Banca Popolare di Sondrio

BOARD OF DIRECTORS APPROVES PRELIMINARY CONSOLIDATED RESULTS AS AT 31 DECEMBER 2024

EXCELLENT RESULT IN THE BANK'S HISTORY
PROFIT OF € 574.9 MILLION (+24.7% y/y)
(net of taxes for € 265.8 million)

ROE AT 16.1%

DIVIDEND PER SHARE OF € 0.80
PAYOUT FURTHER INCREASED TO 63%

CET1 RATIO AT 15.2%[1] AND TOTAL CAPITAL RATIO AT 18.0%[1]

STRONG INCREASE IN INCOME FROM CORE BANKING BUSINESS
(€ 1,524.6 million; +13.8% y/y)

SUSTAINED GROWTH IN NET INTEREST INCOME
(€ 1,090.1 million; + 16.3% y/y)

SIGNIFICANTLY INCREASED NET COMMISSIONS, MAINLY IN THE ASSET MANAGEMENT AND BANCASSURANCE SEGMENTS
(€ 434.5 million; + 7.9% y/y)

TANGIBLE SUPPORT FOR THE REAL ECONOMY
(€ 5.6 billion new disbursements to households and businesses, up 18.1% y/y; stock of net loans to customers + 1.6% y/y)

NET NON PERFORMING LOANS IN STRONG DECLINE (€ 398 million; -29.2% y/y)
NET NPL RATIO AT 1.1% (vs 1.6% at 31/12/2023)
GROSS NPL RATIO AT 2.9% (vs 3.7% at 31/12/2023)

EXCELLENT OPERATIONAL EFFICIENCY CONFIRMED
(Cost/Income ratio at 39%)

STRONG LIQUIDITY POSITION
(LCR 168%; NSFR 130%; unencumbered refinanceable assets at € 10.1billion)

"The results achieved in 2024 are extremely satisfying for us because they confirm our ability to consistently generate more and more value in the interest of our shareholders and all stakeholders. We are recording strong growth figures compared to the previous year, already the best ever, as demonstrated by the net profit of € 574.9 million, up 24.7%. This allows us to propose the distribution of a dividend per share of € 0.80 cents, with a payout ratio of 63%, which exceeds the guidance provided to the market so far. The Bank's capital position, reflected primarily in CET1 at 15.2%, remains excellent and continues to benefit from the organic generation of capital and the steady improvement in asset quality. The net NPL ratio stands at 1.1% compared to a gross of 2.9%," said ***Mario Alberto Pedranzini, CEO and General Manager of Banca Popolare di Sondrio****.*
"The business strategy deployed to date is hinged on our culture of customer focus and the distinctive skills of our staff. Resilient profitability, founded on a solid capital base, is reflected in the satisfaction of our customers' expectations. We want to continue to be an accelerator of growth by providing credit to households and businesses, to which we associate our offering in wealth management, bancassurance and protection. We have invested heavily in technology with a view to digital evolution, and we will intensify this action in the years to come. With the presentation of the new 2025-2027 business plan on 26 February next, we will outline the development directions for the next three years. We intend to expand our customer base, offering an excellent service, while remaining true to our mission. This will result in a further diversification of our sources of revenue, with the aim of sustainably generating increasing value for all our stakeholders in the medium to long term."

Sondrio, 6 February 2025 - The Board of Directors of Banca Popolare di Sondrio, which met today under the chairmanship of Prof. Avv. Francesco Venosta, examined and approved the preliminary consolidated economic and financial results for the year 2024, which closed with a net profit of € 574.9 million. It was also decided to increase the payout ratio from 55% to 63%, corresponding to a dividend amount of approximately € 363 million, an increase of over 40% compared to last year. The proposed dividend per share is therefore € 0.80 (compared to € 0.56 for 2023).

The international geopolitical scenario throughout 2024 remained highly unstable and fuelled uncertainty, weighing down the global economic outlook. The most significant

negative repercussions continue to be seen in trade with geographic areas armed conflict, which may be exacerbated by the tariff decisions triggered by the US government.
As far as Italy is concerned, domestic demand and production activities in general turned out to be weaker than expected at the beginning of 2024. According to the most recent estimates released by ISTAT, the annual growth gross domestic product stood at 0.5%.
Against the backdrop of these dynamics, the record results approved today confirm the Banca Popolare di Sondrio Group's ability to gradually adapt its commercial strategy, to make it effective and enjoy a solid competitive positioning in the Italian banking sector.

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

- **the result for the period**, net of taxes amounting to € 265.8 million, was positive at € 574.9 million and reflects the substantial increase in **core banking business**, whose income amounted to € 1,524.6 million (+13.8% compared to 31 December 2023; **net interest margin** + 16.3% and **net commissions** + 7.9%). This figure also includes the positive results of **financial assets** of € 138.3 million (+12.5%) and was affected by the reduction in **net adjustments**, which amounted to € 184.9 million (-17.7%), while **operating costs** rose to € 645.9 million (+11.2%); the cost-income ratio stood at 39.0%, down from 39.6%. **Charges for stabilisation of the banking system** amounted to € 21.3 million, down from € 38.9 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] remained at particularly high levels, showing ample margins with respect to regulatory requirements. The fully phased-in ratios, net of the dividend accrued in the period totalling € 363 million, corresponding to a 63% payout, were 15.2% for the CET1 ratio and 18.0% for the Total Capital ratio;
- the **gross impaired loans ratio**, summarised by the gross NPL ratio, decreased to 2.9% from 3.7% in December 2023, including the expected benefit of the divestment transactions being finalised. By contrast, the net impaired exposures ratio, reflecting high provisions, stood at 1.1%, down from 1.6% in December 2023;
- the **coverage ratios for impaired loans**, which increased further compared to the end of 2023, are confirmed particularly significant. Specifically, the **coverage ratio for total non-performing loans** stands at 62.3% from 57.3%, the **coverage ratio of unlikely-to-pay** increases to 58.5% from 51.0% and the coverage ratio for **positions classified as bad loans** only increases to 85.5% from 82.1%. The **coverage ratio for performing loans** increased to 0.85% from 0.73%;
- the **cost of risk** was 53 basis points, down from 65 basis points in 2023. The **default rate** as at 31 December 2024 stood at 1.1%, stable compared to 31 December 2023;
- the **Texas ratio**, the ratio of total net impaired loans to tangible equity, decreased to 9.7% from 14.9% in December 2023;
- **direct customer deposits** amounted to € 44,500 million (+ 5% compared to the end of 2023). The component from institutional investors has increased since the beginning of the year thanks to the placement of new bonds, in line with the funding

plan; the remaining part of direct deposits shows a strong increase in both the on-demand and time-deposit components;

- **indirect deposits**, at € 52,149 million, increased from € 46,319 million at the end of 2023 (+12.6%), in a context favoured by the positive performance of financial markets. Assets under administration amounted to € 43,837 million compared to € 39,143 million as at 31 December 2023 (+12%). Assets under management amounted to € 8,312 million compared to € 7,176 million at the end of 2023 (+15.8%), showing net inflows of around € 750 million[2], further growth on the positive trend seen last year;
- **insurance deposits** amounted to € 2,190 million compared to € 2,067 million as at 31 December 2023 (+6%), with positive net flows of around € 70 million[2];
- **loans to customers** amounted to € 35,027 million, up from the levels at the end of 2023 (€ 34,480 million; +1.6%), also reflecting seasonal elements that particularly affect factoring. Disbursements for the year showed significant growth, amounting to around € 5.6 billion, compared to € 4.8 billion in the comparison period (+ 18.1%);
- the **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 168% and the Net Stable Funding Ratio at 130%;
- the results of **subsidiaries and associates** remained positive. Particularly noteworthy are the results achieved by BPS Suisse and Factorit, which totalled € 68.6 million, further increasing compared to the comparison period.

Income results (million euro)	**31/12/2024**	**31/12/2023**	**Change**
Result from core banking activities	1,524.6	1,339.5	+13.8%
of which net interest margin	1,090.1	937.0	+16.3%
of which net commissions	434.5	402.6	+7.9%
Result from financial activities	138.3	123.0	+12.5%
Result of other fin. activities at FVTPL	-7.8	5.2	n.s.
Intermediation margin	1,655.1	1,467.7	+12.8%
Net value adjustments (*)	184.9	224.5	-17.7%
Operating costs (*) (**)	645.9	580.7	+11.2%
System charges (**)	21.3	38.9	-45.2%
Profit before tax	840.7	660.3	+27.3%
Net result	574.9	461.2	+24.7%

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 (gains of € 7.3m in 2024).
The result of other financial assets measured at FVTPL is included in item 110 of the income statement.

(*) Net valuation adjustments are the sum of items 130 - 140 - 200 (a) in the income statement and include gains/losses on disposal of loans (gains of € 7.3m in 2024).
(**) Charges for stabilising the banking system have been separated from other administrative expenses and shown separately.

Balance sheet results (million euro)	31/12/2024	31/12/2023	Change
Direct customer deposits	44,500	42,393	+5,0%
Indirect customer deposits	52,149	46,319	+12,6%
Assets under administration	43,837	39,143	+12,0%
Assets under management	8,312	7,176	+15,8%
Insurance deposits from customers	2,190	2,067	+6,0%
Total customer deposits	98,839	90,778	+8,9%
Net loans to customers*	35,027	34,480	+1,6%

Performance Indicators	31/12/2024	31/12/2023
Cost-income ratio	39.0%	39.6%
Cost of credit risk	0.53%	0.65%
Gross NPL ratio	2.9%	3.7%
CET 1 ratio - fully phased[1]	15.2%	15.1%
Total Capital ratio - fully phased-in[1]	18.0%	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".

<u>The Group's Economic Performance</u>

Consolidated **net profit as** at 31 December 2024 amounted to € 574.9 million, compared to € 461.2 million in the comparison period. This result resulted from a consolidated gross profit of € 840.7 million, from which taxes of € 265.8 million must be deducted, corresponding to a tax rate of 31.6%.

Net interest income amounted to € 1,090.1 million, an increase of 16.3% compared to 31 December 2023, reflecting the higher income from money brokering with customers, including the component related to tax credits, as well as the coupon flow related to the proprietary portfolio.

Net fees and commission income from services, amounting to € 434.5 million, showed a significant increase (+7.9%) compared to € 402.6 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 assets under administration, bancassurance and asset management stands out.

The **result from financial activities** was positive at € 138.3 million, compared to € 123 million in the comparison period (+12.5%). **Dividends** received amounted to € 6.5 million, down from € 7.7 million in 2023 (-15%). The **result from trading activities** to € 124.5 million compared to € 113 million in the comparison period (+10.2%). **Gains on disposal or repurchase** amounted to € 7.3 million compared to € 2.4 million in December 2023.

The **result from other financial assets measured at fair value** (item 110) was negative by € 7.8 million compared to the positive contribution of € 5.2 million recorded in the comparison period. In this respect, the component relating to loans and advances to customers was negative by € 9.5 million and compares with the € 0.7 million capital loss recognised at the end of 2023.

Intermediation margin therefore amounted to € 1,655.1 million from € 1,467.7 million in the comparison period (+ 12.8%).

Net valuation adjustments amounted to € 184.9 million compared to € 224.5 million in the comparison period (-17.7%). The stock of **managerial overlays**, in particular related to the future update of AIRB models and so-called novel risks, amounted to about € 50 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 refers to exposures to customers and banks in the form of both loans and securities, amounts to € 195.5 million and consists almost entirely of adjustments relating 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 €4 million in the reporting period;
- the aggregate of the aforementioned items thus amounts to € 199.5 million.

Considering the € 7.3 million in releases for past net provisions for credit risk for commitments and guarantees and the € 7.3 million profit from the sale of impaired loans, one obtains € 184.9 million in net impairments as mentioned above.

The ratio of net valuation adjustments (€ 184.9 million) to net loans to customers (€ 35,027 million), the so-called **cost of credit**, was therefore 0.53%, compared to 0.65% in 2023.

The net result from financial operations amounted to € 1,470.2 million, compared to € 1,243.1 million in the comparative period (+ 18.3%).

Operating expenses increased (+11.2%) to € 645.9 million from € 580.7 million in the comparison period. Staff expenses amounted to € 314.4 million from € 293 million in the comparative period (+7.3%), reflecting the effects of the entry into force of the new labour contract for the banking sector, the expected increase in the variable component of remuneration, and the growth in the number of employees. Other administrative

expenses amounted to € 317.6 million compared to € 283 million in the comparative period (+12.2%), incorporating a substantial increase in IT costs, which accounted for over 30% of the total aggregate. Overall administrative expenses thus stood at € 632 million, up from € 576.1 million (+9.7%) in the comparative period.
Net allocations to provisions for risks and charges amounted to € 30 million, compared to € 26.5 million in the comparative period, including among others a component to cover cyber risk.
Adjustments to tangible and intangible assets amounted to € 76.4 million, up from € 72.5 million in December 2023 (+5.4%).
Other operating expenses and income amounted to € 92.5 million, compared to € 94.3 million in the comparison period (-1.9%).
In light of the above, the **cost-income ratio**, calculated as the ratio of operating expenses to net banking income, was 39.0% from 39.6% as of 31 December 2023.

As a result, the operating result amounted to € 824.4 million, compared to € 662.5 million in December 2023 (+24.4%).

Charges for the stabilisation of the banking system amounted to € 21.3 million compared to € 38.9 million in the comparison period (-45.2%) as a function of the discontinuation of the ordinary contribution to the Single Resolution Fund whose endowment was reached was reached, as communicated by the Single Resolution Board on 15 February 2024.

Gains/losses on participations and other investments showed a positive balance of € 37.7 million compared to € 36.7 million in the comparative period, mainly driven by the positive contribution of Arca Holding S.p.A. and Arca Vita S.p.A.

The **total pre-tax** result was therefore € 840.7 million, compared to € 660.3 million as of 31 December 2023. Lastly, after deducting **income tax** of € 265.8 million, we arrive at a **net profit for the period of** € 574.9 million, which compares with € 461.2 million in December 2023.

Balance sheet aggregates

Direct funding from customers amounted to € 44,500 million (+5% compared to the end of 2023). The component from institutional investors has increased since the beginning of the year, thanks to the placement of new bonds, in line with the funding plan; the remainder of direct funding showed a strong increase in both the on-demand and restricted components.

Indirect deposits amounted to € 52,149 million compared to € 46,319 million at the end of 2023 (+12.6%), in a context favoured by the positive performance of the financial markets. **Assets under administration** amounted to € 43,837 million compared to € 39,143 million as of 31 December 2023 (+12%). **Assets under management** amounted to € 8,312 million compared to € 7,176 million at the end of 2023 (+15.8%), showing net inflows of around € 750 million[2], further growth compared to the performance, also positive, seen last year. **Insurance deposits** amounted to € 2,190 million compared to € 2,067 million as of 31 December 2023 (+6%), with positive net flows of around € 70 million[2]. **Total customer deposits** therefore stood at € 98,839 million from € 90,778 million at the end of 2023 (+ 8.9%).

Net loans to customers amounted to € 35,027 million, up from € 34,480 million at the end of 2023 (+1.6%), also due to seasonal factors that particularly affected factoring.
Net loans to customers classified in stage 2 amounted to € 3,479 million, accounting for 9.9% of total net loans to customers.

Net impaired loans amounted to € 398 million, down from € 562 million at 31 December 2023 (-29.2%), partly due to the positions reclassified under non-current assets held for sale and discontinued operations, mainly likely defaults, amounting to € 108.6 million. The ratio of these to total net loans was 1.1%, which compares with 1.6% at the end of 2023. Coverage levels remained particularly high; that referring to total impaired positions stood at 62.3% from 57.3% at the end of 2023.
Net bad loans amounted to €44 million (-29.1%), accounting for 0.13% of total loans to customers, down from 0.18% at the end of 2023. Their coverage increased compared to at the end of the previous year to 85.5% from 82.1%.
Net unlikely-to-pay amounted to € 269 million compared to € 438 million on 31 December 2023 (-38.7%), with coverage ratio increasing to 58.5% from 51%. As a percentage of total loans, they stood at 0.77%, down from the figure at the end of 2023 (1.3%).
Net impaired exposures past due and/or in arrears amounted to € 85 million from € 62 million at the end of 2023 (+ 37.5%), with a coverage ratio of 18.7% compared to 15.6% at the end of 2023 and a ratio to total loans of 0.2%, in line with last year.
The coverage ratio for **performing loans** further increased to 0.85%, incorporating an increase of about 12 basis points compared to 31 December 2023; the level of provisions for positions classified as stage 2 was 6%, up from 4.5% as at 31 December 2023.

Financial assets, represented by proprietary securities and derivatives, amounted to € 12,768 million, a decrease of € 1,170 million (-8.4%) compared to end of 2023, consistent with the strategy of repaying the residual exposure to the ECB. More in detail: **financial assets held for trading** rose from € 150.1 million at the end of 2023 to € 174 million at December 2024 (+ 16%); **other financial assets mandatorily measured at fair value** were up and amounted to € 330.8 million (+ 50.3%); **financial assets measured at fair value with an impact on comprehensive income** rose from € 3.213 million at the end of 2023 to € 2,656 million (-17.3%), while the volume of **financial assets measured at amortised cost** fell from € 10,356 million at the end of 2023 to € 9,607 million at 31 December 2024 (-7.2%). The total volume of Italian government bonds stood at € 5,794 million, down (-16.5%) from € 6,936 million at the end of 2023. With reference to the latter aggregate, the volume of floating-rate and inflation-indexed securities amounted to approximately € 3,866 million, down from approximately € 5,066 million as at 31 December 2023 (-23.7%).

The share of the portfolio allocated to **ESG debt securities** rose further to € 1,981 million[2], accounting for about 15% of the banking book.

Equity investments amounted to € 403 million, up from € 376 million at the end of 2023 (+ 7%), mainly as a result of the equity valuation of investee companies.

At 31 December 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 168% from 188% in December 2023. The Net Stable Funding Ratio stands at 130% from 126%.
The Group continues to have a substantial portfolio of refinancible assets which, net of haircuts applied, amounted to € 14,883 million compared to € 17,489 million as at 31 December 2023. Available assets amounted to € 10,121 million, a significant increase from € 7,281 million as at 31 December 2023. The counterbalancing capacity, which includes the available daily liquidity balance, increased further compared to the comparison period and stood at € 13 billion.

Consolidated shareholders' equity, including profit for the period, amounted to € 4,156 million as at 31 December 2024, an increase € 347 million over the figure at the end of 2023 (+9.1%).

Consolidated (fully phased) **regulatory capital**[1] as at 31 December 2024 stood at € 4,316 million, up from the 31 December 2023 figure of € 3,998 million (+7.9%).

Capital ratios[1] for regulatory purposes as at 31 December 2024, calculated on the basis of regulatory capital, were equal to:

- CET1 ratio: 15.4% (phased-in), 15.2% (fully phased-in);
- Tier1 ratio: 15.4% (phased-in), 15.2% (fully phased-in);
- Total Capital ratio: 18.2% (phased-in), 18.0% (fully phased-in).

The **Leverage Ratio** as at 31 December 2024 is, applying the current transitional criteria (phased-in), 5.9% and, depending on the criteria envisaged when fully phased-in, 5.8%.

The **MREL Ratio** maintains a significant excess over the regulatory requirement, standing at 30.3% from 29.2% at the end of 2023.

As at 31 December 2024, the Banking Group's **staff** consisted of 3,705 employees, an increase of 125 resources compared to the situation at the end of 2023.

It should be noted that an audit by the auditing firm EY S.p.A. is still in progress.

The 2024 annual report will be examined and approved at the Board meeting scheduled for next March.

STATEMENT

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 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 December 2024 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/bpds250206.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.

Company contacts:

Investor Relations	*External Relations*
Michele Minelli	*Paolo Lorenzini*
0342-528.745	*0342-528.212*
michele.minelli@popso.it	*paolo.lorenzini@popso.it*

Image Building

Cristina Fossati,

Denise Recchiuto

02-890.11.300

popso@imagebuilding.it

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	**31/12/2024**	**31/12/2023**	**Change %**
Loans to customers	35.027	34.480	1,59
Loans and receivables with customers measured at amortised cost	34.792	34.159	1,85
Loans and receivables with customers measured at fair value through profit or loss	235	321	-26,73
Loans and receivables with banks	2.136	2.122	0,66
Financial assets that do not constitute loans	12.768	13.939	-8,40
Equity investments	403	376	7,01
Total assets	56.629	57.722	-1,89
Direct funding from customers	44.500	42.393	4,97
Indirect funding from customers	52.149	46.319	12,59
Direct funding from insurance premiums	2.190	2.067	5,99
Customer assets under administration	98.839	90.778	8,88
Other direct and indirect funding	16.345	19.545	-16,37
Equity	4.156	3.809	9,11
Income statement	**31/12/2024**	**31/12/2023**	**Var. %**
Net interest income	1.090	937	16,35
Total income	1.655	1.468	12,75
Profit from continuing operations	841	660	27,33
Profit (loss) for the period	575	461	24,67
Capital ratios	**31/12/2024**	**31/12/2023**	
CET1 Capital ratio (phased-in)	15,39%	15,37%	
Total Capital ratio (phased-in)	18,18%	17,73%	
Free capital	2.435	2.225	
Other information on the banking group	**31/12/2024**	**31/12/2023**	
Number of employees	3.705	3.580	
Number of branches	381	377	

ALTERNATIVE PERFORMANCE INDICATORS

Key ratios	31/12/2024	31/12/2023
Equity/Direct funding from customers	9,34%	8,99%
Equity/Loans and receivables with customers	11,87%	11,05%
Equity/Financial assets	32,55%	27,33%
Equity/Total assets	7,34%	6,60%
Profitability indicators	**31/12/2024**	**31/12/2023**
Cost/Income ratio *	39,02%	39,57%
Net interest income/Total income *	65,86%	63,84%
Administrative expenses/Total income *	38,18%	39,25%
Net interest income/Total assets	1,93%	1,62%
Net financial income/Total assets *	2,60%	2,15%
Net profit for the year/Total assets	1,02%	0,80%
Asset quality indicators	**31/12/2024**	**31/12/2023**
NPL ratio	2,93%	3,71%
Texas ratio	9,66%	14,91%
Net non-performing loans/Equity	1,06%	1,63%
Net non-performing loans/Loans and receivables with customers	0,13%	0,18%
Loans and receivables with customers/Direct funding from customers	78,71%	81,33%
Cost of credit *	0,53%	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 31/12/2024

(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%**

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
31/12/2024

(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**

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
31/12/2024

(in thousands of euro)	Phased-in	Fully-phased
Total own funds	**4.348.985**	**4.316.078**
of which Common Equity Tier 1 capital (CET1)	3.681.296	3.648.389
of which Additional Tier 1 capital (AT1)	0	0
of which Tier 2 capital (T2)	667.689	667.689
RWA	**23.925.017**	**23.924.592**
CET 1 ratio	**15,39%**	**15,25%**
Tier 1 ratio	**15,39%**	**15,25%**
Total capital ratio	**18,18%**	**18,04%**
Leverage ratio	**5,87%**	**5,81%**

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		31/12/2024		31/12/2023
10.	CASH AND CASH EQUIVALENTS		3.738.224		4.546.559
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		739.876		690.970
	a) financial assets held for trading	174.038		150.073	
	c) financial assets mandatorily at fair value through profit or loss	565.838		540.897	
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		2.656.254		3.212.616
40.	FINANCIAL ASSETS AT AMORTISED COST		45.459.416		45.530.807
	a) loans and receivables with banks	2.135.962		2.122.051	
	b) loans and receivables with customers	43.323.454		43.408.756	
50.	HEDGING DERIVATIVES		-		1
60.	CHANGE IN VALUE OF MACRO-HEDGED FINANCIAL ASSETS (+/-)		2.139		1.775
70.	EQUITY INVESTMENTS		402.758		376.357
90.	PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY		663.577		677.074
100.	INTANGIBLE ASSETS		35.836		37.756
	of which:				
	- goodwill	12.632		16.997	
110.	TAX ASSETS		190.030		260.813
	a) current	1.776		1.375	
	b) deferred	188.254		259.438	
120.	NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS		108.593		-
130.	OTHER ASSETS		2.631.879		2.387.037
	TOTAL ASSETS		**56.628.582**		**57.721.765**

	LIABILITY AND EQUITY		31/12/2024		31/12/2023
10.	FINANCIAL LIABILITIES AT AMORTISED COST		**50.729.041**		**52.310.486**
	a) due to banks	6.228.550		9.917.675	
	b) due to customers	39.346.409		37.916.301	
	c) securities issued	5.154.082		4.476.510	
20.	FINANCIAL LIABILITIES HELD FOR TRADING		**16.561**		**69.577**
40.	HEDGING DERIVATIVES		**2.426**		**1.924**
60.	TAX LIABILITIES		**72.423**		**71.354**
	a) current	41.501		41.999	
	b) deferred	30.922		29.355	
70.	LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS		**3**		**-**
80.	OTHER LIABILITIES		**1.228.645**		**1.062.057**
90.	PROVISION FOR POST-EMPLOYMENT BENEFITS		**32.577**		**33.459**
100.	PROVISIONS FOR RISKS AND CHARGES:		**390.567**		**363.620**
	a) loans commitments and	88.827		96.237	
	b) pensions and similar	189.432		178.950	
	c) other provisions	112.308		88.433	
120.	VALUATION RESERVES		**6.559**		**(16.222)**
150.	RESERVES		**2.160.953**		**1.950.646**
160.	SHARE PREMIUM		**78.934**		**78.949**
170.	SHARE CAPITAL		**1.360.157**		**1.360.157**
180.	TREASURY SHARES (-)		**(25.220)**		**(25.418)**
190.	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		**14**		**14**
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)		**574.942**		**461.162**
	TOTAL LIABILITIES AND EQUITY		**56.628.582**		**57.721.765**

CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

ITEMS			31/12/2024		31/12/2023
10.	INTEREST AND SIMILAR INCOME		2.118.032		1.812.025
	of which: interest calculated using the effective interest method	2.065.165		1.795.686	
20.	INTEREST AND SIMILAR EXPENSE		(1.027.928)		(875.070)
30.	**NET INTEREST INCOME**		**1.090.104**		**936.955**
40.	FEE AND COMMISSION INCOME		455.493		423.567
50.	FEE AND COMMISSION EXPENSE		(20.991)		(21.007)
60.	**NET FEE AND COMMISSION INCOME**		**434.502**		**402.560**
70.	DIVIDENDS AND SIMILAR INCOME		6.501		7.652
80.	NET TRADING INCOME		124.507		112.981
90.	NET HEDGING INCOME		2		(76)
100.	NET GAINS FROM SALES OR REPURCHASES OF:		14.567		6.565
	a) financial assets at amortized cost	10.680		7.644	
	b) financial assets at fair value through other comprehensive income	3.210		(1.166)	
	c) financial liabilities	677		87	
110.	NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		(7.752)		5.208
	b) other financial assets mandatorily measured at fair value		(7.752)		5.208
120.	**TOTAL INCOME**		**1.662.431**		**1.471.845**
130.	NET IMPAIRMENT LOSSES FOR CREDIT RISK RELATING TO:		(195.464)		(202.267)
	a) financial assets at amortized cost	(195.610)		(202.614)	
	b) financial assets at fair value through other comprehensive income	146		347	
140.	NET GAINS FORM CONTRACTUAL CHANGES WITHOUT DERECOGNITION		(3.997)		6.550
150.	**NET FINANCIAL INCOME**		**1.462.970**		**1.276.128**
180.	**NET FINANCIAL INCOME AND INSURANCE INCOME**		**1.462.970**		**1.276.128**
190.	ADMINISTRATIVE EXPENSES:		(660.415)		(622.158)
	a) personnel expenses		(321.497)		(300.268)
	b) other administrative expenses		(338.918)		(321.890)
200.	NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES		(22.751)		(59.470)
	a) commitments for guarantees given		7.273		(32.982)
	b) other net provisions		(30.024)		(26.488)
210.	DEPRECIATION AND NET IMPAIRMENT LOSSES ON PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY		(56.444)		(53.836)
220.	AMORTISATION AND NET IMPAIRMENT LOSSES ON INTANGIBLE ASSETS		(19.929)		(18.647)
230.	OTHER NET OPERATING INCOME		99.648		101.562
240.	**OPERATING COSTS**		**(659.891)**		**(652.549)**
250.	SHARE OF PROFITS OF INVESTEES		44.706		38.524
260.	NET FAIR VALUE LOSSES ON PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS MEASURED		(3.100)		(2.288)
270.	GOODWILL IMPAIRMENT LOSSES		(4.365)		-
280.	NET GAINS ON SALES OF INVESTMENTS		410		469
290.	**PRE-TAX PROFIT FROM CONTINUING OPERATIONS**		**840.730**		**660.284**
300.	TAXES ON INCOME FOR THE YEAR FOR CONTINUING OPERATIONS		(265.788)		(199.122)
310.	**POST-TAX PROFIT FROM CONTINUING OPERATIONS**		**574.942**		**461.162**
330.	**NET PROFIT (LOSS) FOR THE PERIOD**		**574.942**		**461.162**
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**		**574.942**		**461.162**
	EARNINGS (LOSS) PER SHARE		1,277		1,024
	DILUTED EARNINGS (LOSSES) PER SHARE		1,277		1,024

RECLASSIFIED CONSOLIDATED SUMMARY INCOME STATEMENT

(in thousands of euro)	31/12/2024	31/12/2023	Variazioni assolute	Variazioni %
Net interest income	1.090.104	936.955	153.149	16,35
Dividends and similar income	6.501	7.652	-1.151	-15,04
Net fee and commission income	434.502	402.560	31.942	7,93
Net gains on financial assets [a]	131.781	115.313	16.468	14,28
Result of other financial assets at FVTPL [b]	-7.752	5.208	-12.960	n.s.
of which Loans	-9.485	-682	-8.803	n.s.
of which Other	1.733	5.890	-4.157	n.s.
Total income	**1.655.136**	**1.467.688**	**187.448**	**12,77**
Net impairment losses [c]	-184.893	-224.542	39.649	-17,66
Net financial income	**1.470.243**	**1.243.146**	**227.097**	**18,27**
Personnel expenses [d]	-314.389	-293.042	-21.347	7,28
Other administrative expenses [e]	-317.621	-283.016	-34.605	12,23
Other net operating income [d]	92.540	94.336	-1.796	-1,90
Net accruals to provisions for risks and charges [f]	-30.024	-26.488	-3.536	13,35
Depreciation and amortisation on tangible and intangible assets	-76.373	-72.483	-3.890	5,37
Operating costs	**-645.867**	**-580.693**	**-65.174**	**11,22**
Operating result	**824.376**	**662.453**	**161.923**	**24,44**
Charges for the stabilization of the banking System [e]	-21.297	-38.874	17.577	-45,22
Share of profits of investees and net gains on sales of investments [g]	37.651	36.705	946	2,58
Pre-tax profit from continuing operations	**840.730**	**660.284**	**180.446**	**27,33**
Income taxes	-265.788	-199.122	-66.666	33,48
Net profit (loss) for the period	**574.942**	**461.162**	**113.780**	**24,67**
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 bank	**574.942**	**461.162**	**113.780**	**24,67**

Notes:

[a] The result of financial activities is made up of the sum of items 80-90-100 in the income statement net of profits on disposals of 7.295 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 profits on disposals of 7.295 million euro.

[d] Reclassified personnel expenses and other operating income by netting them off against the proceeds of the retirement employees fund for 7.108 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)	Q4 - 2024	Q3 - 2024	Q2 - 2024	Q1 - 2024	Q4 - 2023
Net interest income	276,5	275,5	271,0	267,0	268,5
Dividends and similar income	0,2	3,1	2,2	1,0	3,1
Net fee and commission income	116,7	105,1	105,8	106,9	112,5
Net gains on financial assets [a]	31,7	33,8	30,8	35,5	35,6
Result of other financial assets at FVTPL [b]	0,0	-0,4	-6,2	-1,2	2,4
of which Loans	-0,2	-2,5	-4,8	-2,0	-1,1
of which Other	0,2	2,1	-1,4	0,8	3,5
Total income	**425,1**	**417,1**	**403,7**	**409,2**	**422,1**
Net impairment losses [c]	-42,1	-39,4	-60,5	-42,8	-124,4
Net financial income	**383,0**	**377,7**	**343,2**	**366,4**	**297,7**
Personnel expenses [d]	-84,7	-78,1	-74,9	-76,7	-77,1
Other administrative expenses [e]	-95,4	-72,9	-75,5	-73,7	-78,9
Other net operating income [d]	27,5	25,0	22,5	17,3	27,4
Net accruals to provisions for risks and charges [f]	-2,0	-5,4	-21,4	-1,1	-7,5
Depreciation and amortisation on tangible and intangible assets	-24,0	-18,0	-17,8	-16,6	-22,8
Operating costs	**-178,6**	**-149,4**	**-167,1**	**-150,8**	**-158,9**
Operating result	**204,4**	**228,3**	**176,1**	**215,6**	**138,8**
Charges for the stabilization of the banking System [e]	0,0	0,0	-1,3	-20,0	2,0
Share of profits of investees and net gains on sales of investments [g]	6,4	14,5	2,5	14,2	12,5
Pre-tax profit from continuing operations	**210,8**	**242,8**	**177,3**	**209,8**	**153,3**
Income taxes	-67,7	-74,5	-59,0	-64,6	-40,7
Net profit (loss) for the period	**143,1**	**168,3**	**118,3**	**145,2**	**112,6**
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	**143,1**	**168,3**	**118,3**	**145,2**	**112,6**

Notes:
[a], [b], [c], [d], [e], [f] and [g] The amounts are shown in accordance with the reclassifications shown in the reclassified consolidated summary of income