.2
of which Loans	-1.2	-0.2	-2.5	-4.8	-2.0
of which Other	-0.2	0.2	2.1	-1.4	0.8
Total income	**419.4**	**425.1**	**417.1**	**403.7**	**409.2**
Net impairment losses [c]	-22.5	-42.1	-39.4	-60.5	-42.8
Net financial income	**396.9**	**383.0**	**377.7**	**343.2**	**366.4**
Personnel expenses [d]	-80.8	-84.7	-78.1	-74.9	-76.7
Other administrative expenses [e]	-79.5	-95.4	-72.9	-75.5	-73.7
Other net operating income [d]	22.9	27.5	25.0	22.5	17.3
Net accruals to provisions for risks and charges [f]	-4.2	-2.0	-5.4	-21.4	-1.1
Depreciation and amortisation on tangible and intangible assets	-16.4	-24.0	-18.0	-17.8	-16.6
Operating costs	**-158.0**	**-178.6**	**-149.4**	**-167.1**	**-150.8**
Operating result	**238.9**	**204.4**	**228.3**	**176.1**	**215.6**
Charges for the stabilization of the banking System [e]	0.0	0.0	0.0	-1.3	-20.0
Share of profits of investees and net gains on sales of investments	13.3	6.4	14.5	2.5	14.2
Pre-tax profit from continuing operations	**252.2**	**210.8**	**242.8**	**177.3**	**209.8**
Income taxes	-78.9	-67.7	-74.5	-59.0	-64.6
Net profit (loss) for the period	**173.3**	**143.1**	**168.3**	**118.3**	**145.2**
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 Parent bank	**173.3**	**143.1**	**168.3**	**118.3**	**145.2**

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.