Banca Popolare di Sondrio

BOARD OF DIRECTORS APPROVES RESULTS AS AT 30 SEPTEMBER 2024

NET PROFIT OF € 431.9 MILLION
(+23.9% y/y)

CET1 RATIO AT 16.3%[1] NET OF ACCRUED DIVIDENDS AMOUNTING TO € 240 MILLION WITH A PAYOUT RATIO OF 55%

SIGNIFICANT INCREASE IN CORE BANKING BUSINESS
(€ 1,131.3 million; +18% y/y)

FURTHER IMPROVEMENT IN NET INTEREST INCOME
(€ 813.6 million; +21.7% y/y; +1.7% t/y)

SUSTAINED GROWTH IN NET COMMISSIONS WITH RELEVANT CONTRIBUTION FROM THE ASSETS UNDER MANAGEMENT AND BANCASSURANCE SEGMENTS
(€ 317.8 million; +9.5% y/y)

SIGNIFICANT SUPPORT FOR THE REAL ECONOMY
(€ 3.7 billion of new lending to households and businesses;
stock of net loans to customers +4.8% y/y)

EXCELLENT OPERATIONAL EFFICIENCY
(Cost/Income ratio at 38%)

SOLID LIQUIDITY POSITION FOLLOWING FULL REPAYMENT OF ECB TLTRO III FINANCING
(LCR 179%; NSFR 129%; Free refinanceable assets at € 12.6 billion)

GUIDANCE REVISED UPWARDS FOR THE FINANCIAL YEAR 2024: ROE IN THE AREA OF 15%

"We recorded very positive results also in the third quarter of the current financial year Income from core banking activities was at more than satisfactory levels, consolidating year-on-year revenue growth, a prerequisite, along with cost control, for ensuring an adequate return on our capital. Despite the complexity of the macroeconomic scenario, our Group, through a constant improvement of its commercial structure, continues to support the real economy with the disbursement of new loans and to provide products and services appreciated by customers with reference to payment systems, international business, wealth management and bancassurance", said ***Mario Alberto Pedranzini**, **CEO and General Manager of Banca Popolare di Sondrio**. "We believe that the drop in inflation and the prospect of a further reduction in interest rates by the European Central Bank will have the effect of strengthening consumer and business confidence, reinvigorating their propensity to spend and invest. For our part, we have stood by our clients during the most difficult times in recent years and will continue to play a leading role in supporting them in the new environment. In light of this year's excellent performance and the changed macroeconomic environment, we confirm our decision to anticipate the revision of the Business Plan in the coming year, in order to re-launch our ambition to be a solid, profitable and resilient universal bank, capable of creating value for all stakeholders, while maintaining our role as an accelerator of the economy".*

Sondrio, 5 November 2024 - The Board of Directors, which met today under the chairmanship of Prof. Avv. Francesco Venosta, examined and approved the consolidated interim report as at 30 September 2024.

Banca Popolare di Sondrio Group confirmed the solidity of its commercial positioning in the areas in which it operates and its ability to adequately tackle the complexities of the current macroeconomic scenario, achieving a net profit of 431.9 million euro, up 23.9% 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 € 431.9 million, reflects the strong increase in **core banking business**, whose income amounted to € 1,131.3 million (+18% compared to 30 September 2023; **net interest income** +21.7% and **net commissions** +9.5%). This figure also benefited from the positive contribution of **financial assets** of € 106.4 million (+26.3%), while **operating expenses** rose to € 467.2 million (+10.8%), and **net adjustments** amounted to € 142.8 million (+42.6%); the cost-income ratio further improved to 38% from 40.3%. **Charges for stabilisation of the banking system** amounted to € 21.3 million, down from € 40.9 million in the comparative period, due to the discontinuation of the ordinary contribution to the Single Resolution Fund, whose pre-established endowment, as communicated by the Single Resolution Board on 15 February 2024, has been reached;

- **capital ratios**[1] remained at particularly high levels, showing a large buffer against regulatory requirements. The fully phased-in ratios, net of a dividend accrued in the period for a total of € 240 million, corresponding to a payout of 55%, were 16.3% for the CET1 ratio and 19.3% for the Total Capital ratio;

- the **gross impaired loans ratio**, summarised by the gross NPL ratio, decreased to 4% from 4.3% in September 2023, not yet incorporating the expected benefit of the divestment transactions being finalised. By contrast, the net impaired loans ratio, reflecting high provisions, stood at 1.7%, in line with the September 2023 figure;

- the **coverage ratios for impaired loans**, which have risen further since the beginning of the year, are confirmed particularly significant. In detail, the **coverage ratio of total non-performing loans** stands at 58.5% from 57.3%, the **coverage ratio of unlikely-to-pay** increases to 54.1% from 51% and that referring only to **positions classified as bad loans** remains unchanged at 82.1%. The **coverage ratio for performing loans** increased to 0.88% from 0.73%;

- the **cost of risk** stood at 56 basis points, down from 65 basis points in 2023 and consistent with the assumptions of the Business Plan. The **default rate** as at 30 September 2024 stood at 1.2% compared to 1.1% as at 31 December 2023;

- the **Texas ratio**, the ratio of total net impaired loans to tangible equity, stood at 14.8% from 14.9% in December 2023;

- **direct customer deposits** amounted to € 42,679 million, (+0.7% 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; the remainder of direct funding remained stable;

- **indirect deposits**, at € 50,849 million, increased from € 46,319 million at the end of 2023 (+9.8%), mainly due to the favourable performance of the financial markets. Assets under administration amounted to € 42,671 million compared to € 39,143 million as at 31 December 2023 (+9%). Assets under management amounted to € 8,178 million, compared with € 7,176 million at the end of 2023 (+14%), showing positive net inflows of more than € 550 million[2] up on the also positive trend observed last year;

- **insurance deposits** amounted to € 2,158 million compared to € 2,067 million as at 31 December 2023 (+4.4%), with positive net flows of over € 45 million[2];
- **loans to customers** amounted to € 34,247 million, slightly down from end-2023 levels (€ 34,480 million; -0.7%), also reflecting seasonal factors. On the other hand, disbursements for the period showed a good increase, standing at around € 3.7 billion, compared to € 3.4 billion in the reference period (+7.5%);
- the Group's **exposure to the ECB** has now been reduced to zero after the bank repaid, on 25 September, the outstanding **TLTRO III** transaction for an amount, including interest, of about €3,900 million;
- 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 179% while the Net Stable Funding Ratio stood at 129%;
- the results of **subsidiaries and associates** remain positive.

Income results (million euro)	**30/09/2024**	**30/09/2023**	**Change**
Result from core banking activities	1,131.3	958.5	+18.0%
of which interest margin	813.6	668.4	+21.7%
of which net commissions	317.8	290.1	+9.5%
Result from financial activities	106.4	84.2	+26.3%
Result of other fin. activities at FVTPL	-7.7	2.8	n.s.
Intermediation margin	1,230	1,045.6	+17.6%
Net value adjustments (*)	142.8	100.1	+42.6%
Operating costs (*) (**)	467.2	421.8	+10.8%
System charges (**)	21.3	40.9	-47.9%
Profit before tax	630.0	507.0	+24.3%
Net result	431.9	348.6	+23.9%

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

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

Balance sheet results (million euro)	30/09/2024	31/12/2023	Change
Direct customer deposits	42,679	42,393	+0.7%
Indirect customer deposits	50,849	46,319	+9.8%
Assets under administration	42,671	39,143	+9.0%
Assets under management	8,178	7,176	+14.0%
Insurance deposits from customers	2,158	2,067	+4.4%
Total customer deposits	95,686	90,778	+5.4%
Net loans to customers*	34,247	34,480	-0.7%

Performance Indicators	30/09/2024	31/12/2023	30/09/2023
Cost-income ratio	38.0%	39.6%	40.3%
Cost of credit risk	0.56%	0.65%	0.41%
Gross NPL ratio	4.0%	3.7%	4.3%
CET 1 ratio - fully phased in[1]	16.3%	15.1%	16.2%
Total Capital ratio - fully phased-in[1]	19.3%	17.5%	18.7%

(*) 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 30 September 2024 amounted to € 431.9 million, compared to € 348.6 million in the reference period. This result stems from a consolidated gross profit of € 630 million, from which taxes of € 198.1 million must be deducted, corresponding to a tax rate of 31.4%.

Net interest income amounted to € 813.6 million, an increase of 21.7% compared to 30 September 2023, reflecting higher contributions from money broking 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 amounted to € 317.8 million, showing a significant increase (+9.5%) compared to € 290.1 million in the reference period, reflecting the bank's commercial capacity in the customer services component. All main categories performed very well, among which the performance recorded in bancassurance, asset under management and collection and payment services is particularly noteworthy.

The **result from financial activities** was positive at € 106.4 million, compared to € 84.2 million in the comparative period (+26.3%). **Dividends** received amounted to € 6.4 million, up from € 4.6 million on 30 September 2023 (+38.7%). The **result from trading activities** amounted to € 89.8 million compared to € 76.3 million in the comparison period (+17.6%). **Gains on disposal or repurchase** amounted to € 10.3 million, compared to € 3.3 million in September 2023.

The **result from other financial assets measured at fair value** (item 110) was negative by € 7.7 million, compared to the positive contribution of € 2.8 million recorded in the comparison period. In this respect, the contribution of loans and advances to customers was negative by € 9.2 million and compares with the € 0.4 million capital gains realised at the end of September 2023.

Intermediation margin therefore amounted to € 1,230 million from € 1,045.6 million in the reference period (+17.6%).

Net value adjustments amounted to € 142.8 million compared to € 100.1 million in the comparison period (+42.6%). The stock of **managerial overlays** on the performing loans portfolio stood at about € 100 million, incorporating the effect of the update of AIRB models currently being finalised and including provisions dedicated to dealing with both climatic-environmental risks and so-called novel risks, in line with the expectations of the Supervisory Authorities.

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 € 159.4 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 € 2.4 million in the reporting period;
- the aggregate of the above-mentioned items thus amounts to € 161.8 million.

Considering the € 15.3 million in releases for past net provisions for credit risk for commitments and guarantees and the € 3.7 million gain from the sale of impaired loans, it leads to € 142.8 million in net value adjustments.

The ratio of net valuation adjustments (€ 142.8 million) to net loans to customers (€ 34,247 million), the so-called annualised **cost of credit risk**, was therefore 0.56%, compared to 0.65% in 2023.

The **net result from financial operations** amounted to € 1,087.2 million, compared to € 945.5 million in the reference period (+15%).

Operating expenses increased (+10.8%) to € 467.2 million from € 421.8 million in the comparison period. Staff expenses amounted to € 229.6 million from € 216 million in the comparison period (+6.3%), reflecting the effects of the coming into force of the new banking sector contract, as well as the growth in the number of employees. Other administrative expenses amounted to € 222.2 million, compared with € 204.1 million in the comparative period (+8.9%), also incorporating the known inflationary dynamics in certain items. Overall administrative expenses therefore amounted to € 451.8 million, up from € 420.1 million (+7.6%) in the comparative period.
Net provisions for risks and charges showed provisions of € 28 million compared to € 19 million in the comparative period, including, among others, a component to cover cyber risk.
Adjustments to tangible and intangible assets amounted to € 52.4 million, up from € 49.7 million in September 2023 (+5.5%).
Other operating expenses and income amounted to € 65 million, compared to € 66.9 million in the comparison period (-3%).
In light of the above, the **cost-income ratio**, calculated as the ratio of operating expenses to net interest and other banking income, was 38% from 40.3% as at 30 September 2023.

The **operating result** therefore amounted to € 620 million, compared to € 523.7 million in September 2023 (+18.4%).

Charges for the stabilisation of the banking system amounted to € 21.3 million compared to € 40.9 million in the comparison period (-47.9%) due to the discontinuation of the ordinary contribution to the Single Resolution Fund, whose endowment was reached, as communicated by the Single Resolution Board on 15 February 2024.

Gains/losses on equity investments and other investments showed a positive balance of € 31.3 million, compared to € 24.2 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 € 630 million, compared to € 507 million on 30 September 2023. Finally, after deducting **income tax** of € 198.1 million, we arrive at a **net profit for the period** of € 431.9 million, which compares with € 348.6 million in September 2023.

Balance sheet aggregates

Direct funding from customers amounted to € 42,679 million, (+0.7% 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; the remainder of direct funding remained stable.

Indirect deposits amounted to € 50,849 million compared to € 46,319 million at the end of 2023 (+9.8%), mainly due to the favourable performance of the financial markets. **Assets under administration** totalled € 42,671 million compared to € 39,143 million as at 31 December 2023 (+9%). **Assets under management** amounted to € 8,178 million compared to € 7,176 million at the end of 2023 (+14%), showing positive net inflows of more than € 550 million[2], up on the also positive trend observed last year. **Insurance deposits** totalled € 2,158 million compared to € 2,067 million as at 31 December 2023 (+4.4%), with positive net inflows of over € 45 million[2] . **Total customer deposits** thus stood at € 95,686 million from € 90,778 million at the end of 2023 (+5.4%).

Net loans to customers amounted to € 34,247 million, a slight decrease from € 34,480 million at the end of 2023 (-0.7%), also due to seasonal factors that particularly affected factoring.
Net loans to customers classified in stage 2 amounted to € 4,235 million, accounting for 12.4% of total net loans to customers.

Net impaired loans stood at € 587 million, up from € 562 million at 31 December 2023 (+4.4%). As a percentage of total net loans, they amounted at 1.7%, compared with 1.6% at the end of 2023. Coverage levels remained particularly high; that referring to total impaired positions stood at 58.5% from 57.3% at the end of 2023.
In this context, **net bad loans** amounted to €68 million (+9.8%), accounting for 0.2% of total loans to customers, in line with the figure recorded at the end of 2023. Their coverage ratio was unchanged from at the end of the previous year at 82.1%.
Net unlikely-to-pay amounted to € 415 million compared to € 438 million at 31 December 2023 (-5.2%), with a coverage ratio increasing to 54.1% from 51%. As a percentage of total loans, they stood at 1.2%, consistent with the figure at the end of 2023 (1.3%).
Net impaired exposures past due and/or in arrears amounted to € 103 million from € 62 million at the end of 2023 (+66.2%), with a coverage ratio of 18.5% compared to 15.6% at the end of 2023 and a ratio of 0.3% to total loans, which compares with 0.2% last year.
The coverage ratio for **performing loans** further increased to 0.88%, incorporating a rise of approximately 15 basis points compared to 31 December 2023; the level of provisions for positions classified as stage 2 was 5.1%, up from 4.5% as at 31 December 2023.

Financial assets, represented by proprietary securities and derivatives, amounted to € 12,776 million, a decrease of € 1,162 million (-8.3%) compared with the volumes recorded at the end of the reference year, consistent with the strategy of repaying residual exposure to the ECB. More in detail: **financial assets held for trading** rose

from € 150.1 million at the end of 2023 to € 351.2 million at September 2024 (+134.1%); **other financial assets mandatorily measured at fair value** increased to € 261.9 million (+19%); **financial assets measured at fair value with an impact on comprehensive income** rose from € 3213 million at the end of 2023 to € 2,749 million in the period under review (-14.4%), while the volume of **financial assets measured at amortised cost** fell from € 10,356 million at the end of 2023 to € 9,414 million at 30 September 2024 (-9.1%). The total volume of Italian government bonds stood at € 5,727 million, down (-17.4%) 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 € 4.1 billion, down from around € 5.4 billion at 31 December 2023 (-23.6%).
The share of the portfolio allocated to **ESG debt securities** rose further to € 1,940 million[2], accounting for about 15% of the banking book.

Equity investments amounted to € 390 million, up from € 376 million at the end of 2023 (+3.6%), mainly due to the equity valuation of investee companies.

Following the repayment on 25 September for an amount, including interest, of about €3,900 million of the outstanding **TLTRO III** transaction, **the Group's exposure to the ECB** is now zero.

At 30 September 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 179% from 187% in September 2023. The Net Stable Funding Ratio stands at 129%.
The Group continues to have a substantial portfolio of refinanceable assets which, net of haircuts applied, amounted to € 16,678 million compared to € 18,205 million as at 30 June 2024. Available assets amounted to € 12,604 million, a significant increase from € 10,029 million as at 30 June 2024. The counterbalancing capacity, which includes the available daily liquidity balance, increased further to € 15 billion.

Consolidated **shareholders' equity**, including profit for the period, amounted to € 4,015 million as at 30 September 2024, up € 206 million on the figure at the end of 2023 (+5.4%).

Consolidated (fully phased) **regulatory capital**[1] as at 30 September 2024 stood at € 4,345 million, up from the 31 December 2023 figure of € 3,998 million (+8.7%).

The **capital ratios**[1] for regulatory purposes as at 30 September 2024, calculated on the basis of regulatory capital, were equal to:

- CET1 ratio: 16.5% (phased-in), 16.3% (fully phased-in);
- Tier1 ratio: 16.5% (phased-in), 16.3% (fully phased-in);
- Total Capital ratio: 19.4% (phased-in), 19.3% (fully phased-in).

The **Leverage Ratio** as at 30 September 2024 was 6.2% under the current transitional (phased-in) criteria and 6.1% under the fully phased-in criteria.

The **MREL Ratio** stands at 32.5%, up from the end-of-2023 figure.

As at 30 September 2024, the Banking Group's **staff** consisted of 3,678 employees, an increase of 98 resources compared to the situation at the end of 2023.

With reference to the **foreseeable evolution** of **operations**, the current macroeconomic context in the Eurozone and in Italy continues to show the prevalence of elements of weakness connected to domestic demand, which is struggling to strengthen, and to the negative dynamics of international trade, which is still strongly conditioned by serious geopolitical tensions. The disinflation process, on the other hand, is showing a positive trend, and this, together with more favourable financing conditions for households and businesses - with positive effects in terms of debt sustainability - will contribute to determining a gradual acceleration in the economy. Against the backdrop of these developments, our Group, thanks to the ongoing solid trend in core banking business, excellent operating efficiency, and a credit risk under control, should consolidate the results achieved so far, with a target ROE for the entire year in the 15% area.

The consolidated Interim Report as at 30 September 2024 will be published 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, 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.

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The conference call to illustrate the consolidated results of the Banca Popolare di Sondrio Group as at 30 September 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 take place in Italian, with simultaneous translation into English.
Link to live audio webcast:
https://87399.choruscall.eu/links/bpds241105.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	**30/09/2024**	**31/12/2023**	**Change %**
Loans to customers	34,247	34,480	-0.68
Loans and receivables with customers measured at amortised cost	33,993	34,159	-0.49
Loans and receivables with customers measured at fair value through profit or loss	253	321	-21.04
Loans and receivables with banks	2,233	2,122	5.25
Financial assets that do not constitute loans	12,776	13,939	-8.34
Equity investments	390	376	3.63
Total assets	54,374	57,722	-5.80
Direct funding from customers	42,679	42,393	0.68
Indirect funding from customers	50,849	46,319	9.78
Direct funding from insurance premiums	2,158	2,067	4.42
Customer assets under administration	95,686	90,778	5.41
Other direct and indirect funding	15,722	19,545	-19.56
Equity	4,015	3,809	5.40
Income statement	**30/09/2024**	**30/09/2023**	**Var. %**
Net interest income	814	668	21.71
Total income	1,230	1,046	17.64
Profit from continuing operations	630	507	24.26
Profit (loss) for the period	432	349	23.90
Capital ratios	**30/09/2024**	**31/12/2023**	
CET1 Capital ratio (phased-in)	16.48%	15.37%	
Total Capital ratio (phased-in)	19.41%	17.73%	
Free capital	2,573	2,225	
Other information on the banking group	**30/09/2024**	**31/12/2023**	
Number of employees	3,678	3,580	
Number of branches	380	377	

ALTERNATIVE PERFORMANCE INDICATORS

Key ratios	30/09/2024	31/12/2023
Equity/Direct funding from customers	9.41%	8.99%
Equity/Loans and receivables with customers	11.72%	11.05%
Equity/Financial assets	31.42%	27.33%
Equity/Total assets	7.38%	6.60%
Profitability indicators	**30/09/2024**	**30/09/2023**
Cost/Income ratio *	37.99%	40.34%
Net interest income/Total income *	66.14%	63.93%
Administrative expenses/Total income *	36.73%	40.18%
Net interest income/Total assets	1.50%	1.22%
Net financial income/Total assets *	2.00%	1.73%
Net profit for the year/Total assets	0.79%	0.64%
Asset quality indicators	**30/09/2024**	**31/12/2023**
NPL ratio	4.00%	3.71%
Texas ratio	14.77%	14.91%
Net non-performing loans/Equity	1.70%	1.63%
Net non-performing loans/Loans and receivables with customers	0.20%	0.18%
Loans and receivables with customers/Direct funding from customers	80.24%	81.33%
Cost of credit *	0.56%	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 30/09/2024

(in thousands of euro)	Gross exposure		Impairment losses	Net exposure		Coverage
Non performing exposures	**(4%)**	**1,414,257**	**827,297**	**(1.71%)**	**586,960**	**58.50%**
of which Bad loans	**(1.08%)**	381,980	313,632	**(0.2%)**	68,348	82.11%
of which Unlikely to pay	**(2.56%)**	905,755	490,320	**(1.21%)**	415,435	54.13%
of which Past due	**(0.36%)**	126,522	23,345	**(0.3%)**	103,177	18.45%
Performing exposures	**(96%)**	**33,957,735**	**298,182**	**(98.29%)**	**33,659,553**	**0.88%**
Total loans to customers	**(100%)**	**35,371,992**	**1,125,479**	**(100%)**	**34,246,513**	**3.18%**

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**	**58.32%**
of which Bad loans	(0.98%)	348,408	286,186	(0.18%)	62,222	76.48%
of which Unlikely to pay	(2.52%)	894,499	456,493	(1.27%)	438,006	51.17%
of which Past due	(0.21%)	73,574	11,494	(0.18%)	62,080	7.80%
Performing exposures	**(96.29%)**	**34,167,755**	**249,871**	**(98.37%)**	**33,917,884**	**0.45%**
Total loans to customers	**(100%)**	**35,484,236**	**1,004,044**	**(100%)**	**34,480,192**	**2.93%**

FINANCIAL ASSETS BY PORTFOLIO
30/09/2024

(in thousands of euro)	Total	of which italian government securities	of which foreign government securities
Financial assets held for trading	351,241	0	181,779
Other financial assets mandatorily measured at fair value	261,906	0	0
Financial assets valued at fair value through other comprehensive income	2,749,229	707,766	1,277,056
Financial assets measured at amortised cost	9,413,900	5,019,463	2,297,380
Total	**12,776,276**	**5,727,229**	**3,756,215**

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
30/09/2024

(in thousands of euro)	Phased-in	Fully-phased
Total own funds	**4,376,447**	**4,344,535**
of which Common Equity Tier 1 capital (CET1)	3,715,302	3,683,390
of which Additional Tier 1 capital (AT1)	0	0
of which Tier 2 capital (T2)	661,145	661,145
RWA	**22,545,695**	**22,545,167**
CET 1 ratio	**16.48%**	**16.34%**
Tier 1 ratio	**16.48%**	**16.34%**
Total capital ratio	**19.41%**	**19.27%**
Leverage ratio	**6.19%**	**6.14%**

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			30/09/2024		31/12/2023
10.	CASH AND CASH EQUIVALENTS		**2,217,356**		**4,546,559**
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**866,502**		**690,970**
	a) financial assets held for trading	351,241		150,073	
	c) financial assets mandatorily at fair value through profit or loss	515,261		540,897	
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		**2,749,229**		**3,212,616**
40.	FINANCIAL ASSETS AT AMORTISED COST		**44,522,578**		**45,530,807**
	a) loans and receivables with banks	2,233,424		2,122,051	
	b) loans and receivables with customers	42,289,154		43,408,756	
50.	HEDGING DERIVATIVES		**-**		**1**
60.	FAIR VALUE CHANGE IN HEDGED FINANCIAL ASSETS (+/-)		**2,210**		**1,775**
70.	EQUITY INVESTMENTS		**390,016**		**376,357**
90.	PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY		**686,700**		**677,074**
100.	INTANGIBLE ASSETS		**39,618**		**37,756**
	of which:				
	- goodwill	16,997		16,997	
110.	TAX ASSETS		**202,155**		**260,813**
	a) current	1,066		1,375	
	b) deferred	201,089		259,438	
130.	OTHER ASSETS		**2,697,699**		**2,387,037**
	TOTAL ASSETS		**54,374,063**		**57,721,765**

	LIABILITY AND EQUITY		30/09/2024		31/12/2023
10.	FINANCIAL LIABILITIES AT AMORTISED COST		**48,174,812**		**52,310,486**
	a) due to banks	5,495,757		9,917,675	
	b) due to customers	37,452,343		37,916,301	
	c) securities issued	5,226,712		4,476,510	
20.	FINANCIAL LIABILITIES HELD FOR TRADING		**17,054**		**69,577**
40.	HEDGING DERIVATIVES		**2,386**		**1,924**
60.	TAX LIABILITIES		**108,881**		**71,354**
	a) current	79,819		41,999	
	b) deferred	29,062		29,355	
80.	OTHER LIABILITIES		**1,654,589**		**1,062,057**
90.	PROVISION FOR POST-EMPLOYMENT BENEFITS		**32,176**		**33,459**
100.	PROVISIONS FOR RISKS AND CHARGES:		**369,299**		**363,620**
	a) loans commitments and	80,859		96,237	
	b) pensions and similar	182,480		178,950	
	c) other provisions	105,960		88,433	
120.	VALUATION RESERVES		**11,405**		**(16,222)**
150.	RESERVES		**2,157,646**		**1,950,646**
160.	SHARE PREMIUM		**78,934**		**78,949**
170.	SHARE CAPITAL		**1,360,157**		**1,360,157**
180.	TREASURY SHARES (-)		**(25,181)**		**(25,418)**
190.	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		**14**		**14**
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)		**431,891**		**461,162**
	TOTAL LIABILITIES AND EQUITY		**54,374,063**		**57,721,765**

CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

ITEMS			30/09/2024		30/09/2023
10.	INTEREST AND SIMILAR INCOME		1,625,985		1,286,976
	of which: interest calculated using the effective interest method	1,589,507		1,274,539	
20.	INTEREST AND SIMILAR EXPENSE		(812,411)		(618,534)
30.	**NET INTEREST INCOME**		**813,574**		**668,442**
40.	FEE AND COMMISSION INCOME		333,571		306,103
50.	FEE AND COMMISSION EXPENSE		(15,818)		(16,009)
60.	**NET FEE AND COMMISSION INCOME**		**317,753**		**290,094**
70.	DIVIDENDS AND SIMILAR INCOME		6,350		4,579
80.	NET TRADING INCOME		89,755		76,335
90.	NET HEDGING INCOME		48		(12)
100.	NET GAINS FROM SALES OR REPURCHASES OF:		14,007		4,481
	a) financial assets at amortized cost	8,878		4,617	
	b) financial assets at fair value through other comprehensive income	4,453		(222)	
	c) financial liabilities	676		86	
110.	NET GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		(7,745)		2,802
	b) other financial assets mandatorily measured at fair value		(7,745)		2,802
120.	**TOTAL INCOME**		**1,233,742**		**1,046,721**
130.	NET IMPAIRMENT LOSSES FOR CREDIT RISK RELATING TO:		(159,378)		(93,510)
	a) financial assets at amortized cost	(159,493)		(93,323)	
	b) financial assets at fair value through other comprehensive income	115		(187)	
140.	NET GAINS FORM CONTRACTUAL CHANGES WITHOUT DERECOGNITION		(2,444)		6,185
150.	**NET FINANCIAL INCOME**		**1,071,920**		**959,396**
180.	**NET FINANCIAL INCOME AND INSURANCE INCOME**		**1,071,920**		**959,396**
190.	ADMINISTRATIVE EXPENSES:		(479,339)		(465,569)
	a) personnel expenses		(235,868)		(220,611)
	b) other administrative expenses		(243,471)		(244,958)
200.	NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES		(12,674)		(32,945)
	a) commitments for guarantees given		15,312		(13,916)
	b) other net provisions		(27,986)		(19,029)
210.	DEPRECIATION AND NET IMPAIRMENT LOSSES ON PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY		(40,353)		(37,196)
220.	AMORTISATION AND NET IMPAIRMENT LOSSES ON INTANGIBLE ASSETS		(12,048)		(12,458)
230.	OTHER NET OPERATING INCOME		71,181		71,570
240.	**OPERATING COSTS**		**(473,233)**		**(476,598)**
250.	SHARE OF PROFITS OF INVESTEES		32,594		25,288
260.	NET FAIR VALUE LOSSES ON PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS MEASURED		(1,640)		(1,490)
270.	GOODWILL IMPAIRMENT LOSSES		-		-
280.	NET GAINS ON SALES OF INVESTMENTS		337		387
290.	**PRE-TAX PROFIT FROM CONTINUING OPERATIONS**		**629,978**		**506,983**
300.	TAXES ON INCOME FOR THE YEAR FOR CONTINUING OPERATIONS		(198,087)		(158,394)
310.	**POST-TAX PROFIT FROM CONTINUING OPERATIONS**		**431,891**		**348,589**
330.	**NET PROFIT (LOSS) FOR THE PERIOD**		**431,891**		**348,589**
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**		**431,891**		**348,589**
	EARNINGS (LOSS) PER SHARE		0.964		0.775
	DILUTED EARNINGS (LOSSES) PER SHARE		0.964		0.775

RECLASSIFIED CONSOLIDATED SUMMARY INCOME STATEMENT

(in thousands of euro)	30/09/2024	30/09/2023	(+/-)	% Change
Net interest income	813,574	668,442	145,132	21.71
Dividends and similar income	6,350	4,579	1,771	38.68
Net fee and commission income	317,753	290,094	27,659	9.53
Net gains on financial assets [a]	100,069	79,670	20,399	25.60
Result of other financial assets at FVTPL [b]	-7,745	2,802	-10,547	n.s.
of which Loans	-9,247	387	-9,634	n.s.
of which Other	1,502	2,415	-913	n.s.
Total income	**1,230,001**	**1,045,587**	**184,414**	**17.64**
Net impairment losses [c]	-142,769	-100,107	-42,662	42.62
Net financial income	**1,087,232**	**945,480**	**141,752**	**14.99**
Personnel expenses [d]	-229,640	-215,989	-13,651	6.32
Other administrative expenses [e]	-222,174	-204,101	-18,073	8.85
Other net operating income [d]	64,953	66,948	-1,995	-2.98
Net accruals to provisions for risks and charges [f]	-27,986	-19,029	-8,957	47.07
Depreciation and amortisation on tangible and intangible assets	-52,401	-49,654	-2,747	5.53
Operating costs	**-467,248**	**-421,825**	**-45,423**	**10.77**
Operating result	**619,984**	**523,655**	**96,329**	**18.40**
Charges for the stabilization of the banking System [e]	-21,297	-40,857	19,560	-47.87
Share of profits of investees and net gains on sales of investments	31,291	24,185	7,106	n.s.
Pre-tax profit from continuing operations	**629,978**	**506,983**	**122,995**	**24.26**
Income taxes	-198,087	-158,394	-39,693	n.s.
Net profit (loss) for the period	**431,891**	**348,589**	**83,302**	**23.90**
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	**431,891**	**348,589**	**83,302**	**23.90**

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 inclusive of profits on disposals of 3.741 million euro.

[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 6.228 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.

RECLASSIFIED CONSOLIDATED QUARTERLY INCOME STATEMENTS

(in million of euro)	Q3 - 2024	Q2 - 2024	Q1 - 2024	Q4 - 2023	Q3 - 2023
Net interest income	275.5	271.0	267.0	268.5	241.1
Dividends and similar income	3.1	2.2	1.0	3.1	2.3
Net fee and commission income	105.1	105.8	106.9	112.5	95.6
Net gains on financial assets [a]	33.8	30.8	35.5	35.6	21.6
Result of other financial assets at FVTPL [b]	-0.4	-6.2	-1.2	2.4	-1.1
of which Loans	-2.5	-4.8	-2.0	-1.1	-0.7
of which Other	2.1	-1.4	0.8	3.5	-0.4
Total income	**417.1**	**403.7**	**409.2**	**422.1**	**359.4**
Net impairment losses [c]	-39.4	-60.5	-42.8	-124.4	-21.2
Net financial income	**377.7**	**343.2**	**366.4**	**297.7**	**338.2**
Personnel expenses [d]	-78.1	-74.9	-76.7	-77.1	-74.1
Other administrative expenses [e]	-72.9	-75.5	-73.7	-78.9	-66.9
Other net operating income [d]	25.0	22.5	17.3	27.4	22.1
Net accruals to provisions for risks and charges [f]	-5.4	-21.4	-1.1	-7.5	-6.5
Depreciation and amortisation on tangible and intangible assets	-18.0	-17.8	-16.6	-22.8	-17.7
Operating costs	**-149.4**	**-167.1**	**-150.8**	**-158.9**	**-143.2**
Operating result	**228.3**	**176.1**	**215.6**	**138.8**	**195.1**
Charges for the stabilization of the banking System [e]	0.0	-1.3	-20.0	2.0	0.0
Share of profits of investees and net gains on sales of investments	14.5	2.5	14.2	12.5	10.0
Pre-tax profit from continuing operations	**242.8**	**177.3**	**209.8**	**153.3**	**205.1**
Income taxes	-74.5	-59.0	-64.6	-40.7	-63.6
Net profit (loss) for the period	**168.3**	**118.3**	**145.2**	**112.6**	**141.5**
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	**168.3**	**118.3**	**145.2**	**112.6**	**141.5**

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.