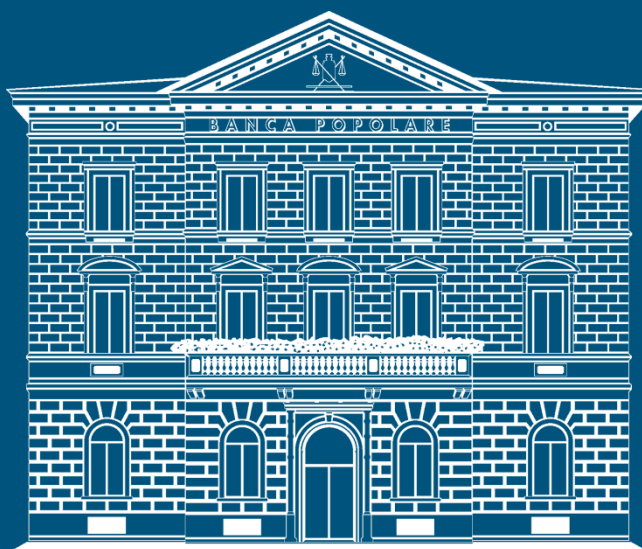




# Banca Popolare di Sondrio

FOUNDED IN 1871



## CONSOLIDATED HALF-YEAR FINANCIAL REPORT AS AT 30 JUNE 2025



**Banca Popolare  
di Sondrio**

CONSOLIDATED  
HALF-YEAR  
FINANCIAL REPORT  
AS AT 30 JUNE 2025





**Banca Popolare  
di Sondrio** **FOUNDED IN 1871**

# CONSOLIDATED HALF-YEAR FINANCIAL REPORT AS AT 30 JUNE 2025

Joint-stock company

Head Office and General Management: ITALY - 23100 Sondrio (SO) - Piazza Garibaldi 16

Tel. 0342 528.111 - Fax 0342 528.204

Websites: <https://www.popso.it> – <https://istituzionale.popso.it>

E-mail [info@popso.it](mailto:info@popso.it) - Certified e-mail (PEC): [postacertificata@pec.popso.it](mailto:postacertificata@pec.popso.it)

Tax code and Sondrio Companies Register No. 00053810149 - Registered with the Official List of Banks under No. 842

Monetary intermediation by monetary institutions other than central banks

Company belonging to the BPER Banca S.p.A. Banking Group - Registered with the Official List of Banks under No. 5387.6

Company subject to management and coordination by BPER Banca S.p.A.

Member of the Fondo Interbancario di Tutela dei Depositi and the Fondo Nazionale di Garanzia

Company belonging to the Banca Popolare di Sondrio VAT GROUP 01086930144

Share capital: 1,360,157,331 euro - Reserves: 1,740,955,502 euro

(Figures approved at the Shareholders' meeting of 30 April 2025)





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## Corporate offices

### BOARD OF DIRECTORS

Chair	PIERLUIGI MOLLA
Deputy Chair	LINO ENRICO STOPPANI*
Managing Director	MARIO ALBERTO PEDRANZINI**
Directors	LORETTA CREDARO*
	MARIA LETIZIA ERMETES
	ROBERTO GIAY
	MARIA CHIARA MALAGUTI
	CHRISTIAN MONTAUDO
	SÉVERINE MÉLISSA HARMINE NEERVOORT
	SALVATORE PROVIDENTI
	GIUSEPPE RECCHI
	FRANCO GIUSEPPE RIVA
	SILVIA STEFINI
	FRANCESCO VENOSTA
	ROSSANA ZAMBELLI

### BOARD OF STATUTORY AUDITORS

Chair	CARLO MARIA VAGO
Statutory Auditors	MASSIMO DE BUGLIO
	LAURA VITALI
Alternate Auditors	MARCO FABIO CAPITANIO
	PAOLO VIDO

### GENERAL MANAGEMENT

General Manager	MARIO ALBERTO PEDRANZINI
Deputy General Managers	MARIO ERBA
	MILO GUSMEROLI
	CESARE POLETTI

### Manager responsible for preparing the Company's accounting documents

SIMONA ORIETTI

\* Members of the Executive Committee

\*\* Member of the Executive Committee and Secretary of the Board of Directors

# BRANCH NETWORK

## BANCA POPOLARE DI SONDRIO

Founded in 1871

### GENERAL MANAGEMENT AND HEAD OFFICE

Sondrio, piazza Giuseppe Garibaldi 16  
tel. +39 0342 528111 - fax +39 0342 528204  
www.popso.it - info@popso.it

### FIELD OFFICES

ORGANISATION AND IT SYSTEMS: "F. Morani" Service Centre - via Ranée 511/1 - Berbenno di Valtellina (So) - fraz. San Pietro  
INTERNATIONAL UNIT: lungo Mallero Luigi Cadorna 24, Sondrio  
COMMERCIAL UNIT - PUBLIC ENTITIES AND TREASURY OFFICES - SUPPLY OFFICE - TECHNICAL, HEALTH AND SAFETY DEPARTMENT: corso Vittorio Veneto 7, Sondrio  
PERSONNEL DEPARTMENT: corso Vittorio Veneto 36, Sondrio

### VIRTUAL UNIT

corso Vittorio Veneto 7, Sondrio

### BRANCHES AND TREASURIES

#### PROVINCE OF SONDRIO

ALBOSAGGIA via Porto 10  
APRICA corso Roma 140  
ARDENNO via Libertà  
BERBENNO DI VALTELLINA - fraz. San Pietro - via Nazionale Ovest 110  
BIANZONE piazza Ezio Vanoni 11

#### BORMIO

Head Office, via Roma 131 - ang. via don Evaristo Peccedi  
Branch no. 1, via Roma 64

#### CAMPODOLCINO

via Corti 67  
CASPOGGIO piazza Milano 17  
CEDRASCO via Vittorio Veneto 15

#### CEPINA VALDISOTTO

via Roma 13/E  
CHIAVENNA via Francesco e Giovanni Dolzino 67

#### CHIESA IN VALMALENCO

via Roma 138

#### CHIURIO

via Stelvio 8

#### COLORINA

via Roma 84

#### COSIO VALTELLINO - fraz. Regoledo

via Roma 7  
COSIO VALTELLINO - fraz. Cosio Stazione - piazza San Martino 14

#### DELEBIO

piazza San Carpofo 7/9

#### DUBINO - Nuova Olonio

via Spluga 83

#### GORDONA

via Scogli 9

#### GROSIO

via Roma 67

#### GROSIO - fraz. Ravoledo

via Pizzo Dosdè 17

#### GROSOTTO

via Statale 73

#### ISOLACCIA VALDIDENTRO

via Nazionale 31

#### LANZADA

via Palò 388

#### LIVIGNO

Head Office, via Sant'Antonio 135

Branch no. 1, via Saroch 728/730

LIVIGNO via Dala Gesa 557/A

#### MADRESIMO

via Giosuè Carducci 3

#### MADONNA DI TIRANO

piazza Basilica 55

#### MAZZO DI VALTELLINA

via Santo Stefano 20

#### MELLO

piazza San Fedele 1

#### MONTAGNA IN VALTELLINA

via Stelvio 336

#### MONTAGNA IN VALTELLINA

via Cicci 36

#### MORBEGNO

Head Office, piazza Caduti per la Libertà 7

Branch no. 1, via V Alpini 172

#### NOVATE MEZZOLA

via Roma 13

#### PASSO DELLO STELVIO

località Passo dello Stelvio

#### PIANTO

via Colico 43

#### PONTE IN VALTELLINA

piazza della Vittoria 1

#### SAMOLACO - fraz. Era

via Europa 1365

#### SAN CASSIANO VALCHIAVENNA

via Spluga 108

#### SAN NICOLÒ VALFURVA

via San Nicolò 82

#### SEMOGO VALDIDENTRO

via Cima Piazzini 28

#### SONDALO

via Dr. Ausonio Zubiani 2

#### SONDRIO

Head Office, piazza Giuseppe Garibaldi 16

Branch no. 1, via Bernina 1

Branch no. 2, via Giacinto Sertorelli 2

Branch no. 3, Ingresso Ospedale Civile - via Stelvio 25

Branch no. 4, piazzale Giovanni Bertacchi 57

Branch no. 5, Galleria Campello 2

TALAMONA via Don Giuseppe Cusini 83/A

TEGLIO piazza Santa Eufemia 2

TEGLIO - fraz. San Giacomo - via Nazionale 17

TIRANO piazza Cavour 20

TIRANO via Valeriana 88/A

TRESEDA DI TEGLIO via Nazionale 57

TRESIVIO piazza San Pietro e Paolo 24

VILLA DI CHIAVENNA via Roma 38

VILLA DI TIRANO via Foppa 12

VERCEIA via Nazionale 118/D

#### AUTONOMOUS REGION OF VALLE D'AOSTA

##### AOSTA

corso Battaglione Aosta 79

PONT SAINT MARTIN via Emile Chanoux 45

SAINT-VINCENT via Duca D'Aosta 9

#### PROVINCE OF ALESSANDRIA

##### ALESSANDRIA

corso Crimea 21

##### NOVI LIGURE

corso Romualdo Marengo 59

#### PROVINCE OF BERGAMO

##### ALBANO SANT'ALESSANDRO

via Vittorio Emanuele II 6

ALME via Campofiori 36

BARIANO via Umberto I 1

##### BERGAMO

Head Office, via Brosetta 64/B

Branch no. 1, via Vittore Ghislandi 4

Branch no. 2, via Guglielmo D'Alzano 3/E

BERGAMO - Ospedale Papa Giovanni XXIII - piazza Oms 1

BONATE SOTTO via Vittorio Veneto - ang. via Antonio Locatelli

BREMBATE via Vittore Tasca 8/10

CARVICO via Giuseppe Verdi 1

CISANO BERGAMASCO via Giuseppe Mazzini 25

COSTA VOLPINO via Nazionale 92

COLERE via Zanoli 8/A

GAZZANIGA via IV Novembre 3

GHISALBA via Roma 41/43

#### GRUMELLO DEL MONTE

via Roma 133

MAPELLO via Giuseppe Bravi 31

MOZZANICA piazza Antonio Locatelli

NEMBRO piazza Umberto I 1

OSIO SOTTO via Monte Grappa 12

ROMANO DI LOMBARDIA via Bailla 20

SARNICO via Giuseppe Garibaldi 1/C

SCANZOROSCIATE corso Europa 9

SERATE piazza Caduti per la Libertà 7

TRESCORE BALNEARIO piazza Cavour 6

TREVIGLIO via Cesare Battisti 8/B

TREVIGLIO - Ospedale - piazzale Ospedale 1

VERDELLINO largo Luigi Einaudi 5

VILMINORE DI SCALVE piazza Vittorio Veneto 8

#### PROVINCE OF BOLOGNA

BOLOGNA via Riva di Reno 58/B

#### PROVINCE OF BOLZANO

BOLZANO viale Amedeo Duca D'Aosta 88

/ Amedeo Duca D'Aosta Allee 88

MERANO corso della Libertà 16 / Freiheitsstrasse 16

#### PROVINCE OF BRESCIA

ANGOLO TERME piazza Caduti 3

BERZO DEMO via Nazionale 14

BIENNO via Giuseppe Fantoni 36

BORNO via Vittorio Veneto 25

BRENO piazza Generale Pietro Ronchi 4

BRESCIA

Head Office, via Antonio Gramsci 15

Branch no. 1, via Crocifissa di Rosa 1

Branch no. 2, via Solferino 61

Branch no. 3, viale Piave 61/A

Branch no. 4, via Fratelli Ugolini 2

CAPO DI PONTE via Aldo Moro 26/A

CEVO via Roma 15

CHIARI via Consorzio Agrario 1 - ang. viale Teosa 23/B

COCCAGLIO via Adelchi Negri 12

COLLEBEATO via San Francesco d'Assisi 12

CORTE FRANCA piazza di Franciacorta 7/C

CORTENO GOLGI via Brescia 2

DARFO BOARIO TERME

Branch no. 1, corso Italia 10/12

Branch no. 2, piazza Patrioti 2

DESENZANO DEL GARDA via Guglielmo Marconi 1/A

EDOLO piazza Martiri della Libertà 16

ERBUSCO via Provinciale 29

ESINE via Chiosi 79

GARDONE VAL TROMPIA via Giacomo Matteotti 300

GANICO piazza Roma 3

ISEO via Roma 12/E

LONATO DEL GARDA corso Giuseppe Garibaldi 59

LUMEZZANE - fraz. Sant'Apollonio - via Massimo D'Azeglio 108

MALONNO via Valle Camonica - ang. via Adamello

MANERBA DEL GARDA via Valtenesi 43

MANERBIO via Dante Alighieri 8

MARONE corso Zanardelli 3

MONTE ISOLA frazione Sivano 116

MONTICHIARI via Mantova - ang. via 3 Innocenti 74

ORZINUOVI piazza Giuseppe Garibaldi 19

OSPITALETTO via Brescia 107/109

PALAZZOLO SULL'OGGIO via Brescia 23

PIAN CAMUNO via Agostino Gemelli 21

PISOGNE via Trento 1

PONTE DI LEGNO piazzale Europa 39

PONTE DI LEGNO - loc. Passo Del Tonale - via Case Sparse 84

REZZATO via Brolli 49

SALE MARASINO via Roma 33/35

SALÒ viale Alcide De Gasperi 13

SALÒ via Giuseppe Garibaldi 21

SAREZZO via della Repubblica 99

TOSCOLANO MADERNO piazza San Marco 51

TOSCOLANO MADERNO viale Guglielmo Marconi 9

VEZZA D'OGGIO via Nazionale 116

ZONE via Orti 1

#### PROVINCE OF COMO

ALBIOLO via Indipendenza 10

ALTA VALLE INTELVI piazza Lanfranchi 22

APPIANO GENTILE piazza della Libertà 9

ARGEGNO piazza Conti Persini 1

AROSIO piazza Montello 36

BELLAGIO via Valassina 58

BINAGO via Roma 9

BREGNANO via Giuseppe Mazzini 22

BRUNATE via Alessandro Volta 28

BULGAROGROSSO via Pietro Ferloni 2

CAMPIONE D'ITALIA piazza Roma 1/G

CANTÙ via Milano 47

CANZO via Alessandro Verza 39

CAPIAGO INTIMIANO via Vittorio Emanuele II 7

CARATE URIO via Regina 85

CARIMATE - fraz. Montesolario - piazza Lorenzo Spallino 6

CARLAZZO via V° Alpini 59/A

CARUGO via Luigi Cadorna 32

CASNATE CON BERNATE via Roma 7

CASTELMARTE via Dante 1

CENTRO VALLE INTELVI via Provinciale 79

COMO

Head Office, viale Innocenzo XI 71

Branch no. 1, via Giorgio Giulini 12

Branch no. 2, via Statale per Lecco 70 - fraz. Lora

Branch no. 3, via Asiago 25 - fraz. Tavernola

Branch no. 4, via Indipendenza 16

DOMASO via Statale Regina 77

DONGO piazza Virgilio Matteri 14

ERBA via Alessandro Volta 3

FINO MORNASCO via Giuseppe Garibaldi - ang. piazza Odescalchi 5

GARZENNO via Roma 32

GERA LARIO via Statale Regina 18

GRAVEDONA ED UNITI piazza Giuseppe Garibaldi 11

GUANZATE via Giuseppe Garibaldi 1

LAMBRUGO piazza Papa Giovanni II 8

LURAGO D'ERBA via Roma 58

MASLIANICO via XX Settembre 47

MENAGGIO via Annetta e Celestino Lusardi 62

MERONE via San Girolamo Emiliani 5/C

MONTORFANO via Brianza 6/B

MUSSO via Statale Regina 30

OSSUCCIO via Statale 864

PARE piazza della Chiesa 5/6

PIANELLO DEL LARIO via Statale Regina 32

PLESIO via Grana 85

PORLEZZA lungolago Giacomo Matteotti 15

PUSIANO via Giuseppe Mazzini - Complesso Pusiano 2000

SALA COMACINA via Statale 14/A

SAN BARTOLOME VAL CAVARGNA via Fontana 6

SAN SIRO via Statale 223

SCHIGNANO via Roma 8

SORICO piazza Cesare Battisti 1/A

TREMEZZO via Statale 5115

TURATE via Vittorio Emanuele 14

UGGIATE T



# Banca Popolare di Sondrio

Branch no. 5, Bovisva, via degli Imbriani 54  
 Branch no. 6, Corvetto, via Marco d'Agrate 11  
 Branch no. 7, Caneva, via Cenisio 50  
 Branch no. 8, Quarto Oggiaro, via M. Lessona - ang. via F. De Roberto  
 Branch no. 9, A.L.E.R., viale Romagna 24  
 Branch no. 10, Solari, via Andrea Solari 15  
 Branch no. 11, Università Bocconi, via Guglielmo Röntgen 1  
 Branch no. 12, Baggio, via delle Forze Armate 260  
 Branch no. 13, Repubblica, viale Monte Santo 8  
 Branch no. 14, Palazzo d'Giustizia, via Colonnella 5 - ang. via C. Battisti  
 Branch no. 15, Murat, via Gioacchino Murat 76  
 Branch no. 16, Ortomercato, via Cesare Lombroso 54  
 Branch no. 17, Monumentale, piazzale Cimitero Monumentale 23  
 Branch no. 18, Fiera, viale Elio Belisario 1  
 Branch no. 19, Giambellino, via Giambellino 39  
 Branch no. 20, Sempione, via Antonio Canova 39 - ang. corso Sempione  
 Branch no. 21, Politecnico, via Edoardo Bonardi 4  
 Branch no. 22, Sforza, via F. Sforza 48 - ang. corso di Porta Romana  
 Branch no. 23, Certosa, viale Certosa 62  
 Branch no. 24, Piave, viale Piave 1 - ang. via Pindemonte  
 Branch no. 25, Zara, viale Zara 13  
 Branch no. 26, Lodi, corso Lodi - ang. via S. Gerolamo Emiliani 1  
 Branch no. 27, Don Gnocchi, via Alfonso Capocelatro 66  
 Branch no. 28, Corsica, via privata Sanremo - ang. viale Corsica 81  
 Branch no. 29, Bicocca, piazza della Trivulziana 6  
 Branch no. 30, De Angeli, piazza Ernesto De Angeli 9  
 Branch no. 31, Isola, via Carlo Farini 47 - ang. via Dina Galli  
 Branch no. 32, Venezia, viale Luigi Majno 42 - viale Piave 43  
 Branch no. 33, Porta Romana, corso di Porta Romana 120  
 Branch no. 34, San Babila, via Cino del Duca 12  
 Branch no. 35, Loreto, piazzale Loreto 1 - ang. viale Brianza  
 Branch no. 36, Monti, via Vincenzo Monti 41  
 Branch no. 37, Vercelli, corso Vercelli 38  
 Branch no. 38, Università Cattolica del Sacro Cuore, largo A. Gemelli 1  
 Branch no. 39, Gruppo AZIMUT - Sportello Interno - corso Venezia 48  
 Branch no. 40, Politecnico - Bovisva, via Raffaele Lambruschini 4  
 Branch no. 41, Associazione Chimica Farmaceutica Lombarda fra Titolari di Farmacia di Milano - Sportello Interno - viale Piceno 18

MILANO - Istituto Nazionale Tumori - via Giacomo Venezian 1  
 MILANO - ASP Golgi Redaelli - via Bartolomeo D'Alviano 78  
 MILANO - Bicocca - piazza dell'Ateneo Nuovo 1 - Edificio U 6  
 MILANO - I.U.L.M. - via Carlo Bo 1  
 MILANO - Pio Albergo Trivulzio - via Antonio Tolomeo Trivulzio 15  
 MILANO - Pirelli - via Fabio Filzi 22

PERO via Mario Greppi 13  
 SEGRATE via Roma 96

SEGRATE via Fratelli Cervi 13 - Residenza Botteghe

## SESTO SAN GIOVANNI

Branch no. 1, piazza IV Novembre 12

Branch no. 2, piazza della Resistenza 52

## TREZZO SULL'ADDA via Antonio Gramsci 10

TURBIGIO via Alleanza Comunale 17

VIZZOLO PREDABISSI - A.S.S.T. Melegnano e della Martesana via Pandina 1

## PROVINCE OF MONZA E BRIANZA

### ALBIATE via Trento 35

BELLUSCO via Bergamo 5

BERNAREGGIO via Michelangelo Buonarroti 6

BRIOSCO piazza della Chiesa 6

BOVISIO MASCIAGO via Guglielmo Marconi 7/A

CARATE BRIANZA via Francesco Cusani 10

DESIO via Portichetto - ang. via Pio XI

GIUSSANO via Cavour 19

### LISSONE

Head Office, via Dante Alighieri 43

Branch no. 1, via Trieste 33

MACHERIO via Roma 17

MEDA via Yuri Gagarin - ang. corso della Resistenza

### MONZA

Head Office, via Felice Cavallotti 5

Branch no. 1, via Felice Cavallotti 5

NOVA MILANESE via Antonio Locatelli

### SEREGNO

Head Office, via Cavour 84

Branch no. 1, via Cesare Formentti 5

SEVESO via San Martino 20

VAREDO corso Vittorio Emanuele II 53

VILLASANTA - fraz. San Floriano - via Amatore Antonio Sciesa 7/9

VIMERCATE piazza Papa Giovanni Paolo II 9 - ang. via Giuseppe Mazzini

## PROVINCE OF NAPOLI

NAPOLI Gruppo AZIMUT - Sportello Interno - via Gaetano Filangieri 36 - Palazzo Mannajuolo

## PROVINCE OF NOVARA

ARONA via Antonio Gramsci 19

NOVARA via Andrea Costa 7

## PROVINCE OF PADOVA

PADOVA via Ponte Molino 4

## PROVINCE OF PALERMO

PALERMO - Representative Office - via della Libertà 175/177

## PROVINCE OF PARMA

FIDENZA piazza Giuseppe Garibaldi 24

### PARMA

Branch no. 1, via Emilia Est 3/A

Branch no. 2, via Antonio Gramsci 28/A

## PROVINCE OF PAVIA

BELGIOIOSO piazza Vittorio Veneto 23

BRONI via Giuseppe Mazzini 1

CANNETO PAVESE via Roma 15

CASTEGGIO piazza Cavour 4

CILAVEGNA via Giuseppe Mazzini 4

MEDE corso Italia 2

MORTARA via Roma 23

### PAVIA

Head Office, piazzale Ponte Coperto Ticino 11

Branch no. 1, corso Strada Nuova 75

PAVIA - DEA - via Privata Campeggi 40

PAVIA - Policlinico San Matteo - viale Camillo Golgi 19

RIVANAZZANO TERME piazza Cornaggia 41

ROBBIO piazza della Libertà 33

STRADELLA via XXVI Aprile 56

VIGEVANO piazza IV Novembre 8

VOGHERA via Emilia 49

## PROVINCE OF PIACENZA

CASTEL SAN GIOVANNI corso Giacomo Matteotti 27

### PIACENZA

Head Office, via Raimondo Palmerio 11

Branch no. 1, via Cristoforo Colombo 18

Branch no. 2, piazzale Torino 16

## PROVINCE OF PORDENONE

PORDENONE viale Guglielmo Marconi 28

## PROVINCE OF ROMA

CIAMPINO viale del Lavoro 56

FRASCATI via Cairoli 1

GENZANO DI ROMA viale Giacomo Matteotti 14

GROTTAFERRATA via XXV Luglio

MONTE COMPATRI piazza Marco Mastrofini 11

### ROMA

Head Office, Eur, viale Cesare Pavese 336

Branch no. 1, Monte Sacro, via Val Santerno 27

Branch no. 2, Ponte Marconi, via Silvestro Gherardi 45

Branch no. 3, Prati Trionfale, via Trionfale 22

Branch no. 4, Bravetta, piazza Blagio Pace 1

Branch no. 5, Portonaccio, piazza S. Maria Consolatrice 16/B

Branch no. 6, Appio Latino, via Cesare Baronio 12

Branch no. 7, Aurelio, via Baldo degli Ubaldi 267

Branch no. 8, Africano Vescovo, viale Somalia 255

Branch no. 9, Casal Palocco, piazzale Filippo II Macedone 70/75

Branch no. 10, Laurentina, via Laurentina 617/619

Branch no. 11, Esquilino, via Carlo Alberto 6/A

Branch no. 12, Boccea, circonvallazione Cornelia 295

Branch no. 13, Tuscolano, via Foligno 51/A

Branch no. 14, Garbatella, largo delle Sette Chiese 6

Branch no. 15, Farnesina, via della Farnesina 154

Branch no. 16, Monte Sacro Alto/Talenti, via Nomentana 925/A

Branch no. 17, San Lorenzo, piazza dei Sanniti 10/11

Branch no. 18, Infernetto, via Ermanno Wolf Ferrari 348

Branch no. 19, Nuovo Salario, piazza Filattiera 24

Branch no. 20, Tuscolano/Appio Claudio, via Calo Canuleio 29

Branch no. 21, Nomentano, via Fiamano Nardini 25

Branch no. 22, WFP - Sportello Interno - via Cesare Giulio Viola 68/70

Branch no. 23, Ostia, via Carlo Del Greco 1

Branch no. 24, San Clemente/Colosseo, via di S. Giovanni in Laterano 51/A

Branch no. 25, Parioli, viale dei Parioli 39/B

Branch no. 26, Tritone, via del Tritone 207

Branch no. 27, Prati, piazza Cavour 7

Branch no. 28, Prenestino/Torignattara, piazza della Marranella 9

Branch no. 29, FAO - Sportello Interno - viale delle Terme di Caracalla 1

Branch no. 30, IFAD - Sportello Interno - via Paolo Di Dono 44

Branch no. 31, Campus Bio-Medico di Roma - Policlinico, via A. del Portillo 200

Branch no. 32, Monteverde Vecchio, via Antonio Giulio Barilli 50/H

Branch no. 33, Trastevere, piazza Sidney Sonnino 40

Branch no. 34, Gregorio VII, via Gregorio VII 348 - ang. piazza Pio XI 40

Branch no. 35, Parioli, corso Vittorio Emanuele II 139

Branch no. 36, CONSOB - Sportello Interno - via G. B. Martini 3

Branch no. 37, Trieste/Salaria, via Tagliamento 37

Branch no. 38, Gruppo AZIMUT - Sportello Interno - via Flaminia 133

Branch no. 39, Policlinico Universitario Fondazione Agostino Gemelli IRCCS, largo Agostino Gemelli 8

Branch no. 40, Balduina, piazzale delle Medaglie d'Oro 65

ROMA - Biblioteca Nazionale Centrale - viale Castro Pretorio 105/F

ROMA - Università Foro Italico - piazza Lauro De Bosis 15

## PROVINCE OF SAVONA

ALASSIO via Giuseppe Mazzini 55

ALBISSOLA MARINA via del Ceramisti 29

SAVONA via Pietro Paleocapa 58

VAREZZE via Goffredo Mameli 19

## PROVINCE OF TORINO

### TORINO

Head Office, via XX Settembre 37

Branch no. 1, via Luigi Cibrario 17/A bis

Branch no. 2, corso Alcide De Gasperi 9

## PROVINCE OF TRENTO

ARCO via Santa Caterina 8/C

CLES piazza Navarino 5

RIVA DEL GARDA viale Dante Alighieri 11

ROVERETO corso Antonio Rosmini 68 - ang. via Fontana

TRENTO piazza di Centa 14

## PROVINCE OF TREVISO

CONEGLIANO via Nazario Sauro 1 - ang. via Carlo Rosselli

TREVISO corso del Popolo 50 - angolo via Giuseppe Toniolo

## PROVINCE OF TRIESTE

TRIESTE piazza San Giovanni 1

## PROVINCE OF UDINE

UDINE piazzale XXVI Luglio 62

## PROVINCE OF VARESE

AEROPORTO DI MALPENSA 2000 Terminal 1 - FERNO

BESNATE via Libertà 2

BISUSCHIO via Giuseppe Mazzini 80

BRUSIMPIANO piazza Battaglia 1/A

BUSTO ARSIZIO piazza Trento e Trieste 10

CARNAGO via Guglielmo Marconi 2

CASTELLANZA corso Giacomo Matteotti 2

CUGLIATE FABIASCO via Pagliolico 25

GALLARATE via Torino 15

GAVIRATE via Guglielmo Marconi 13/A

LAVENA PONTE TRESA via Carlo Morazzoni 22

LONATE POZZOLO via Vittorio Veneto 27

LUINO via XXV Aprile 31

MARCHIORATO via Cavaller Emilio Busetti 7/A

PORTO CERESIO via Giacomo Matteotti 12

SARONNO via San Giuseppe 59

SESTO CALENDE piazza Giuseppe Mazzini 10

SOLBIATE OLONA via Vittorio Veneto 5

SOMMA LOMBARDO via Milano 13

### VARESE

Head Office, viale Belforte 151

Branch no. 1, piazza Monte Grappa 6

Branch no. 2, via San Giusto - ang. via Malta

VEDANO OLONA via Giacomo Matteotti - ang. via Cavour 12

VIGGÙ via Salliro 2

## PROVINCE OF VENEZIA

JESOLO via Aquileia 167

SAN DONÀ DI PIAVE via Carlo Vizzotto 98

VENEZIA Sestiere Santa Croce 518/A

## PROVINCE OF VERBANO-CUSIO-OSSOLA

CANNOBIO viale Vittorio Veneto 2/bis

DOMODOSSOLA piazza Repubblica dell'Ossola 4

GRAVELLONA TOCE corso Guglielmo Marconi 95

VERBANIA - Intra, piazza Daniele Ranzoni 27

VERBANIA - Pallanza, largo Vittorio Tonolli 34

## PROVINCE OF VERCELLI

VERCELLI piazza Baldo Mazzucchelli 12

## PROVINCE OF VERONA

BARDOLINO via Mirabello 15

PESCHIERA DEL GARDA via Venezia 40/A

VERONA corso Cavour 45

VILLAFRANCA DI VERONA corso Vittorio Emanuele II 194

## PROVINCE OF VICENZA

THIENE via Trento 2

VICENZA Agenzia, contrà Porti 12 - Palazzo Thiene

VICENZA Branch no. 1, corso Santi Felice e Fortunato 88

## TEMPORARY BRANCHES

MILANOCITY FIERA - piazzale Carlo Magno - pad. 3 piano quota +7.1

NUOVO POLO FIERISTICO - corso Italia Est

Strada Statale del Sempione 38 - Rho/Però - tel. 02 45402082

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Autobanca

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## BANCA POPOLARE DI SONDRIO (SUISSE)

OPERATING IN THE SWISS TERRITORY IT HAS 20 OFFICES IN 8 CANTONS, AS WELL AS THE REPRESENTATIVE OFFICE IN VERBIER, THE DIRECT BANKING VIRTUAL BRANCH IN LUGANO AND THE MONACO BRANCH OUTSIDE SWITZERLAND IN THE PRINCIPALITY OF THE SAME NAME.

General Management: Lugano, via Giacomo Luvisi 2a

tel. +41 58 855 30 00 - fax +41 58 855 30 15

Head Office: Lugano, via Maggio 1 - tel. +41 58 855 31 00

www.bps-suisse.ch - contact@bps-suisse.ch

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Headquarter: Milano, via Cino del Duca 12

tel. +39 02 58150.1 - fax +39 02 58150.





**BPS (SUISSE)**

Banca Popolare di Sondrio (SUISSE)

OPERATING IN THE SWISS TERRITORY  
IT HAS 20 OFFICES IN 8 CANTONS,  
AS WELL AS THE REPRESENTATIVE OFFICE IN VERBIER,  
THE DIRECT BANKING VIRTUAL BRANCH IN LUGANO  
AND THE MONACO BRANCH OUTSIDE SWITZERLAND  
IN THE PRINCIPALITY OF THE SAME NAME.



For more information  
about all our branches,  
visit the website:  
[www.popso.it/filiali-atm](http://www.popso.it/filiali-atm)



Number of branches  
in each province



Number of treasuries



Number of  
representative office





# Banca Popolare di Sondrio

FOUNDED IN 1871

## BRANCHES by province

- 50 SONDRIO and 12 Treasuries
- 2 ALESSANDRIA
- 15 BERGAMO and 14 Treasuries
- 2 BOLZANO
- 32 BRESCIA and 18 Treasuries
- 31 COMO and 28 Treasuries
- 5 CREMONA
- 2 CUNEO
- 7 GENOVA and 1 Treasury
- 2 IMPERIA
- 20 LECCO and 19 Treasuries
- 2 LODI
- 5 MANTOVA and 3 Treasuries
- 54 MILANO and 10 Treasuries
- 18 MONZA E BRIANZA and 3 Treasuries
- 2 NOVARA
- 3 PARMA
- 7 PAVIA e 9 Treasuries
- 4 PIACENZA
- 45 ROMA e 3 Treasuries
- 3 SAVONA e 1 Treasury
- 3 TORINO
- 4 TRENTO e 1 Treasury
- 2 TREVISO
- 18 VARESE e 6 Treasuries
- 3 VENEZIA
- 5 VERBANO CUSIO OSSOLA
- 4 VERONA
- 3 VICENZA
- 1 in BOLOGNA, LA SPEZIA, NAPOLI, PADOVA  
PORDENONE, TRIESTE, UDINE and VERCELLI
- 1 in the Autonomous Region of Valle d'Aosta and 2 Treasuries
- 1 Representative Office in PALERMO

## DESKS ABROAD C/O EXTERNAL PARTNERS

• ARGENTINA (Buenos Aires) • AUSTRALIA (Perth) • BRAZIL (São Paulo) • CANADA (Montreal, Toronto and Vancouver) • CHILE (Santiago de Chile) • CHINA (Beijing and Shanghai) • COSTA RICA (San Jose) • CROATIA (Zagreb) • DENMARK (Copenhagen) • DOMINICAN REPUBLIC (Santo Domingo) • EGYPT (Cairo) • GERMANY (Frankfurt) • GREECE (Athens) • GUATEMALA (Guatemala City) • HONG KONG (Hong Kong) • HUNGARY (Budapest) • JAPAN (Tokyo) • LUXEMBOURG (Luxembourg) • MALAYSIA (Kuala Lumpur) • MOROCCO (Casablanca) • NETHERLANDS (Amsterdam) • PERU (Lima) • PHILIPPINES (Manila) • POLAND (Warsaw) • PORTUGAL (Lisbon) • REPUBLIC OF IRELAND (Dublin) • RUSSIA (Moscow) • SOUTH AFRICA (Johannesburg) • SOUTH KOREA (Seoul) • SPAIN (Madrid) • SWITZERLAND (Zurich) • THAILAND (Bangkok) • TUNISIA (Tunis) • UNITED ARAB EMIRATES (Dubai) • UNITED KINGDOM (London) • UNITED STATES OF AMERICA (Chicago, Houston, Los Angeles, Miami and New York) • VIETNAM (Ho Chi Minh City)

Updated to 30 June 2025



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*Headquarter:*

Milano, via Cino del Duca 12

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[www.bntbanca.it](http://www.bntbanca.it) - [infobanca@bntbanca.it](mailto:infobanca@bntbanca.it)



**Agency in Financial Activities  
of BNT Banca**

*Headquarter:* Roma, via Baldo degli Ubaldi 267  
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(CIN: IT014009A1Y03FDWW6 - CIR: 014009-ALB-00027)

Stelvio Pass  
(m 2.760-3.450) - Bormio - SO

*Holiday Apartments*  
Bormio - SO

- "Pirovano" Apartments  
(CIN: IT014009B0FBMKAIJ - CIR: 014009-CIM-00243)
- "Chalet Felse" Apartments  
(CIN: IT014009B4V5GRV26 - CIR: 014009-CIM-00241)

Isolaccia Valdidentro - SO

- Appartamenti "Pirovano Valdidentro"  
(CIN: IT014071B4TM9U9M94 - CIR: 014071-CIM-00053/54)

Registered and Administrative Office  
*Information and Booking Office*  
via Delle Prese 8 - Sondrio  
[www.pirovano.it](http://www.pirovano.it) - [info@pirovano.it](mailto:info@pirovano.it)



## INFORMATION ON OPERATIONS

*Note. The amounts contained in this interim report on operations are represented using the euro as the accounting currency; comparisons in percentage terms refer for the balance sheet part to the homogenous data at the end of 2024 and for the income statement part to the homogenous data at 30 June 2024; any exceptions are explained. Because most of the figures in the text and tables are rounded to the nearest million or thousand euro, the percentages may differ marginally from those that would result from a comparison of the same amounts expressed in different units.*

**In this report, referring to 30 June 2025, Banking Group means the Banca Popolare di Sondrio Banking Group, as at that date still in existence.**



# INTERIM MANAGEMENT REPORT AS AT 30 JUNE 2025

## INTRODUCTION

The consolidated half-year financial report for the six months ended 30 June 2025 was prepared in compliance with Art. 154-ter, paragraphs 2, 3 and 4, of Legislative Decree No. 58 of 24 February 1998, in accordance with the recognition and measurement criteria set forth in the IAS/IFRS adopted by the European Community and in force today, as specified in the notes.

The condensed consolidated half-year financial statements have been prepared in accordance with IAS 34.

In implementation of the aforementioned discipline, the half-year report gives priority to information at the consolidated level. Given the importance of Banca Popolare di Sondrio spa, extensive references to its activities have been maintained.

## THE BANCA POPOLARE DI SONDRIO BANKING GROUP

As at 30 June 2025, the Banca Popolare di Sondrio Banking Group comprises:

### **Parent Company:**

Banca Popolare di Sondrio spa - Sondrio.

### **Companies of the banking group:**

- *Banca Popolare di Sondrio (SUISSE) SA - Lugano CH.*  
The Parent Company holds all the share capital of Banca Popolare di Sondrio (SUISSE) SA, amounting to 180,000,000 CHF.
- *Factorit spa - Milan.*  
The Parent Company holds all the share capital of Factorit spa, 85,000,002 euro.
- *Sinergia Seconda srl - Milan*  
The Parent Company holds all the share capital of Sinergia Seconda Srl, 60,000,000 euro.
- *Banca della Nuova Terra spa - Sondrio*  
The Parent Company holds all the share capital of Banca della Nuova Terra spa, 31,315,321 euro.
- *PrestiNuova srl - Agenzia in Attività Finanziaria - Rome*  
Banca della Nuova Terra spa holds all the share capital of PrestiNuova srl - Agenzia in Attività Finanziaria, 100,000 euro.
- *Popso Covered Bond srl - Conegliano (Tv).*  
The Parent Company holds 60% of the share capital of Popso Covered Bond srl, 10,000 euro.





## FULLY CONSOLIDATED EQUITY INVESTMENTS

Company Name	Head office	Share capital (in thousands)	% holding
Banca Popolare di Sondrio (SUISSE) SA	Lugano	(CHF) 180,000	100
Factorit spa	Milan	85,000	100
Sinergia Seconda srl	Milan	60,000	100
Banca della Nuova Terra spa	Sondrio	31,315	100
Pirovano Stelvio spa <sup>(1)</sup>	Sondrio	2,064	100
Servizi Internazionali e Strutture Integrate 2000 srl <sup>(1)</sup>	Milan	75	100
PrestiNuova srl - Agenzia in Attività Finanziaria	Rome	100 <sup>(3)</sup>	100
Immobiliare Borgo Palazzo srl <sup>(1)</sup>	Milan	10 <sup>(2)</sup>	100
Immobiliare San Paolo srl <sup>(1)</sup>	Tirano	10 <sup>(2)</sup>	100
Rent2Go srl <sup>(1)</sup>	Monza	4,463	100
Rajna Immobiliare srl <sup>(1)</sup>	Sondrio	20	100
Popso Covered Bond srl	Conegliano V.	10	60
Centro delle Alpi SME srl <sup>(1)</sup>	Conegliano V.	10	-

<sup>(1)</sup> equity investments not included in the banking group

<sup>(2)</sup> held by Sinergia Seconda srl

<sup>(3)</sup> held by Banca della Nuova Terra spa

As provided by IFRS 10, the Centro delle Alpi Real Estate fund is also fully consolidated.

## EQUITY INVESTMENTS MEASURED USING THE EQUITY METHOD

Company Name	Head office	Share capital (in thousands)	% holding
Alba Leasing spa	Milan	357,953	19.264
Arca Vita spa	Verona	208,279	14.837
Arca Holding spa	Milan	50,000	34.715
Unione Fiduciaria spa	Milan	5,940	24.000
Polis Sgr spa	Milan	5,200	19.600
Liquid Factory Sbri	Sondrio	88	9.057
NPLight spa	Ravenna	300	40.000

Following the securitisation of a portfolio of non-performing loans finalised in June 2025, the company NPLight S.p.A. was also set up, which will act as special servicer, and whose majority stake is held by FBS S.p.A. and is an investee of Banca Popolare di Sondrio (40%) and Clessidra Capital Credit SGR S.p.A.

For more details on how equity investments are presented in the financial statements, please refer to the notes under "Scope and methods of consolidation".



## SUMMARY OF RESULTS

(in millions of euro)			
Balance sheet figures	30/06/2025	31/12/2024	Change %
Loans and receivables with customers	36,593	35,027	4.47
Loans and receivables with customers measured at amortised cost	36,371	34,792	4.54
Loans and receivables with customers measured at fair value through profit or loss	222	235	-5.76
Loans and receivables with banks	1,964	2,136	-8.06
Financial assets that do not constitute loans	13,297	12,768	4.14
Equity investments	409	403	1.51
Total assets	56,574	56,629	-0.10
Direct funding from customers	45,034	44,500	1.20
Indirect funding from customers	54,646	52,149	4.79
Direct funding from insurance premiums	2,282	2,190	4.18
Customer assets under administration	101,962	98,839	3.16
Other direct and indirect funding	13,556	16,345	-17.06
Equity	4,329	4,156	4.15
Income statement figures	30/06/2025	30/06/2024	Change %
Net interest income	556	538	3.28
Total income*	854	813	5.10
Profit from continuing operations	492	387	27.16
Profit for the period	336	264	27.56
Capital ratios	30/06/2025	31/12/2024	
CET1 Capital ratio	14.97%	15.39%	
Total Capital ratio	17.49%	18.18%	
Other information on the Banking Group	30/06/2025	31/12/2024	
Number of employees	3,727	3,705	
Number of branches	382	381	

\* Total income is presented as per the reclassified income statement summary



## ALTERNATIVE PERFORMANCE INDICATORS

Key ratios	30/06/2025	31/12/2024
Equity/Direct funding from customers	9.61%	9.34%
Equity/Loans and receivables with customers	11.83%	11.87%
Equity/Financial assets	32.56%	32.55%
Equity/Total assets	7.65%	7.34%
Profitability indicators	30/06/2025	30/06/2024
Cost/Income	38.95%	39.10%
Net interest income/Total income	65.05%	66.19%
Administrative expenses/Total income	39.57%	37.01%
Net interest income/Total assets	0.98%	0.95%
Net financial income/Total assets	1.45%	1.25%
Profit for the period/Total assets	0.59%	0.46%
Asset quality indicators	30/06/2025	31/12/2024
NPL ratio	2.90%	2.93%
Texas ratio	9.25%	9.66%
Net bad loans/Equity	1.14%	1.06%
Net bad loans/Loans and receivables with customers	0.14%	0.13%
Loans and receivables with customers/Direct funding from customers	81.26%	78.71%
Cost of credit	0.18%	0.53%

### Notes:

- The ratios were calculated using the figures shown in the summary reclassified income statement.
- Cost/Income ratio: the ratio between operating costs and total income.
- Texas ratio: the ratio between bad loans and the difference between equity and intangible assets, as the denominator.
- Cost of credit: ratio of net adjustments to total loans and receivables with customers.



## MACROECONOMIC CONTEXT

### INTERNATIONAL ASPECTS

Since the beginning of the year, global growth forecasts have been revised downwards. The causes are well known and the general uncertainty about the development of international relations certainly played a key role. The ongoing conflicts and continuing uncertainty over trade policies have actually negatively affected the global economy.

In turn, international trade was inevitably affected, to the extent that forecasts for the current year predict a significant slowdown.

Oil prices, which had been falling in the first months of the year, accelerated following the outbreak of the conflict between Israel and Iran, and then recovered in the following period.

In the euro area, after the healthy GDP growth in the first quarter, economic activity seems to have remained fairly positive, benefiting in particular from the expansion of the services sector. Among the big countries, the best results were still recorded by Spain. Growth of just under 1% is expected in the area by the end of the year.

Consumer inflation increased by 2% per year in June, with forecasts for a slowdown in 2026. At its meetings in April and June, the European Central Bank again lowered the interest rate on deposits with the Eurosystem by a total of 50 basis points to 2%.

### THE REFERENCE SCENARIO FOR OUR GROUP

#### Italy

In Italy, after a moderate expansion in the first three months, GDP slowed down slightly. Both services and industry made a positive contribution. Consumption showed modest dynamics, while investment was affected by the continuing uncertainty. Within services, the tourism sector was buoyant.

The most up-to-date forecasts indicate GDP growth of around 0.6% for the end of the year.

In the second quarter, price dynamics remained below 2% on average.

#### The Swiss Confederation

After a first quarter in which Swiss GDP grew more than expected, there was a slowdown, so much so that for the current year the economy is expected to grow at around 1.3%, i.e. at a much lower rate than the average. Indeed, uncertainty over international trade and economic policy is expected to impact the Federation's economy. The absence of an inflationary trend has allowed the Swiss National Bank to lower the benchmark rate by 25 basis points to 0%.



## THE ITALIAN BANKING MARKET

While the ECB cut rates by a little more or a little less than two percentage points, depending on whether one considers the bank deposit rate or the main refinancing rate, Italian institutions saw the yield on their interest-bearing assets fall from 4.18% in June 2024 to 3.54 twelve months later. However, they were able to reduce the cost of their funding even less (from households and non-financial companies, from 1.26% to 0.93%), thus suffering a narrowing of the intermediation spread, from 2.92% to 2.61%.

With regard to this funding, the pairing of the annual growth rate of deposits and bonds at the modest value of 1% seems to have decreed the end of the former recomposition towards longer-term forms.

Lending to the same customer sectors grew at a similar pace, at least to the extent adjusted for technical phenomena such as securitisations.

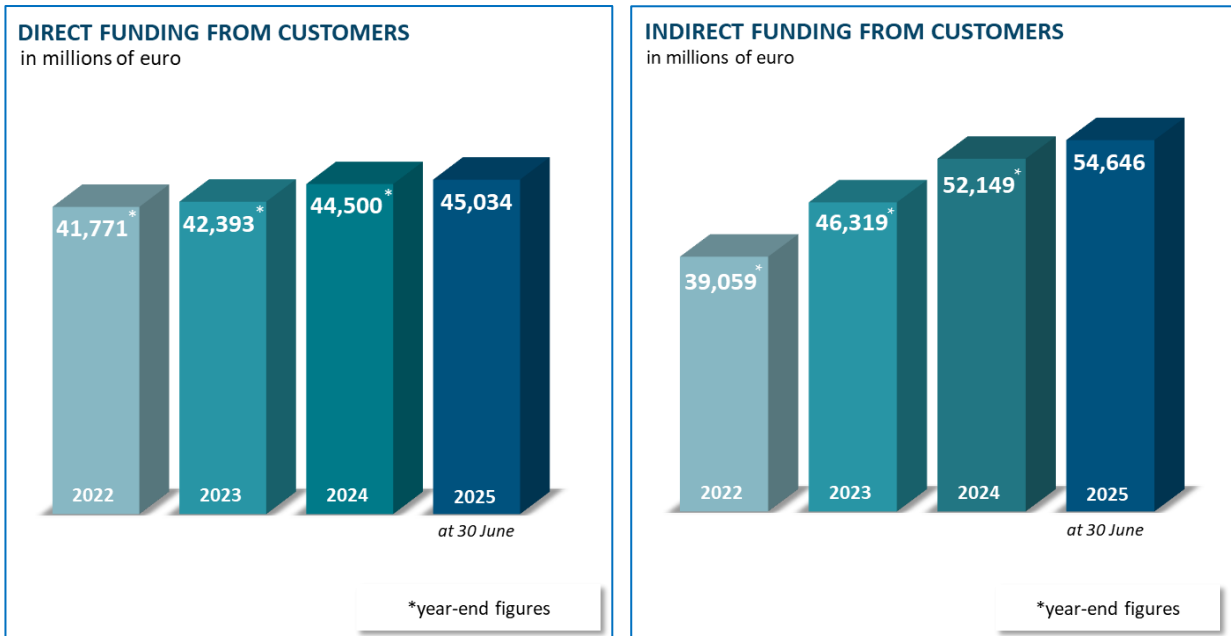
The feared deterioration in credit quality has not materialised for the time being, with the net NPL ratio essentially stable at 1.5% at the end of 2024 and expectations for its peak diluted both in time and magnitude.



## BALANCE SHEET FIGURES

### FUNDING

In the context outlined above, our Group has recorded a slightly positive trend in direct funding which, comprising balance sheet liability items 10b "due to customers" and 10c "securities issued", stood at 45,034 million euro, up 1.20% compared to the end of 2024.



As for the individual components, current accounts and sight deposits, up 2.1% to 32,858 million euro, accounted for 72.95% of all direct funding. Bonds increased by 9.18%, to 5,556 million euro. Fixed-term deposits amounted to 4,045 million euro (-26.28% compared to the end of 2024). Repurchase agreements amounted to 2,204 million euro, +49.86%. Bank drafts added up to 102 million euro, +54.91%. The item represented by leasing liabilities, referring to rental contracts represented on the basis of the provisions of IFRS 16, amounted to 153 million euro, while other funding rose from 61 million euro to 117 million euro.

Indirect funding from customers, at market values, totalled 54,646 million euro, up 4.79% compared to the end of 2024, while insurance funding rose to 2,282 million euro (+4.18%).

Total funding from customers therefore amounted to 101,962 million euro.

Deposits from banks amounted to 4,528 million euro, compared to 6,229 million euro in the previous year. Securities under administration entrusted to us by banks fell from 10,116 million euro to 9,028 million euro.

Total funding from customers and banks therefore amounted to 115,518 million euro, +0.29%.



## CONSOLIDATED TOTAL FUNDING

(thousands of euro)	30/06/2025	Compos. %	31/12/2024	Compos. %	Change %
Total direct funding from customers	45,034,220	38.97	44,500,491	38.64	1.20
Total insurance funding	2,281,831	1.98	2,190,375	1.90	4.18
Total indirect funding from customers	54,646,097	47.31	52,148,558	45.27	4.79
- Asset management	8,922,488	16.33	8,311,642	15.94	7.35
- Assets under administration	45,723,609	83.67	43,836,916	84.06	4.30
<b>Total</b>	<b>101,962,148</b>	<b>88.26</b>	<b>98,839,424</b>	<b>85.81</b>	<b>3.16</b>
Due to banks	4,527,745	3.92	6,228,550	5.41	-27.31
Indirect funding from banks	9,028,254	7.82	10,116,411	8.78	-10.76
<b>Grand total</b>	<b>115,518,147</b>	<b>100.00</b>	<b>115,184,385</b>	<b>100.00</b>	<b>0.29</b>

## CONSOLIDATED DIRECT FUNDING FROM CUSTOMERS

(thousands of euro)	30/06/2025	Compos. %	31/12/2024	Compos. %	Change %
Current accounts and sight deposits	32,857,793	72.95	32,181,375	72.32	2.10
Fixed-term deposits	4,044,572	8.98	5,486,445	12.33	-26.28
Repurchase agreements	2,204,481	4.90	1,471,044	3.31	49.86
Lease liabilities	153,240	0.34	146,293	0.33	4.75
Bonds	5,555,817	12.34	5,088,450	11.43	9.18
Bank drafts and similar	101,673	0.23	65,633	0.15	54.91
Other payables	116,644	0.26	61,251	0.14	90.44
<b>Total</b>	<b>45,034,220</b>	<b>100.00</b>	<b>44,500,491</b>	<b>100.00</b>	<b>1.20</b>

## Asset management

The beginning of 2025 has been promising for the Italian asset management sector. Indeed, data compiled by Assogestioni at the end of February shows that the system experienced positive net funding which, aided by the market effect, drove assets under management to a new record high. Regarding product type, the positive trend from the previous months persisted for bond funds, supported by still relatively attractive yields to maturity. In contrast, equity, balanced, and flexible funds displayed a negative balance, indicating a more cautious attitude among investors. This caution is also due to emerging uncertainties in the backdrop, such as the United States trade policy and the international geopolitical landscape. In the second quarter, the trend of new inflows remained positive despite the setback in May, when investors became more sceptical due to the uncertainty about the background scenario triggered by "Liberation Day", an uncertainty that the markets metabolised rather quickly. With regard to the type of products, caution is confirmed for those with an equity component, while monetary and bond products continue to perform well.

Total assets managed in various forms by our Group stood at 8,922 million euro (+7.35% compared to the end of 2024), of which 6,694 million euro (+8%) related to mutual investment



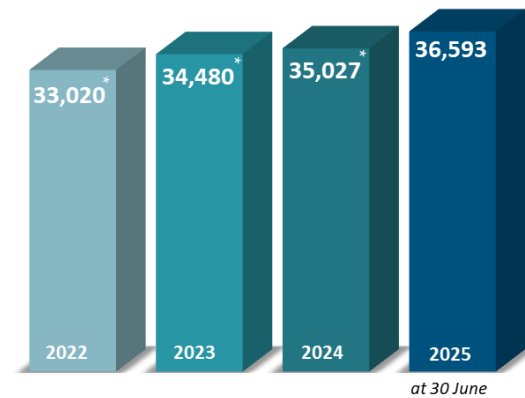
funds and Sicav (including Popso (SUISSE) Investment Fund Sicav) and asset management for 2,228 million euro (+5.38%).

## LOANS AND RECEIVABLES WITH CUSTOMERS

Loans and receivables with customers grew by 4.47% compared to the end of 2024 and amounted to a total of 36,593 million euro. The ratio of loans and receivables with customers/direct funding from customers has thus risen to 81.26%, from 78.71%.

Loans and receivables with customers, as shown in the table below, constitute a restatement of the balances reported in the balance sheet and consist solely of loans and securities from securitisation transactions. They are equal to the sum of the loans and securities included in line item "40. financial assets measured at amortised cost - b) loans and receivables with customers" and line item "20. financial assets measured at fair value through profit or loss - c) other financial assets mandatorily measured at fair value".

**LOANS TO CUSTOMERS**  
in millions of euro



\*year-end figures

## LOANS AND RECEIVABLES WITH CUSTOMERS

(thousands of euro)	30/06/2025	Compos. %	31/12/2024	Compos. %	Change %
Current accounts	3,131,357	8.56	3,247,989	9.27	-3.59
Mortgage loans	21,696,453	59.29	20,946,893	59.80	3.58
Reverse Repurchase agreements	509,129	1.39	-	-	100.00
Personal loans and salary-backed loans	634,671	1.73	600,549	1.71	5.68
Factoring	4,281,040	11.70	4,501,801	12.85	-4.90
Other loans	5,779,254	15.80	5,164,986	14.76	11.89
Debt securities	560,871	1.53	565,205	1.61	-0.77
<b>Total</b>	<b>36,592,775</b>	<b>100.00</b>	<b>35,027,423</b>	<b>100.00</b>	<b>4.47</b>

The principal item consists of mortgage and unsecured loans that, following an increase of 3.58% to 21,696 million euro, now represent 59.29% of total loans. They also include the assets sold and not derecognised in relation to issues of covered bonds and the self-securitisation transaction for which the derecognition was not carried out as the required requirements of IFRS 9 for accounting derecognition were not met. They are then followed by other loans (advances, grants, etc.), which amounted to 5,779 million euro, +11.89%, or 15.80% of loans. Personal loans increased, +5.68% to 635 million euro, and current accounts decreased by -3.59% to 3,131 million euro. Factoring decreased to 4,281 million euro and debt securities to 561 million euro (-0.77%).





The latter derive from securitisations of loans and receivables with customers carried out by the investee companies Banca della Nuova Terra spa and Alba Leasing spa, and also include securities issued as part of the sales of NPLs from the SPV Diana, POP NPLs 2020, POP NPLs 2021, POP NPLs 2022, POP NPLs 2023, POP NPLs 2024 and Platinum 2025.

Net non-performing loans decreased by 0.38% to 397 million euro. This aggregate is 1.08% (1.14% at the end of 2024) of loans and receivables with customers. The gross NPL Ratio was essentially stable, going from 2.93% to 2.90%.

The coverage level remains high at 63.62% from 62.28% at the end of 2024.

The following table gives an overview of performing and non-performing loans.

## NON-PERFORMING AND PERFORMING LOANS AND RECEIVABLES WITH CUSTOMERS

(thousands of euro)		30/06/2025	31/12/2024	Absolute changes	Changes %
<b>Non-performing loans</b>	Gross exposure	1,090,010	1,055,377	34,633	3.28
	Value adjustments	693,412	657,281	36,131	5.50
	<b>Net exposure</b>	<b>396,598</b>	<b>398,096</b>	<b>-1,498</b>	<b>-0.38</b>
Bad loans	Gross exposure	313,638	303,557	10,081	3.32
	Value adjustments	264,073	259,448	4,625	1.78
	<b>Net exposure</b>	<b>49,565</b>	<b>44,109</b>	<b>5,456</b>	<b>12.37</b>
Unlikely-to-pay	Gross exposure	709,216	646,868	62,348	9.64
	Value adjustments	415,098	378,259	36,839	9.74
	<b>Net exposure</b>	<b>294,118</b>	<b>268,609</b>	<b>25,509</b>	<b>9.50</b>
Past due exposures and/or non-performing overdrawn	Gross exposure	67,156	104,952	-37,796	-36.01
	Value adjustments	14,241	19,574	-5,333	-27.25
	<b>Net exposure</b>	<b>52,915</b>	<b>85,378</b>	<b>-32,463</b>	<b>-38.02</b>
<b>Performing loans</b>	Gross exposure	36,475,862	34,926,842	1,549,020	4.44
	Value adjustments	279,685	297,515	-17,830	-5.99
	<b>Net exposure</b>	<b>36,196,177</b>	<b>34,629,327</b>	<b>1,566,850</b>	<b>4.52</b>
<b>Total loans and receivables with customers</b>	Gross exposure	37,565,872	35,982,219	1,583,653	4.40
	Value adjustments	973,097	954,796	18,301	1.92
	<b>Net exposure</b>	<b>36,592,775</b>	<b>35,027,423</b>	<b>1,565,352</b>	<b>4.47</b>
<b>Non-performing loans classified as assets held for sale</b>	Gross exposure	-	211,546	-211,546	n.a.
	Value adjustments	-	102,953	-102,953	n.a.
	<b>Net exposure</b>	<b>-</b>	<b>108,593</b>	<b>-108,593</b>	<b>n.a.</b>

Net bad loans, adjusted for value adjustments, amounted to 50 million euro, +12.37% and correspond to 0.14% of total loans and receivables with customers. Value adjustments amounted to 264 million euro (+1.78%), representing 84.20% of the gross amount of such loans compared to 85.47% of the previous year.

Unlikely-to-pay loans, net of value adjustments, rose by 9.5% to 294 million euro,



corresponding to 0.80% of total loans and receivables with customers. The related adjustments, with the current coverage ratio of 58.53%, amounted to 415 million euro, +9.74% compared to the end of 2024; in the previous year the coverage ratio was 58.48%.

Net non-performing past due loans, determined in accordance with supervisory regulations, amounted to 53 million euro (-38.02% compared to the end of 2024), and represent 0.14% of total loans and receivables with customers.

The coverage ratio for performing loans stood at 0.77%, compared to 0.85% as at 31 December 2024; the provisioning for stage 2 positions reduced to 5.10% from 6.03% as at 31 December 2024.

## TREASURY AND TRADING OPERATIONS

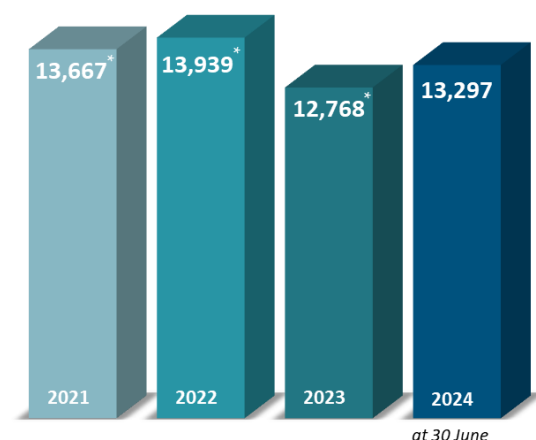
The net interbank position was 2,564 million euro negative as at 30 June 2025 compared to 4,092 million euro negative at the end of 2024. Cash and cash equivalents amounted to 2,022 million euro compared to 3,738 million euro.

In the period under review, Treasury operations, on the lending side, still favoured the use of the Deposit Facility at the ECB, remunerated at 2.00% as at 30 June 2025 (2.25% until 10 June, 2.50% until 22 April, 2.75% until 11 March and 3% until 4 February)

and risk-free. On the funding side, operations continued on the electronic repurchase agreement market with institutional counterparties through the MMF Money Market Facility, guaranteed by Euronext Clearing with underlying Italian government securities, and on the OTC market, through bilateral transactions with leading financial counterparties with underlying foreign government securities in euro, corporate securities, securities from securitisation transactions and the self-securitisation Centro delle Alpi Sme. The funding activity described above was of a significant amount and at advantageous rates, thanks to the excellent quality collateral within the portfolio. The activity relating to interbank deposits is also significant, including deposits made with the MEF (Ministry of Economy and Finance) as part of money market operations with the Treasury in which we participate as an authorised counterparty.

The exposure to liquidity risk is monitored both in the short term, taking a three-month view every day, and over the long term with a monthly check. The short-term liquidity indicator (the Liquidity Coverage Ratio) and the structural Net Stable Funding Ratio, are also calculated. Both are higher than the established minimums. The stock of assets refinable at the ECB, including Abaco, net of the haircuts applied, amounts to 15.3 billion as at 30 June 2025, of which 11 billion free and 4.3 billion committed.

**PORTFOLIO OF FINANCIAL ASSETS**  
in millions of euro



\*year-end figures



## FINANCIAL ASSETS (DEBT SECURITIES, EQUITY SECURITIES, MUTUAL FUNDS AND DERIVATIVES) BY PORTFOLIO

(thousands of euro)	30/06/2025	31/12/2024	Change %
<b>Financial assets held for trading</b>	<b>278,734</b>	<b>174,038</b>	<b>60.16</b>
- Foreign government securities	130,243	-	n.a.
- Equity securities	14,816	34,540	-57.10
- Mutual funds	99,593	103,593	-3.86
- Derivatives	34,082	35,905	-5.08
<b>Other financial assets mandatorily measured at fair value</b>	<b>353,563</b>	<b>330,771</b>	<b>6.89</b>
- Bank bonds	34,908	34,532	1.09
- Other bonds	54,862	45,814	19.75
- Mutual funds	263,793	250,425	5.34
<b>Financial assets measured at fair value through other comprehensive income</b>	<b>2,936,593</b>	<b>2,656,254</b>	<b>10.55</b>
- Italian government securities	148,605	197,550	-24.78
- Foreign government securities	1,999,676	1,705,880	17.22
- Equity securities	98,024	93,484	4.86
- Bank bonds	445,929	406,437	9.72
- Other bonds	244,359	252,903	-3.38
<b>Financial assets measured at amortised cost</b>	<b>9,727,703</b>	<b>9,607,226</b>	<b>1.25</b>
- Italian government securities	5,802,585	5,596,936	3.67
- Foreign government securities	1,733,871	1,939,769	-10.61
- Bank bonds	1,124,852	1,076,127	4.53
- Other bonds	1,066,395	994,394	7.24
<b>Total</b>	<b>13,296,593</b>	<b>12,768,289</b>	<b>4.14</b>

The portfolio of financial assets totalled 13,297 million euro, up by 4.14% compared to 31 December 2024.

**Financial assets held for trading** increased by 60.16% compared to 31 December 2024 and amounted to 279 million euro.

The increase is attributable to trading in US dollar government bonds. The equity component, on the other hand, decreased by 57.10% while the mutual fund component decreased by 3.86%.

During the half year, operations mainly focused on equities and mutual funds, in addition to Italian and foreign Government bonds. Mutual funds, which include both ETF and funds and SICAVs, were used as an alternative to direct equity exposure with a view to geographical, currency and sector diversification.

**Financial assets mandatorily measured at fair value** amounted to 354 million euro, up from 31 December 2024 (+6.89%). The portfolio remains mainly focused on euro-denominated mutual funds that refer to closed-end funds or open-ended funds with specific themes (individual savings plans).

**Financial assets measured at fair value through other comprehensive income** showed an increase of 10.55% compared to the end of 2024, reaching 2,937 million euro. More



specifically, the exposure to Italian government bonds was lightened, which now stands at 149 million euro (-24.78%). On the other hand, exposure to foreign government bonds, referring to the Eurozone, increased (+17.22%), as did exposure to bank bonds (+9.72%) and equity securities (+4.86%). Other bonds, on the other hand, showed a negative change of -3.38% compared to last year.

**Financial assets measured at amortised cost** amounted to 9,728 euro million, up 1.25% compared to 31 December 2024. With regard to portfolio composition, there was an increase in Italian government bonds (+3.67%) and a decrease of 10.61% in foreign bonds. Investments in bank bonds (+4.53% compared to the end of 2024) and other corporate bonds (+7.24%) remained significant. The contribution from coupon flows remained strong over the period, despite slight downward trend in interest rates, which concerned the variable rate part of the portfolio. Moreover, throughout this period, investments in the Treasury Credit Certificates (CCT) segment were also further curtailed in favour of fixed-rate securities.

ESG securities, mostly green and social bonds, amount to approximately 2.1 billion.

The financial duration of the government bond portfolio is around 5 years, while the modified duration is 2.70%, both up from 31 December 2024 and down slightly from last quarter. Overall, including bonds (net of securitisations), the modified duration is 2.77%, an increase compared to the end of 2024.



## EQUITY INVESTMENTS

Equity investments totalled 409 million euro, reflecting growth of 1.5%, primarily attributed to the valuation of the investees' equity.

## TRANSACTIONS WITH ASSOCIATES

	Associates of Banca Popolare di Sondrio		Associates of subsidiaries	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
<b>ASSETS</b>	<b>439,612</b>	<b>625,385</b>	<b>74,330</b>	<b>73,487</b>
<b>LIABILITIES</b>	<b>112,311</b>	<b>84,351</b>	<b>8,294</b>	<b>3,167</b>
<b>GUARANTEES AND COMMITMENTS</b>	<b>261,859</b>	<b>72,162</b>	<b>1,597</b>	<b>910</b>
Guarantees given	13,171	11,915	398	398
Commitments	248,688	60,248	1,198	512

## PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY AND INTANGIBLE ASSETS

Property, equipment and investment property and intangible assets amounted to 910 million euro compared to 699 million euro at the end of 2024. The former totalled of 871 million euro compared to 664 million euro (+31.21%), 207 million euro in absolute terms; the latter amounted to 39 million euro (+9.8%).

The increase in property, equipment and investment property is mainly attributable to the change in the measurement criterion for real estate assets following the transition from the cost model to the revaluation model. The change in the measurement criterion for real estate assets resulted in positive fair value changes of 232.4 million euro, due to the alignment of carrying amounts to higher fair values as at 30 June 2025, recognised with a balancing entry in a valuation reserve, and negative fair value changes of 16.8 million euro, due to the alignment of carrying amounts to lower fair values as at 30 June 2025, recognised in the income statement under "Net result of fair value measurement of property, equipment and investment property and intangible assets".

### Goodwill

Intangible assets encompass about 13 million euro of goodwill. An impairment test is performed annually, or whenever indicators of impairment are identified, to assess any potential impairment losses. The test was conducted during the preparation of the consolidated financial statements as of 31 December 2024. As at 30 June 2025, no indicators of impairment were identified.



## EQUITY

Equity as at 30 June 2025, inclusive of valuation reserves and the profit for the year, amounted to 4,328.981 million euro. Compared with the total as at 31 December 2024 of 4,156.325 million euro, this represents an increase of 172.656 million euro (+4.2%). The increase resulted mainly from the recognition of the profit for the period and the change in reserves. The Shareholders' Meeting held on 30 April 2025, convened to approve the financial statements for the year 2024 and the allocation of profit, resolved to distribute a dividend paid from 21 May 2025 of 0.80 euro for each of the shares outstanding.

Banca Popolare di Sondrio's share capital, which consists of 453,385,777 ordinary shares without nominal value, amounted to 1,360.157 million euro, unchanged with respect to the comparative period.

The share premiums amounted to 79.037 million euro, with an increase of 103 thousand euro, due to positive differences between the cost price and the corresponding book value of the shares sold.

The item reserves rose to 2,402.089 million euro; the increase of 241.136 million euro resulted mainly from the allocation of part of the profit for the financial year 2024.

The item valuation reserves, mainly represented by the balance between gains and losses recorded on assets measured at fair value through other comprehensive income (FVOCI) and between actuarial profits and losses on defined benefit plans for employees, and the reserve from the revaluation of property, recorded a positive balance of 176.537 million euro, an increase of 170 million euro compared to the end of 2024, when it was positive for 6.559 million euro. This increase is mainly attributable to the revaluation of property at fair value (net of tax effect) in accordance with IAS 16 as mentioned above.

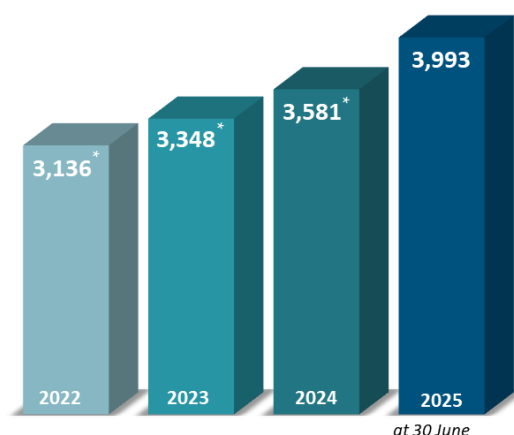
Treasury shares in portfolio amounting to 25.048 million euro decreased slightly (-0.68%).

With regard to capital adequacy, the harmonised legislation for banks and investment firms is contained in Regulation (EU) No. 575/2013 (CRR) and in Directive 2013/36/EU (CRD IV), which define the general limits on capital ratios. For the Group, these minimum limits are respectively equal to 7% for the CET 1 Ratio, 8.50% for the Tier 1 Capital Ratio and 10.50% for the Total Capital Ratio (sum of the minimum CRR requirements and the Capital Conservation Buffer). The European Central Bank, by virtue of its powers, based on the evidence gathered as part of the supervisory review and evaluation process (SREP), has also the authority to set customised capital and/or liquidity ratios for each intermediary subject to Community supervision.

On 11 December 2024, at the conclusion of the SREP 2024 process, the notification of the

### SHAREHOLDERS' EQUITY

(excluding profit)  
in millions of euro



\*year-end figures



new decision on prudential requirements to be respected on a consolidated basis was received from the European Central Bank, effective from 1 January 2025. The additional Pillar 2 Requirement (or "P2R2") is 2.75% (previously 2.79%). This requirement must be held in the form of at least 56.25% primary tier 1 capital (CET1) and at least 75% Tier 1 capital. Accordingly, in view of the capital buffer values as at 30 June 2025 - namely, capital conservation buffer 2.5%, countercyclical buffer 0.05% and systemic risk buffer 0.72% -, the minimum required Common Equity Tier1 Ratio is 9.32%, the minimum required Tier1 Capital Ratio is 11.34%, and the minimum required Total Capital Ratio is 14.02%.

Since 2017, the ECB has been providing the Parent Company with "Pillar 2 Guidance", which acts a guide to the future evolution of the Group's capital. This latter parameter takes on a confidential nature and is not subject to disclosure, as it is an element which, even according to the direction made known by the ECB, does not assume relevance in relation to the determination of distributable dividends.

To harmonise the methods of measurement and oversight of capital requirements across different European financial institutions, the new prudential supervisory rules (commonly referred to as Basel 4) were implemented starting 1 January 2025. The latest regulation, which amends Regulation (EU) No. 575/2013 and Directive (EU) 2013/36, introduces significant modifications to the computation of Risk Weighted Assets (RWA) for the first pillar risks, including credit risk, market risk, operational risks, and Credit Value Adjustment risk (CVA).

The key goals of the new European regulation (CRD6 / CRR3) mainly focus on three main domains:

- Credit risk, an area where regulation has been updated by limiting the scope of model applications for the so-called Low Default Portfolios, eliminating the possibility of using Advanced-IRB approaches for the segments "Banks", "Financial Institutions" and "Large Corporate", and IRB approaches for exposures in the segment "Equity". Concurrently, the Standard approach has been enhanced, rendering it more detailed and sensitive to risk;
- Operational risks, for which the possibility of using internal models for regulatory purposes has been abolished;
- Market risk, an area experiencing a review of trading book rules (Fundamental Review of the Trading Book, FRTB) with the aim of simplifying market risk assessment models by encouraging greater standardisation through the application of common rules.

The implementation of the new legislation, alongside the positive trajectory of loans to the Corporate sector, has caused a decrease in capital ratios, which still remain at high levels also due to the increase in own funds, with a substantial margin when compared to regulatory requirements. Specifically, the phased-in CET1 ratio is at 14.97% and the phased-in Total Capital ratio is at 17.49%<sup>1</sup>.

Consolidated own funds for supervisory reporting purposes, including part of the profit as at 30 June 2025, amounted to 4,628 million (phased-in).

<sup>1</sup> Capital ratios are presented considering the part of the period's profit available for self-financing, with its inclusion in own funds subject to Supervisory Authority's approval.





The following ratios of capital (and reserves, including profit for the period) to the principal balance sheet aggregates are shown with comparative figures as at 31 December 2024:

- equity/direct funding from customers 9.61% vs. 9.34%;
- equity/loans and receivables with customers 11.83% vs. 11.87%;
- equity/financial assets 32.56% vs. 32.55%;
- equity/total assets 7.65% vs. 7.34%;
- net bad loans/equity 1.14% vs. 1.06%.

## RECONCILIATION OF THE EQUITY AND PROFIT FOR THE YEAR REPORTED BY BANCA POPOLARE DI SONDRIO WITH THE CONSOLIDATED FINANCIAL STATEMENTS

The following table reconciles profit for the period and equity as shown in Banca Popolare di Sondrio's financial statements and the equivalent figures in the consolidated financial statements.

(thousands of euro)	Equity	of which: Profit for the period
Equity of Banca Popolare di Sondrio as at 30.06.2025	3,569,624	342,229
Consolidation adjustments	-68,248	-68,248
Difference with respect to the carrying amounts of equity investments in:		
- companies consolidated on a line-by-line basis	647,375	42,128
- companies valued using the equity method	180,230	20,100
<b>Balance as at 30.06.2025, as reported in the consolidated financial statements</b>	<b>4,328,981</b>	<b>336,209</b>

## OTHER PROVISIONS

These consist of the severance indemnities (TFR), which decreased from 32.6 million euro to 31 million euro, and the provisions for risks and charges, which added up to 379 million euro, -2.9% from the end of 2024. In particular, there was a decrease in the provision for commitments and guarantees given, which fell from 89 million euro to 84 million euro, and a fall in the provision for pensions and similar obligations, amounting to 187.4 million euro compared to 189.4 million euro at the end of 2024, while other provisions for risks and charges decreased from 112.3 million euro to 108 million euro.





## INCOME STATEMENT FIGURES

As at 30 June 2025, the Group recorded a profit of 336.209 million euro, marking an increase compared to the comparative period's result of 263.562 million euro, representing a growth of +27.56%.

The comments on the various items refer to the data shown in the "Summary income statement" below. Note that they have been reclassified with respect to those shown in the tables foreseen in Bank of Italy provision No. 262/2005; the reclassifications made are shown in the notes at the bottom of the tables. A table showing quarterly changes in the reclassified consolidated income statement is also provided, highlighting changes in the income statement during the year.

Net interest income increased by 3.28% to 555.728 million euro from 538.058 million euro, and proved resilient even in an environment that experienced a significant drop in market rates. The property portfolio's contribution remains substantial, though declining, while the portion related to tax credit stock and factoring activity is increasing.

Net fee and commission income amounted to 227.453 million euro and showed a significant increase (+6.95%) compared to 212.7 million euro in the comparison period, reflecting the bank's strong commercial positioning in customer services. Of particular note is the growth in the components related to securities placement and order execution, distribution of insurance products, guarantees issued, financing transactions, and credit cards. The contribution from the activities of the subsidiaries Factorit and BPS (Suisse) remained important.

The result of financial activities was positive for 62.296 million euro compared to 66.311 million euro in the comparison period (-6.05%).

Dividends received were 5.913 million euro, showing an increase from 3.222 million euro as at 30 June 2024. The net trading income was 41.088 million euro compared to 56.484 million euro in the comparison period. Gains from sales or repurchases amounted to 21.059 million euro, compared to 12.356 million euro in June 2024.

The result of other financial assets measured at fair value was positive, equal to 2.926 million euro, an increase compared to the result for the comparison period (losses equal to 7.389 million euro). In this context, the segment concerning loans and receivables with customers registered a negative figure of 1.395 million euro, compared to losses of 6.781 million euro as at June 2024.

Total income thus amounted to 854.316 million euro, +5.10%.

Value adjustments/write-backs for credit risk referring to exposure to customers, banks and securities, amounted to 32.319 million euro compared to 103.334 million euro, -68.72%, benefiting from the positive evolution of the loan portfolio, the progressive derisking implemented over the years, as well as the write-backs on certain impaired positions. Managerial overlays, in particular related to the future update of AIRB models and novel risks, amounted to 52.2 million euro, up slightly compared to the end of 2024 (50.2 million euro).



## KEY FIGURES OF THE CONSOLIDATED INCOME STATEMENT

(thousands of euro)	30/06/2025	30/06/2024	Absolute changes	Changes %
Net interest income	555,728	538,058	17,670	3.28
Dividends	5,913	3,222	2,691	83.52
Net fee and commission income	227,453	212,664	14,789	6.95
Result of financial activities <sup>[a]</sup>	62,296	66,311	-4,015	-6.05
Result of other financial assets and liabilities measured at FVTPL <sup>[b]</sup>	2,926	-7,389	10,315	-139.60
<i>of which LOANS</i>	-1,395	-6,781	5,386	-79.43
<i>of which OTHER</i>	4,321	-608	4,929	n.a.
<b>Total income</b>	<b>854,316</b>	<b>812,866</b>	<b>41,450</b>	<b>5.10</b>
Net adjustments <sup>[c]</sup>	-32,319	-103,334	71,015	-68.72
<b>Net financial income</b>	<b>821,997</b>	<b>709,532</b>	<b>112,465</b>	<b>15.85</b>
Personnel expenses <sup>[d]</sup>	-161,537	-151,567	-9,970	6.58
Other administrative expenses <sup>[e]</sup>	-176,521	-149,243	-27,278	18.28
Other operating income/expense <sup>[d]</sup>	47,601	39,906	7,695	19.28
Net accruals to provisions for risks and charges <sup>[f]</sup>	-7,820	-22,507	14,687	-65.26
Adjustments to property, equipment and investment property and intangible assets	-34,462	-34,424	-38	0.11
<b>Operating costs</b>	<b>-332,739</b>	<b>-317,835</b>	<b>-14,904</b>	<b>4.69</b>
<b>Operating profit (loss)</b>	<b>489,258</b>	<b>391,697</b>	<b>97,561</b>	<b>24.91</b>
Charges for stabilising the banking system <sup>[e]</sup>	-	-21,295	21,295	-100.00
Net gains (losses) on equity investments and other investments <sup>[g]</sup>	3,053	16,750	-13,697	-81.77
<b>Profit (loss) before tax</b>	<b>492,311</b>	<b>387,152</b>	<b>105,159</b>	<b>27.16</b>
Income taxes	-156,102	-123,590	-32,512	26.31
<b>Profit (loss)</b>	<b>336,209</b>	<b>263,562</b>	<b>72,647</b>	<b>27.56</b>
<b>Profit (loss) attributable to the Parent Company</b>	<b>336,209</b>	<b>263,562</b>	<b>72,647</b>	<b>27.56</b>

### 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 from the sale of receivables in the amount of 0.241 million euro.

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

[c] Net value adjustments consist of the sum of items 130 - 140 - 200 a) in the income statement including the losses on disposals of receivables for 0.241 million euro.

[d] Personnel expenses and other operating income have been stated net of the income generated by the post-employment benefits fund of 3.546 million euro.

[e] Charges for stabilising the banking system have been separated from other administrative expenses and presented separately.

[f] Net accruals to provisions for risks and charges refer to item 200 b).

[g] Gains (losses) on equity investments and other investments is made up of the sum of items 250 - 260 - 270 - 280 of the income statement.

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

- item 130 of the income statement, which refers to exposures to customers and banks in the form of both loans and securities, amounted to 33.772 million euro and consisted



- almost entirely of adjustments relating to financial assets measured at amortised cost;
- item 140, relating to gains/losses from contractual amendments without derecognition, resulting from changes made to contractual cash flows, was negative for 3.055 million euro in the reporting year.

Net value adjustments also include a write-back on commitments and guarantees of 4.749 million euro, compared with a write-back of 8.058 million euro in the comparison period, and losses on disposals of receivables of 0.241 million euro.

The ratio of net value adjustments to loans and receivables with customers and net loans and receivables with customers (annualised cost of credit) was 0.18%, compared to 0.60% at the end of June 2024.

Financial income increased from 709.532 million euro to 821.997 million euro, +15.85%.

Operating costs increased to 332.739 million euro from 317.835 million euro, +4.69%.

The ratio of operating costs to total income, otherwise known as the cost/income ratio, was equal to 38.95%, while the ratio of operating costs to total assets totalled 1.18%. As for the individual components, administrative expenses amounted to 338.058 million euro, +12.38%. Of these, personnel expenses increased from 151.567 million euro to 161.537 million euro (+6.58%) mainly due to contractual adjustments and the increase in personnel for new hires in the period, while other administrative expenses increased from 149.243 million euro to 176.521 million euro (+18.28%) mainly reflecting the extraordinary expenses related to the OPAS (Voluntary Public Purchase and Exchange Offer) promoted by BPER Banca and also incorporating the growth in IT costs.

The item "net accruals to provisions for risks and charges" reflected accruals of 7.820 million euro compared to accruals of 22.507 million euro recognised in the first half of 2024. The adjustments to property, equipment and investment property and the amortisation of software amounted to 34.462 million euro compared with 34.424 million euro. Other income, net of other operating expenses, amounted to 47.601 million euro, +19.28%.

Charges for stabilising the banking system, shown separately, were nil, due to the discontinuation of the contribution to the Fondo Interbancario di Tutela dei Depositi, compared to 21.295 million euro recognised in the first half of 2024. The aggregate gains/losses on equity investments and other investments showed a positive balance of 3.053 million euro, down from the 16.750 million euro (-81.77%) recognised in the first half of 2024 due to the change in the measurement criterion for real estate assets, which resulted in negative fair value changes of 16.8 million euro.

Profit before tax therefore totalled 492.311 million euro, +27.16%. After deducting income taxes of 156.102 million euro, the net profit for the period was 336.209 million euro, +27.56%.

The tax rate, understood as the ratio between income taxes and pre-tax result, stood at 31.7%.



## RECLASSIFIED CONSOLIDATED INCOME STATEMENT QUARTER BY QUARTER

(thousands of euro)	2025		2024			
	II Quarter	I Quarter	IV Quarter	III Quarter	II Quarter	I Quarter
Net interest income	283,662	272,066	276,530	275,516	271,043	267,015
Dividends	5,561	352	151	3,128	2,239	983
Net fee and commission income	112,015	115,438	116,749	105,089	105,795	106,869
Result of financial activities <sup>[a]</sup>	29,351	32,945	31,712	33,758	30,820	35,491
Result of other financial assets and liabilities measured at FVTPL <sup>[b]</sup>	4,375	-1,449	-7	-356	-6,200	-1,189
<i>of which LOANS</i>	-127	-1,268	-238	-2,466	-4,770	-2,011
<i>of which OTHER</i>	4,502	-181	231	2,110	-1,430	822
<b>Total income</b>	<b>434,964</b>	<b>419,352</b>	<b>425,135</b>	<b>417,135</b>	<b>403,697</b>	<b>409,169</b>
Net adjustments <sup>[c]</sup>	-9,818	-22,501	-42,124	-39,435	-60,520	-42,814
<b>Net financial income</b>	<b>425,146</b>	<b>396,851</b>	<b>383,011</b>	<b>377,700</b>	<b>343,177</b>	<b>366,355</b>
Personnel expenses <sup>[d]</sup>	-80,758	-80,779	-84,749	-78,073	-74,934	-76,633
Other administrative expenses <sup>[e]</sup>	-97,053	-79,468	-95,447	-72,931	-75,431	-73,812
Other operating income/expense <sup>[d]</sup>	24,731	22,870	27,587	25,047	22,578	17,328
Net accruals to provisions for risks and charges <sup>[f]</sup>	-3,636	-4,184	-2,038	-5,479	-21,424	-1,083
Adjustments to property, equipment and investment property and intangible assets	-18,068	-16,394	-23,972	-17,977	-17,834	-16,590
<b>Operating costs</b>	<b>-174,784</b>	<b>-157,955</b>	<b>-178,619</b>	<b>-149,413</b>	<b>-167,045</b>	<b>-150,790</b>
<b>Operating profit (loss)</b>	<b>250,362</b>	<b>238,896</b>	<b>204,392</b>	<b>228,287</b>	<b>176,132</b>	<b>215,565</b>
Charges for stabilising the banking system <sup>[e]</sup>	-	-	-	-2	-1,294	-20,001
Net gains (losses) on equity investments and other investments <sup>[g]</sup>	-10,308	13,361	6,360	14,541	2,471	14,279
<b>Profit (loss) before tax</b>	<b>240,054</b>	<b>252,257</b>	<b>210,752</b>	<b>242,826</b>	<b>177,309</b>	<b>209,843</b>
Income taxes	-77,155	-78,947	-67,701	-74,497	-58,975	-64,615
<b>Profit (loss)</b>	<b>162,899</b>	<b>173,310</b>	<b>143,051</b>	<b>168,329</b>	<b>118,334</b>	<b>145,228</b>
<b>Profit (loss) attributable to the Parent Company</b>	<b>162,899</b>	<b>173,310</b>	<b>143,051</b>	<b>168,329</b>	<b>118,334</b>	<b>145,228</b>

### 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 measured at FVTPL is comprised in item 110 of the income statement.

[c] Net value adjustments consist of the sum of items 130 - 140 - 200 a) of the income statement.

[d], [e] and [f] The figures are shown in accordance with the reclassifications presented in the summary of the reclassified consolidated income statement.

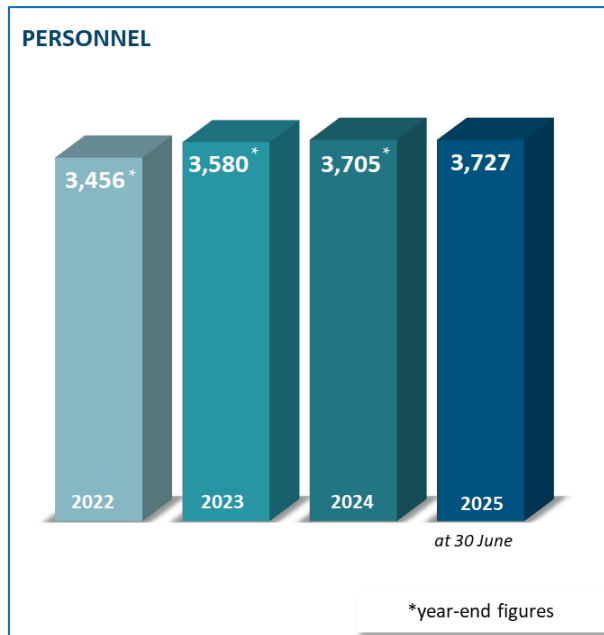
[g] Gains (losses) on equity investments and other investments is made up of the sum of items 250 - 260 - 270 - 280 of the income statement.



## HUMAN RESOURCES

At the end of the first half of the year, the banking Group had 3,727 employees, of which 3,177 were employed by the Parent Company, 377 by Banca Popolare di Sondrio (SUISSE) SA, 148 by Factorit spa and 25 by BNT spa. Compared to 30 June 2024, the increase was 88 employees, +2.36%. They are significant data in light of the industry dynamics in the opposite direction.

As at 30 June 2025, 66% of the banking Group's personnel worked in the distribution network and the remainder were employed in the central services of the respective companies. The average age of the employees was 42 years and 10 months, with an average length of service of 16 years and 5 months. In addition to the personnel of the banking Group, there are also those of the subsidiary Pirovano Stelvio spa, 25 staff as at 30 June 2025, 22 of which are employed on a seasonal basis, and of the subsidiary Rent2Go srl, 10 staff as at 30 June 2025.



## RISK MANAGEMENT

At international level, geopolitical fragmentation dominates and theatres of war are on the rise. They hinder cooperation and multilateralism, helping transmit shocks from one economy to another. If it were not rooted on solid foundations, the financial system could have paid heavy consequences; on the contrary, so far it has not been destabilised and has shown great tenacity. Despite everything, banks continued to post solid capital and liquidity positions. The sector's profitability, having benefited from a long period of rising interest rates, was able to remain at more than satisfactory levels. Overall, the riskiness remains low. This could, however, be a phase destined to change, even rapidly, should general conditions show unfavourable developments.

Digital innovation and the adoption of new technologies are a driving force in the development of financial services. Their contribution makes them faster, more accessible and closer to the needs to be met, but at the same time can open up new avenues for criminal infiltration, magnifying cyber dangers and instances of deception. Companies and banks themselves are now frequently using artificial intelligence tools to promote the efficiency of their processes; however, their increasing use is not without risk. Cyber threat statistics are on the rise.

The pitfalls of the current global economic environment should not be underestimated. It is crucial to remain vigilant, regularly analysing the implications of the many emerging risk factors for strategies, current operations and relevant risk profiles. It is also essential to invest in operational resilience in order to enhance the ability of intermediaries to cope with business disruptions caused by sudden shocks.



The "culture of risk" must stand as a beacon over everything. Its presence in a banking organisation defines the paradigm, the attitude, the collective ability to identify, understand, discuss and govern current and future risks, training its people to react well to changes and to manage fluid contexts characterised by high uncertainty without hesitation.

## Credit and counterparty risk

The credit quality of our assets remains satisfactory, however, significant attention must be paid to the signals of the leading indicators of riskiness and, as a consequence, to the management of new entrants in a critical state, aimed at avoiding an increase in the mass of non-performing loans. Monitoring the deterioration of creditworthiness is therefore confirmed as a strategic priority.

At systemic level, the risks related to the evolution of the international geopolitical situation, which could also have significant repercussions on the trends in the macroeconomic framework, are not letting up. Despite this, reaching the derisking levels of our portfolios set by the Administration remains one of the main medium-term goals to be achieved. Crucial in this regard are the repeated actions to strengthen monitoring tools on the emergence of counterparties' financial difficulties, all of which are in some way aimed at increasing performance in the timely recognition of positions that are not yet impaired, but which nonetheless present an increased risk, with a consequent need for consistent accounting reclassification.

With regard to the collective calculation of expected losses and related write-downs in the balance sheet, several methodological developments were introduced, including a revision of the modelling approach adopted in the estimation of risk parameters and refinements to the stage allocation and override processes for classifying positions. The changes made also resulted in a significant decrease in the incidence of management overlays. With regard to the geopolitical scenario, in addition to the quantification of specific overlays of provisioning on receivables related to the "emerging risks" and the US economic policy on tariffs and duties, we note the prudent allocation to Stage 2 accounting of exposures to countries potentially involved in the conflict between Israel, Iran and Hamas.

With reference to the internal rating system, April saw the start of an inspection by the ECB, assisted by the Bank of Italy, envisaged by the procedures for recognising the use in the regulatory calculation of capital absorption of models relating to the segment of exposures to corporate debtors that fall within the portfolios of both the Parent Company - for which refinements were introduced to incorporate guidelines that had emerged from previous audits by the Supervisory Authority - and the subsidiary Factorit - for which a request for initial validation was instead made.

## Market risk

The Group's exposure to market risks is always monitored through daily monitoring of the financial assets held in investments, based on a broad structure of multi-level metrics, broken down by categories of investment portfolios and risk factors impacting the value of the



instruments held.

Taking a general look at the dynamics of the financial markets, after the substantially positive first months of the year, there was a slump in April in reaction to the announcements of the new US tariff policy, which was followed by a marked rebound; the six-month period then closed against the backdrop of uncertainty stemming from the conflicts in the Middle East. Further elements of volatility related to evolving geopolitical scenarios and the uncertain trajectory of central banks' monetary policy manoeuvres remain in the background.

Despite the difficult market environment, the risk measures of the investments in securities that make up the Group's financial portfolios remained consistently within the maximum tolerance levels; there were also no tensions in the system of early warning indicators placed as sentinels of sudden threats to the integrity of the value of the portfolios. No critical elements also emerged from the stress analyses conducted on a monthly basis to verify the potential emergence of losses under conditions of further adversity.

### Interest rate and credit spread risk

The monitoring of risk profiles linked to sudden fluctuations in market interest rates ("interest rate risk in the banking book") or to instant changes in market credit spreads ("credit spread risk in the banking book"), is carried out through regular sensitivity analyses of the company's economic value to unexpected changes in the aforementioned variables and sensitivity analyses of the overall profits and interest income generated by the volumes of active and passive transactions, supplemented where necessary by targeted impact studies. The dedicated internal exposure limit systems were affected during the first half of the year by the introduction of the new "Likely Scenario" concept, aimed at considering severe but sufficiently plausible market assumptions.

The activities of verifying and updating the main behavioural models in use for determining risk exposure continued without any substantial new elements, with the only exception concerning current accounts with contractually defined indexation, which were excluded from the estimation perimeter of the "sight items" rate model because a more precise treatment of the information at the contractual level became possible.

The statistical parameters on which the behavioural models of "sight items" are based - models that quantify the persistence of asset and liability inventories with no maturity and their elasticity of adaptation to the movements of the market curves - will be recalibrated in the next few months, providing for the inclusion of more recent historical data and, if necessary, testing the different modelling assumptions in order to improve the statistical representation of the phenomenon under review. The appropriateness of all behavioural models in the interest rate risk measurement systems ("sight" and "pre-payment" models) is verified through the usual process of backtesting the effectiveness of the statistical models ("backtesting").





## Liquidity risk

During the first half of the year, the Group's main liquidity risk indicators remained well above internal and regulatory limits, thanks in part to the results of the favourable initiatives promoted on the funding front and to the maintenance of considerable potential of available liquidity reserves, consisting of the debt securities in the portfolio - especially sovereign debt securities - that can be readily sold on the market or pledged as collateral in Eurosystem credit operations.

As usual, the short-term liquidity situation (so-called "operational") of the Group was monitored with the support of both daily measurements of the cash dynamics typical of treasury operations, and the reserve holdings constituted by daily funds at central banks and the income potentially obtainable from the disposal of eligible assets to offset refinancing operations. On a monthly basis, the trend in medium- to long-term liquidity (so-called "structural") is also recorded, aimed at balancing funding and lending items in the different maturity intervals.

The regulatory liquidity indicators, both short-term (Liquidity Coverage Ratio) and structural (Net Stable Funding Ratio), which are constantly monitored and subject to the prospective analyses needed for their optimisation, did not show any signs of turbulence in the first six months of 2025, with values that were significantly above the minimum expected. Intraday liquidity trends and intra-group funding movements were also kept under constant observation.

## Operational and IT risk

In the wake of the path of strengthening the system of independent control of exposure to risks of an IT nature, launched in 2023 in compliance with the requirements set out in Circular No. 285/2013 of the Bank of Italy and the EU Regulation on digital operational resilience (so-called DORA - Digital Operational Resilience Act), as well as prompted by the results of the ECB's audit concluded in January 2024 on the sustainability of the business model and the ability to implement digital transformation strategies, in the half-year of reference, analytical tools were developed to identify and monitor the risks attributable to the execution of ICT projects connected with the implementation of the strategic guidelines of the new Our Way Forward Business Plan for the three-year period 2025-2027, as well as the implementation of significant changes in corporate information systems.

In addition, actions were completed to enhance the business continuity and disaster recovery devices launched in 2024 with the aim of strengthening digital resilience capacity in the event of a cyber risk event, as an increasingly relevant risk phenomenology, especially in light of the current international geopolitical context.

The control of IT risks also benefited in the first half of the year from the definition of a dedicated corporate process, with the identification of specific roles and responsibilities with a Group perimeter, aimed at the preliminary assessment and monitoring of risk profiles attributable to the use of third parties for the provision of ICT services, especially if supporting corporate functions that are critical for the company's business.





## Reputational and money laundering risk

During the first half of the year, with the aim of strengthening the system for identifying and controlling the risks of deterioration of the perception of the company's reputation with its stakeholders, the indicators for monitoring the volume of complaints, out-of-court appeals and legal disputes attributable to contested deficient, or only apparent, adherence to ESG (Environmental, Social and Governance) principles and the related reputational repercussions, introduced at the Parent Company in 2024 and subject to refinement in the reporting period, were also extended to the perimeter of subsidiaries.

Still on the subject of sustainability, within the framework of climate and environmental risk stress testing activities, note should be taken of the development of a dedicated scenario analysis approach aimed at estimating the potential reputational damage resulting from disputed greenwashing practices.

With regard to the prohibition of financing controversial arms companies (Law No. 220/2021 and subsequent Instructions of the Bank of Italy, COVIP, IVASS and MEF), work continued at the specific inter-functional corporate round-table aimed at defining operating procedures to verify, over time, the possible entertainment of business relations with legal persons falling within the scope of application of the regulations, as well as implementing a system of integrated controls to guard against potential operational, reputational and non-compliance risk profiles. Initiatives that took the form of the issuance, during the half, of dedicated internal regulations describing the organisational and operational control system.

The anti-money laundering unit also continued to closely monitor the risks of involvement in operational money laundering and the financing of terrorist activities. In order to comply with the EBA guidelines on compliance with EU and national restrictive measures, as adopted by the Bank of Italy, the unit is committed to implementing EU regulatory provisions and to the ongoing monitoring of their operational application. In this context, activities are continuing to comply with the "AML Package" and, in particular, to the provisions of Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing. The dedicated control function has also carried out a risk assessment exercise on cryptoassets aimed at assessing the actual degree of exposure to risk, given that to date the bank is not directly involved in the management and/or provision of cryptoasset services.

## Compliance risk

In the first half of the year, the Compliance Function continued to fulfil its mandate with institutional rigour, strengthening the promotion of an ethical and responsible corporate culture, anchored in the principles of honesty, fairness and transparency. In a regulatory scenario characterised by increasing complexity and continuous change, the control of non-compliance risks has benefited from a structural strengthening of monitoring methodologies and an increasingly pervasive integration of compliance approaches into business processes, also with reference to ex-ante assessments of new products, services and processes.



The detailed analyses conducted by the Function showed a progressive consolidation, in both qualitative and quantitative terms, of the specialised consultancy activity promoted to support the operating units. Particular importance was attributed to the effective prevention of non-compliance risks, mainly referring to the adoption of procedures related to the correct transposition of regulatory changes, with a view to defining, in the best possible way, all organisational and operational profiles impacted by the changes within the regulatory perimeter monitored. In this context, the strategic role of the Function in the processes of validating internal regulations and updating company contracts was also reinforced.

## ESG (Environmental, Social & Governance) risks

In valuing its willingness to play a central role in the transition to a more sustainability-conscious economy, the bank followed up on its formalised membership in December 2023 of two major international initiatives promoted by the United Nations Environment Programme Finance Initiative (UNEPFI): the Net-Zero Banking Alliance (NZBA) and the Principles for Responsible Banking (PRB). In relation to the latter, the first Responsible Banking Progress Statement was recently published, setting out objectives geared towards sustainable development, defined in line with the Group's strategic guidelines for the period 2025-2027, in terms of greater financial inclusiveness and combating climate change, two of the impact areas indicated by the Principles and identified by the bank as priorities. The targets also included sector decarbonisation targets for the credit portfolio published in December last year as a tangible contribution to the NZBA alliance.

There were also numerous developments in the period with regard to ESG risk assessment and management systems. Refinements are reported in the level of accuracy of methodologies for estimating the riskiness associated with these factors and the transmission of their effects to traditional risks. Emblematic in this regard is the progress made in the specific stress exercises, included in the annual capital adequacy analyses (ICAAP), aimed at quantifying the prospective impacts of drivers related to the environment and climate change on the most representative metrics of corporate risks: in particular, the perimeter of banking risks analysed was extended to embrace all the main categories present in the corporate risk map, with the development of a range of new simulations of the direct and indirect financial effects of climate change on short, medium and long-term risk profiles.

Lastly, the bank's attention to the in-depth assessment of the environmental, social and governance risk profile of its borrowers is reconfirmed, through the performance of dedicated ESG Due Diligence activities and the timely collection of information targeted at customers considered most strategic through the completion of qualitative questionnaires. The information acquired at individual level helped to further refine the ESG risk classification associated with the individual counterparties in the portfolio, fine-tuning the statistical metric calculated by the internal ESG scoring model by means of a specific score.



## OTHER INFORMATION

### BANCA POPOLARE DI SONDRIO SHARE

The Banca Popolare di Sondrio share, traded on the Euronext Milan market of Borsa Italiana, part of the FTSE MIB index, closed the first half of 2025 with a positive performance of 44.96%, marking a reference price on 30 June 2025 of 11.80 euro, compared to 8.14 euro at the end of 2024. The FTSE MIB index in the same period recorded an increase equal to 16.40%, while the sectoral index Ftse Italia All-Share Banks was up by 32.49%.

The average daily volume of securities traded on Borsa Italiana's Euronext Milan market in the first six months of the year was 2.611 million, up from 2.128 million in the same period of 2024.

#### BANCA POPOLARE DI SONDRIO share - Euronext Milan Market of Borsa Italiana





## Treasury shares of the Banca Popolare di Sondrio and the subsidiaries

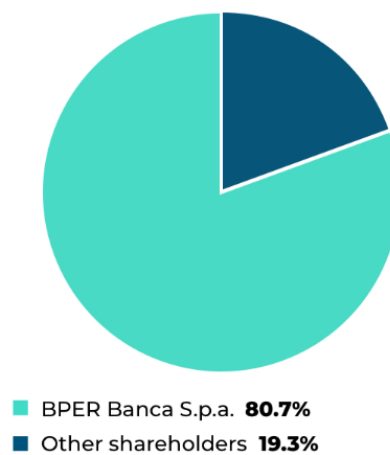
With regard to treasury shares, it should be noted that as at 30 June 2025, Banca Popolare di Sondrio held 3,565,256 shares in its portfolio, a decrease of 31,959 shares compared to the end of 2024 as a result of the activities carried out to implement the remuneration policies of the Banca Popolare di Sondrio Banking Group. In addition are the 26,535 shares held by Banca Popolare di Sondrio (SUISSE) SA, as part of the share-based compensation plan provided for in the Group's Remuneration Policies. The book value is 25.048 million.

The shareholder structure as at 30 June 2025 consisted of 121,153 shareholders.

## SHAREHOLDING COMPOSITION

The share capital of Banca Popolare di Sondrio amounts to 1,360,157,331 euro and is composed of 453,385,777 ordinary shares with no par value.

### Shareholding composition



Figures as at 25/07/2025



## RATING

The solvency of Banca Popolare di Sondrio, detailed in the table below, has been assessed by the rating agencies S&P Global Ratings, Fitch Ratings, Morningstar DBRS and Scope Ratings.

The ratings shown here refer to S&P Global Ratings' decision of 21 July 2025, as well as the assessments expressed by Fitch Ratings, Morningstar DBRS and Scope Ratings on 31 July 2025, 23 October 2024 and 15 July 2025, respectively.

<b>S&amp;P GLOBAL RATINGS - issued on 21/7/2025</b>	<b>RATING</b>
STAND ALONE CREDIT PROFILE	<b>BBB</b>
LONG-TERM ISSUER CREDIT RATING	<b>BBB</b>
SHORT-TERM ISSUER CREDIT RATING	<b>A-2</b>
LONG-TERM RESOLUTION COUNTERPARTY RATING	<b>BBB+</b>
SHORT-TERM RESOLUTION COUNTERPARTY RATING	<b>A-2</b>
OUTLOOK	<b>Stable</b>
<b>FITCH RATINGS - issued on 31/7/2025</b>	<b>RATING</b>
LONG-TERM ISSUER DEFAULT RATING	<b>BBB-</b>
SHORT-TERM ISSUER DEFAULT RATING	<b>F3</b>
VIABILITY RATING	<b>BBB-</b>
GOVERNMENT SUPPORT	<b>No Support</b>
LONG-TERM DEPOSIT RATING	<b>BBB</b>
SHORT-TERM DEPOSIT RATING	<b>F3</b>
SENIOR PREFERRED DEBT	<b>BBB-</b>
TIER 2 SUBORDINATED DEBT	<b>BB</b>
OUTLOOK	<b>Positive</b>
<b>Morningstar DBRS - released on 23/10/2024</b>	<b>RATING</b>
LONG-TERM ISSUER RATING	<b>BBB</b>
SHORT-TERM ISSUER RATING	<b>R-2 (high)</b>
LONG-TERM SENIOR DEBT	<b>BBB</b>
SHORT-TERM DEBT	<b>R-2 (high)</b>
LONG-TERM DEPOSITS	<b>BBB (high)</b>
SHORT-TERM DEPOSITS	<b>R-1 (low)</b>
SUBORDINATED DEBT	<b>BB (high)</b>
TREND	<b>Stable</b>



<b>Scope Ratings - issued on 15/7/2025</b>	<b>RATING</b>
ISSUER RATING	<b>BBB +</b>
OUTLOOK	<b>Stable</b>

## ESG rating

The level of compliance achieved by Banca Popolare di Sondrio with the international sustainability guidelines set by some of the main international institutions (European Union, United Nations, OECD) is assigned by the independent agency Standard Ethics.

<b>Standard Ethics - issued on 22/5/2025</b>	<b>RATING</b>
CORPORATE RATING	<b>EE+</b>
OUTLOOK	<b>Positive</b>

## AUDITS AND INSPECTIONS

### ECB Supervisory activities

Below are the main supervisory checks carried out by the European Central Bank on Banca Popolare di Sondrio.

(a) As part of the process undertaken by the Issuer in order to obtain the recognition of its internal rating system in the determination of the capital requirement for credit risk under the Advanced Internal Rating Based Approach (AIRB) required by the supervisory regulations, between June and August 2018, the ECB carried out, at the request of the Bank, with the support of an inspection team from the Bank of Italy, an on-site inspection aimed at verifying the robustness and compliance of the rating system with regulatory requirements and best market practices.

At the same time as recognising the AIRB approach at the end of May 2019, the Authority, also taking into account the outcome of the 2018 on-site inspection, formalised a number of findings, including analyses and recommendations aimed at further improving the quality and effectiveness of the internal rating system, in respect of which the Bank developed a dedicated Action Plan, which has now been finalised. The rating system was subject to further inspections, which began in October 2021, also aimed at verifying the impacts of changes brought about by the entry into force, from the beginning of 2022, of the ABE provisions on internal models that can be used within the framework of regulatory approaches for measuring minimum capital requirements on credit risk. The Exit meeting held on 14 June 2022 was followed by the receipt of the Final Report on 4 August 2022. On 18 September 2023, the Authority sent the Draft IMI Decision, a document summarising the corrective actions required by the inspection investigation and the relevant deadlines for compliance. Following the receipt of the Final IMI Decision on 12 October 2023, the Bank prepared a new Action Plan whose remedial action programme ended in October 2024. On 14 April 2025 internal model investigations (IMI) started with the revision of the Parent Company's AIRB PD and LGD models for the Corporate segment and the initial validation of Factorit's AIRB system. The inspection, held over a period of about



thirteen weeks, for which the Final Report from the inspection team is pending, had the following objectives:

- verify the successful closure of the findings opened by previous IMIs on the parent company's models, with the aim of removing the current add-on RWA capital imposed by the Supervisory authority;
- evaluate the substantial changes to the PD and LGD models of the Parent Company's Corporate segment to incorporate the new regulatory guidelines issued since the last IMI;
- verify, for validation purposes, Factorit's Internal Rating System, by analysing the subsidiary's PD and LGD models, IT architecture and credit processes.

b) As already specified in the Report to the financial statements as at 31 December 2024 ("risk management" section), the ECB conducted an inspection visit on the Group from October 2022 to April 2023, focusing on credit and counterparty risk with specific reference to the Corporate&Large and SME (Small and Medium Enterprises) segments. The assessment falls within the scope of the ordinary processes that European Supervision implements with the aim of carrying out a survey of the quality of the assets on selected portfolios and evaluating the internal credit risk management processes and procedures and the control and governance systems, including the implementation of the IFRS 9 accounting standard and any other ancillary aspect. On 23 January 2024, the Final Report was submitted followed, on 29 April 2025, by the ECB's Final decision, which imposes requirements and makes recommendations. The requirements focus on: bolstering the Board of Directors' effectiveness, refining management level structure and operations, enhancing risk management and internal audit roles, and optimising credit risk management processes.

With reference to the remarks made by the Supervisory Authority, the Bank has long since initiated actions and remedial measures, which it will complete on schedule and which the ECB has reserved the right to assess over time according to their practical effectiveness and implementation. On the basis of the observations received from the Supervisory authority, the Bank has already taken steps during the 2023 financial year to increase the credit risk relating to the positions being verified and to monitor the exposures in relation to any transition to non-performing. With reference to profiles of potential reclassification for the purposes of supervisory reporting, which involve only a portion of the sample examined by the Supervisory Authority, the Bank continued its discussions with the ECB, also in relation to the events following the start of the inspection and the methodologies already updated as a result of the inspection activity. As at 30 June 2025, the Bank adjusted the classifications for supervisory reporting purposes. As a result of the communication received from the ECB on 22 July 2025, there remains a classification discrepancy on a sample of positions, which are currently performing positively, with a gross cash exposure of 82 million euro (net cash exposure of 56 million euro) represented as performing positions in the consolidated interim financial report. The use of the reporting classification in the determination of the gross NPL ratio would bring the indicator from 2.9% to 3.1%. There would be no significant additional economic effects to those already noted, with



reference to the positions selected by the ECB.

(c) Between October 2023 and January 2024, the Bank was the subject of an ECB inspection on its business model and profitability with the aim of assessing its digital transformation strategy, business plan and budget as part of a broader business model analysis. It should be noted that the Bank received the Final Report from the inspection team on 21 May 2024. Following the Closing meeting held on 18 September 2024 and the receipt of the Final follow-up letter with the findings on 30 October 2024, the Bank drew up a plan of activities to remedy the findings. Remedial actions will be completed during 2025.

(d) Between October 2024 and January 2025, the Bank underwent an on-site inspection in connection with the evaluation of Risk Data Aggregation and Risk Reporting (RDARR). Following the Exit meeting held on 18 April 2025, the Bank received the Final Report containing the findings and awaits the Final follow-up letter.

As part of the ECB's regular supervisory activities, the Bank is also subject to thematic reviews promoted by the Authority, which normally focus on specific areas of operations, including on system-wide groups of banking institutions from various jurisdictions (e.g. "deep dive", "assessment", "thematic review", "targeted review").

### **Consob Supervisory activities**

With reference to the supervisory activities conducted by Consob:

- From 19 February to 14 October 2024, it conducted a supervisory inspection at the Bank, concerning the adequacy and effectiveness of the product governance and adequacy assessment model adopted for the provision of investment services, with particular reference to the new procedural arrangements implemented following the previous inspection visit carried out in 2019.

In a letter dated 7 April 2025, the official findings of the inspection were communicated, confirming a framework of progressive improvement in the way investment services are provided and substantial compliance with the current regulatory framework, albeit without prejudice to some, more limited, areas of attention, reported in a separate Technical Report. At the same time, the Authority asked the Bank to draw up its formal considerations, accompanied by specific observations of the Compliance Function. Accordingly, on 3 June 2025, the Bank submitted its detailed response, certified by the Compliance Function.

Subsequently, a meeting between company representatives (BPS Compliance Office and Finance Department) was scheduled for 1 July 2025, during which a number of aspects were discussed and clarified, including the steps the Bank intends to take to define the 2026 Budget, developments on the certificates issuance plan, the possibility of revising the concentration thresholds for financial instruments, and the adequacy checks carried out for the purchase of BPS shares as part of customer initiative operations with respect to those carried out as part of advisory services. At Consob's request, the various arguments





addressed at the meeting were represented in a letter supplementing the previous response, which will be sent to the Authority on 4 August 2025.

- On 16 June 2025, 2 Consob inspections were initiated, concerning:
  1. the manner in which the Shareholders' Meeting of 30 April 2025 will be held, with specific regard to compliance with the regulations on the solicitation and collection of voting proxies;
  2. the Voluntary Public Purchase and Exchange Offer promoted by BPER Banca S.p.A. on all the ordinary shares of BPS, with specific reference to the controls adopted in the relationship with customers, to the possible existence of actions aimed at guiding customers' choices in relation to BPS shares and to the compliance with the rules of fairness on the subject of public offers.

## TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are governed by the "Regulation for transactions with related parties" adopted with Consob resolution No. 17221 dated 12 March 2010 and subsequent amendments, pursuant to which the required information is provided below, and by circular letter No. 285/2013 of the Bank of Italy.

Relations with related parties, as identified in accordance with the provisions of IAS 24 and the aforementioned Consob Regulation, form part of the Banking Group's ordinary operations and are normally settled on market terms. In the case of subsidiaries and associates, on the basis of evaluations of mutual cost-effectiveness.

With reference to the disclosure obligations referred to in Art. 5 of the Consob Regulation, it should be noted that, in the period 1 January-30 June 2025, the following transactions of greater importance with related parties were approved by the competent bodies of the Parent Company:

- Banca della Nuova Terra spa, subsidiary; granting of unsecured credit facilities (revocable) of 30,000,000 euro and renewal of credit facilities (revocable) for 440,014,500 euro; resolutions of 31/01/2025;
- Rent2go srl, subsidiary; renewal of credit facilities (revocable) for a total of 130,104,000 euro and 17,030,032 euro maturing on 01/03/2026; resolutions of 31/01/2025;
- Banca Popolare di Sondrio (SUISSE) SA, subsidiary; granting of unsecured loan in foreign currency for 896,500,000 euro maturing on 27/12/2025 and renewal of credit facilities (revocable) for a total of 1,285,072,000 euro, 188,500,000 euro maturing on 01/07/2028, 40,000,000 euro maturing on 01/06/2028, 25,000,000 euro maturing on 01/11/2028 and 896,500,000 euro maturing on 01/08/2025; resolutions of 24/02/2025.

In the period 1 January-30 June 2025, no transactions were completed with related parties, neither of greater nor lesser significance, which had a significant impact on the financial position or economic results of the Banking Group. Furthermore, there are no changes and/or developments in the transactions with related parties completed in 2024 - none, however, atypical, unusual or at non-market conditions - that had significant effects on the financial



position or results of the Banking Group in the first half of 2025.

It should be noted that transactions or positions with related parties, as classified by the aforementioned IAS 24 and Consob Regulation, have a limited impact on the equity and financial situation, on the economic result and on the cash flows of the Banking Group. In the notes, in the paragraph "Transactions with related parties", there is a summary table relating to transactions with related parties.

During the first half of 2024 and in the current year, no positions or transactions deriving from atypical and/or unusual operations have arisen. According to Consob Circular DEM/1025564 of 6 April 2001, atypical and/or unusual transactions are those - not arising in the ordinary course of business - that may raise doubts about the completeness of the disclosures in the financial statements, conflicts of interests, the protection of the corporate assets or the safeguarding of the shareholders, by virtue of their magnitude, the nature of the counterparties, the methods for determining the transfer price or the timing of the transaction.

## PROMOTIONAL AND CULTURAL ACTIVITIES

The digital era is changing the world and the way we communicate, the way we work. Our Group is aware of this and has dedicated time and money to the virtual sector, also in the first half of this year. This commitment has, among other things, prompted the Information Systems Service to make the SCRIGNObps portal, which customers increasingly use for their banking needs, even more efficient.

The most important cultural aspects include the daily commitment to the activities related to the library owned by Luigi Credaro and the edition of the Notiziario, a high quality magazine, full of detailed articles on a wide variety of topics. We cannot fail to mention the extensive monograph on Max Huber - a talented Swiss graphic designer of the last century, who lived in Italy for a long time where he found the perfect environment for expressing his personality -, hosted in the culture section of the 2024 Annual Report of the subsidiary BPS (SUISSE) SA.

The interest and support for public initiatives in the localities where we are present has not waned. An important cultural event, which we have promoted together with other public bodies in the Valtellina capital, is "La Milaneseiana" by Elisabetta Sgarbi, which will be held in Sondrio in June and in the Alta Valle in July. On this occasion, an exhibition of Carlo Verdone's photographs "Nuovi Silenzi" was set up in Bormio at the premises of our branch in via Roma 131.

Sensitive, as always, to the growing needs in the health and social sector, we contributed ten thousand euro to the endowment of the Sondrio Civil Hospital with a 3D mammography machine. We allocated fifteen thousand euro to the "Ancelia Project" in favour of the Alzheimer's Unit, managed by the Casa di Riposo Città di Sondrio Foundation. We also act as main sponsor for sporting events.



## SIGNIFICANT EVENTS AFTER 30 JUNE 2025

On 1 August 2025, the total Voluntary Public Purchase and Exchange Offer promoted by BPER banca on the shares of Banca Popolare di Sondrio closed, with the payment of the consideration in shares to the shareholders of BP Sondrio who adhered to the OPS during the reopening of the terms, while the payment of the cash amount of the fractional part in favour of the aforementioned participants will be made by 18 August. At the end of the transaction, BPER banca held a total of 365,843,545 BP Sondrio shares, equal to approximately 80.69% of the share capital. For further information, please refer to the press releases available on the website of Banca Popolare di Sondrio <https://istituzionale.popso.it/it/investor-relations/ops-bper-su-azioni-banca-popolare-di-sondrio>. Further information, on the Offeror side, can be found on the corporate website of BPER banca S.p.A.

The Banca Popolare di Sondrio Group was subjected, along with 44 other Eurozone banks, to the biannual Supervisory Stress Test conducted by the ECB, according to a methodology similar to that of the exercise carried out at the same time by the European Banking Authority (EBA) on a sample composed of the 51 most significant European credit institutions in terms of size.

The two macroeconomic scenarios used for the baseline and adverse simulation covered a three-year time horizon (2025-2027). While the former assumes normal business development in an ordinary forecast environment, the latter assumes severe escalations of geopolitical tensions, accompanied globally by fragmented, nationally-oriented trade policies, with increases in energy and commodity prices, supply chain disruptions, and marked deteriorations in key economic performance indices.

The final results of the stress test were published by the authorities, in aggregate and individually for each participating institution, on 1 August.

Under the baseline assumption, the Group would continue to generate significant profits capable of both replenishing its assets through annual self-financing flows and remunerating the risk capital contributed by shareholders through regular dividend payments. In the adverse scenario, the Group would experience a maximum primary capital erosion over the three-year period 2025-2027 of less than 300 basis points in terms of the fully loaded CET1 ratio. The impact is measured against a starting CET1 ratio as at 31 December 2024 restated in accordance with the regulatory framework implementing the Basel 4 reforms in force as of 1 January 2025, in order to make it comparable with the capital projections estimated under the new regime.

These results, notwithstanding the marked adversity in the assumed economic context and the related impacts, preserve significant surpluses over the minimum capital required by the Supervisory Authority and confirm the capital robustness of Banca Popolare di Sondrio, characterised, moreover, by a strengthening, compared to previous Stress Tests, in its ability to absorb potential losses related to particularly severe scenario conditions.

It should be noted that the stress exercise was conducted assuming a static balance sheet as at 31 December 2024, and therefore did not take into account the evolving effects of corporate strategies and any other future management initiatives. Its outcomes in no way represent a



forecast of either future profitability or the Group's expected capital ratios.

On 15 July 2025, the agency Scope Ratings improved Banca Popolare di Sondrio's issuer rating to investment grade "BBB+". The outlook was revised to stable from positive.

On 21 July 2025, the agency S&P Global Ratings improved Banca Popolare di Sondrio's credit rating: its issuer rating was raised to investment grade "BBB". The agency revised the outlook to stable from positive.

On 31 July 2025, the agency Fitch Ratings announced the improvement of Banca Popolare di Sondrio's outlook from stable to positive, while confirming its existing ratings. Specifically, the Bank's long-term issuer rating was confirmed at investment grade "BBB-".

In relation to the three aforementioned decisions, dedicated press releases have been published and are accessible on the Banca Popolare di Sondrio's website <https://istituzionale.popso.it/en/press-releases-and-corporate-events/press-releases>.



## OUTLOOK

In the second half of the year, the foreseeable evolution of operations will be influenced by the management and coordination activities exercised by the BPER Banca S.p.A. Group, into which Banca Popolare di Sondrio was merged following the positive outcome of the Public Purchase and Exchange Offer completed on 25 July. The Bank, relying on a high capital base, excellent operational efficiency and a solid liquidity position, expects to be able to achieve positive results for the full year, outperforming the 2025-2027 Business Plan approved last March.

Sondrio, 5 August 2025

THE BOARD OF DIRECTORS



# **CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AS AT 30 JUNE 2025**



## CONSOLIDATED BALANCE SHEET

(thousands of euro)

ASSET ITEMS		30/06/2025	31/12/2024
10.	<b>Cash and cash equivalents</b>	<b>2,022,352</b>	<b>3,738,224</b>
20.	<b>Financial assets measured at fair value through profit or loss</b>	<b>853,827</b>	<b>739,876</b>
	a) financial assets held for trading	278,734	174,038
	c) other financial assets mandatorily measured at fair value	575,093	565,838
30.	<b>Financial assets measured at fair value through other comprehensive income</b>	<b>2,936,593</b>	<b>2,656,254</b>
40.	<b>Financial assets measured at amortised cost</b>	<b>46,937,873</b>	<b>45,459,416</b>
	a) Loans and receivables with banks	1,963,777	2,135,962
	b) Loans and receivables with customers	44,974,096	43,323,454
60.	<b>Change in value of macro-hedged financial assets (+/-)</b>	<b>1,575</b>	<b>2,139</b>
70.	<b>Equity investments</b>	<b>408,844</b>	<b>402,758</b>
90.	<b>Property, equipment and investment property</b>	<b>870,659</b>	<b>663,577</b>
100.	<b>Intangible assets</b>	<b>39,334</b>	<b>35,836</b>
	of which:		
	- goodwill	12,632	12,632
110.	<b>Tax assets</b>	<b>191,734</b>	<b>190,030</b>
	a) current	1,310	1,776
	b) deferred	190,424	188,254
120.	<b>Non-current assets and groups of assets held for sale</b>	<b>-</b>	<b>108,593</b>
130.	<b>Other assets</b>	<b>2,311,547</b>	<b>2,631,879</b>
<b>TOTAL ASSETS</b>		<b>56,574,338</b>	<b>56,628,582</b>



LIABILITIES AND EQUITY ITEMS		30/06/2025	31/12/2024
10.	<b>Financial liabilities measured at amortised cost</b>	<b>49,561,965</b>	<b>50,729,041</b>
	a) Due to banks	4,527,745	6,228,550
	b) Due to customers	39,376,729	39,346,409
	c) Securities issued	5,657,491	5,154,082
20.	<b>Financial liabilities held for trading</b>	<b>42,940</b>	<b>16,561</b>
40.	<b>Hedging derivatives</b>	<b>1,991</b>	<b>2,426</b>
60.	<b>Tax liabilities</b>	<b>150,778</b>	<b>72,423</b>
	a) current	48,850	41,501
	b) deferred	101,928	30,922
70.	<b>Liabilities associated with assets held for sale</b>	-	3
80.	<b>Other liabilities</b>	<b>2,077,354</b>	<b>1,228,645</b>
90.	<b>Provision for employee severance pay</b>	<b>30,976</b>	<b>32,577</b>
100.	<b>Provisions for risks and charges</b>	<b>379,339</b>	<b>390,567</b>
	a) commitments and guarantees given	84,074	88,827
	b) pension and similar obligations	187,471	189,432
	c) other provisions for risks and charges	107,794	112,308
120.	<b>Valuation reserves</b>	<b>176,537</b>	<b>6,559</b>
150.	<b>Reserves</b>	<b>2,402,089</b>	<b>2,160,953</b>
160.	<b>Share premiums</b>	<b>79,037</b>	<b>78,934</b>
170.	<b>Share capital</b>	<b>1,360,157</b>	<b>1,360,157</b>
180.	<b>Treasury shares (-)</b>	<b>(25,048)</b>	<b>(25,220)</b>
190.	<b>Non-controlling interests (+/-)</b>	<b>14</b>	<b>14</b>
200.	<b>Profit (Loss) for the period (+/-)</b>	<b>336,209</b>	<b>574,942</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>56,574,338</b>	<b>56,628,582</b>





## CONSOLIDATED INCOME STATEMENT

(thousands of euro)

ITEMS	30/06/2025	30/06/2024
10. INTEREST AND SIMILAR INCOME	905,707	1,087,047
<i>of which: interest income calculated using the effective interest method</i>	865,475	1,068,007
20. INTEREST AND SIMILAR EXPENSE	(349,979)	(548,989)
30. <b>NET INTEREST INCOME</b>	<b>555,728</b>	<b>538,058</b>
40. FEE AND COMMISSION INCOME	238,693	223,695
50. FEE AND COMMISSION EXPENSE	(11,240)	(11,031)
60. <b>NET FEE AND COMMISSION INCOME</b>	<b>227,453</b>	<b>212,664</b>
70. DIVIDENDS AND SIMILAR INCOME	5,913	3,222
80. NET TRADING INCOME	41,088	56,484
90. NET HEDGING GAIN (LOSS)	(92)	2
100. GAINS (LOSSES) FROM SALES OR REPURCHASES OF:	21,059	12,356
<i>a) financial assets measured at amortised cost</i>	12,385	7,668
<i>b) financial assets measured at fair value through other comprehensive income</i>	8,673	4,012
<i>c) financial liabilities</i>	1	676
110. NET GAINS/LOSSES ON OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	2,926	(7,389)
<i>b) other financial assets mandatorily measured at fair value</i>	2,926	(7,389)
120. <b>TOTAL INCOME</b>	<b>854,075</b>	<b>815,397</b>
130. NET ADJUSTMENTS/WRITE-BACKS FOR CREDIT RISK RELATED TO:	(33,772)	(111,949)
<i>a) financial assets measured at amortised cost</i>	(33,916)	(111,833)
<i>b) financial assets measured at fair value through other comprehensive income</i>	144	(116)
140. GAINS/LOSSES FROM CONTRACTUAL AMENDMENTS WITHOUT DERECOGNITION	(3,055)	(1,974)
150. <b>NET FINANCIAL INCOME</b>	<b>817,248</b>	<b>701,474</b>
180. <b>NET FINANCIAL AND INSURANCE INCOME</b>	<b>817,248</b>	<b>701,474</b>
190. ADMINISTRATIVE EXPENSES:	(341,604)	(326,644)
<i>a) personnel expenses</i>	(165,083)	(156,106)
<i>b) other administrative expenses</i>	(176,521)	(170,538)
200. NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES	(3,071)	(14,449)
<i>a) commitments for guarantees given</i>	4,749	8,058
<i>b) other net provisions</i>	(7,820)	(22,507)
210. NET VALUE ADJUSTMENTS/WRITE-BACKS TO PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	(25,208)	(26,487)
220. NET VALUE ADJUSTMENTS/WRITE-BACKS TO INTANGIBLE ASSETS	(9,254)	(7,937)
230. OTHER OPERATING INCOME/EXPENSE	51,147	44,445
240. <b>OPERATING COSTS</b>	<b>(327,990)</b>	<b>(331,072)</b>
250. GAINS (LOSSES) ON EQUITY INVESTMENTS	19,965	18,257
260. NET RESULT OF FAIR VALUE MEASUREMENT OF PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY AND INTANGIBLE ASSETS	(17,237)	(1,640)
270. GOODWILL VALUE ADJUSTMENTS	-	-
280. GAINS (LOSSES) ON SALES OF INVESTMENTS	325	133
290. <b>PRE-TAX PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>492,311</b>	<b>387,152</b>
300. INCOME TAXES FOR THE YEAR FROM CONTINUING OPERATIONS	(156,102)	(123,590)
310. <b>POST-TAX PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>336,209</b>	<b>263,562</b>
330. <b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>336,209</b>	<b>263,562</b>
340. (PROFIT) LOSS FOR THE PERIOD ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	-	-
350. <b>PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY</b>	<b>336,209</b>	<b>263,562</b>
<b>Basic earnings per share (basic EPS) - euro</b>	<b>0.75</b>	<b>0.59</b>
<b>Diluted earnings per share (diluted EPS) - euro</b>	<b>0.75</b>	<b>0.59</b>



## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(thousands of euro)

ITEMS	30/06/2025	30/06/2024
10. <b>Profit (loss) for the period</b>	<b>336,209</b>	<b>263,562</b>
<b>Other income items net of income taxes that will not be reclassified to profit or loss</b>		
20. Equity securities measured at fair value through other comprehensive income	4,271	11,618
40. Property, equipment and investment property	161,167	-
70. Defined-benefit plans	(1,706)	1,318
90. Share of valuation reserves of equity investments measured at equity	(14)	-
<b>Other income items net of income taxes that may be reclassified subsequently to profit or loss</b>		
120. Exchange rate differences	(287)	(1,485)
150. Financial assets (other than equity securities) measured at fair value through other comprehensive income	6,377	(8,834)
170. Share of valuation reserves of equity investments measured at equity	170	2,202
200. <b>Total other income items net of income taxes</b>	<b>169,978</b>	<b>4,819</b>
210. <b>Other comprehensive income (Item 10+200)</b>	<b>506,187</b>	<b>268,381</b>
220. Consolidated other comprehensive income attributable to non-controlling interests	-	-
230. <b>Consolidated other comprehensive income attributable to the parent company</b>	<b>506,187</b>	<b>268,381</b>



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(thousands of euro)

	Balance as at 31.12.2024		Changes in opening balances		Balance as at 1.1.2025		Allocation of prior year result		Changes during the year										Equity attributable to the Group as at 30.06.2025		Equity attributable to non-controlling interests as at 30.06.2025	
									Equity transactions													
									Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Changes in interests held	Other comprehensive income as at 30.06.2025			
<b>Share capital</b>																						
a) ordinary shares	1,360,171	-	1,360,171	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,360,157	14	
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Share premiums</b>	<b>78,934</b>		<b>78,934</b>									<b>103</b>								<b>79,037</b>		
<b>Reserves</b>																						
a) from earnings	2,124,151	-	2,124,151	214,639	-	26,497	-	-	-	-	-	-	-	-	-	-	-	-	-	2,365,287	-	
b) other	36,802	-	36,802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,802	-	
<b>Valuation reserves</b>	<b>6,559</b>	-	<b>6,559</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>169,978</b>	<b>176,537</b>	-	
<b>Equity instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Treasury shares</b>	<b>(25,220)</b>	-	<b>(25,220)</b>	-	-	-	<b>248</b>	<b>(76)</b>	-	-	-	-	-	-	-	-	-	-	-	<b>(25,048)</b>	-	
<b>Profit for the period</b>	<b>574,942</b>	-	<b>574,942</b>	<b>(214,639)</b>	<b>(360,303)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>336,209</b>	<b>336,209</b>	-	
<b>Equity attributable to the Group</b>	<b>4,156,325</b>	-	<b>4,156,325</b>	-	<b>(360,303)</b>	<b>26,497</b>	<b>351</b>	<b>(76)</b>	-	-	-	-	-	-	-	-	-	-	<b>506,187</b>	<b>4,328,981</b>	-	
<b>Equity attributable to non-controlling interests</b>	<b>14</b>	-	<b>14</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>14</b>	



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(thousands of euro)

			Allocation of prior year result		Changes during the year											
	Balance as at 31.12.2023	Changes in opening balances	Balance as at 1.1.2024	Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Changes in interests held	Other comprehensive income as at 30.06.2024	Equity attributable to the Group as at 30.06.2024	Equity attributable to non-controlling interests as at 30.06.2024
<b>Share capital</b>																
a) ordinary shares	1,360,171		1,360,171	-	-	-	-	-	-	-	-	-	-	-	1,360,157	14
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Share premiums</b>	<b>78,949</b>	-	<b>78,949</b>	-	-	-	(15)	-	-	-	-	-	-	-	<b>78,934</b>	-
<b>Reserves</b>																
a) from earnings	1,914,752	-	1,914,752	208,800	-	(2,016)	-	-	-	-	-	-	-	-	2,121,536	-
b) other	35,894	-	35,894	-	-	-	-	-	-	-	-	-	-	-	35,894	-
<b>Valuation reserves</b>	<b>(16,222)</b>	-	<b>(16,222)</b>	-	-	-	-	-	-	-	-	-	-	<b>4,819</b>	<b>(11,403)</b>	-
<b>Equity instruments</b>																
Treasury shares	(25,418)	-	(25,418)	-	-	-	292	(49)	-	-	-	-	-	-	(25,175)	-
<b>Profit for the period</b>	<b>461,162</b>	-	<b>461,162</b>	(208,800)	(252,362)	-	-	-	-	-	-	-	-	<b>263,562</b>	<b>263,562</b>	-
<b>Equity attributable to the Group</b>	<b>3,809,274</b>	-	<b>3,809,274</b>	-	(252,362)	(2,016)	277	(49)	-	-	-	-	-	<b>268,381</b>	<b>3,823,505</b>	-
<b>Equity attributable to non-controlling interests</b>	<b>14</b>	-	<b>14</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>14</b>



## CONSOLIDATED CASH FLOW STATEMENT (indirect method)

(thousands of euro)

	30/06/2025	30/06/2024
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Operations</b>	<b>664,851</b>	<b>712,675</b>
- result for the period (+/-)	336,209	263,562
- gains/losses on financial assets held for trading and financial assets/liabilities measured at fair value through profit or loss (-/+)	27,491	(28,819)
- gains (losses) on hedging (-/+)	92	(2)
- net value adjustments/write-backs for credit risk (+/-)	34,813	114,461
- net value adjustments to property, equipment and investment property and intangible assets (+/-)	51,697	36,061
- provisions for risks and charges and other costs/revenues (+/-)	20,165	51,186
- unpaid taxes, duties and tax credits (+)	156,102	123,592
- other adjustments (+/-)	38,282	152,634
<b>2. Cash generated/absorbed by financial assets</b>	<b>(1,548,127)</b>	<b>(1,019,184)</b>
- financial assets held for trading	(148,563)	(36,215)
- financial assets designated at fair value	-	-
- financial assets mandatorily measured at fair value	(12,795)	1,123
- financial assets measured at fair value through other comprehensive income	(270,713)	(610,510)
- financial assets measured at amortised cost	(1,417,683)	(30,121)
- other assets	301,627	(343,461)
<b>3. Cash generated/absorbed by financial liabilities</b>	<b>(493,441)</b>	<b>(1,058,712)</b>
- financial liabilities measured at amortised cost	(1,318,365)	(1,117,599)
- financial liabilities held for trading	(23,512)	(57,858)
- financial liabilities measured at fair value	-	-
- other liabilities	848,436	116,745
<b>Net cash generated/absorbed by operating activities</b>	<b>(1,376,717)</b>	<b>(1,365,221)</b>
<b>B. INVESTING ACTIVITIES</b>		
<b>1. Cash generated by</b>	<b>43,710</b>	<b>49,613</b>
- sales of equity investments	-	-
- dividends collected from equity investments	38,247	27,843
- sales of property, equipment and investment property	5,463	21,770
- sales of intangible assets	-	-
- sales of subsidiaries and business units	-	-
<b>2. Cash absorbed by</b>	<b>(18,918)</b>	<b>(75,144)</b>
- purchases of equity investments	(1,443)	(940)
- purchases of property, equipment and investment property	(4,750)	(64,535)
- purchases of intangible assets	(12,725)	(9,669)
- purchase of subsidiaries and business units	-	-
<b>Net cash generated/absorbed by investing activities</b>	<b>24,792</b>	<b>(25,531)</b>
<b>C. FUNDING ACTIVITIES</b>		
- issues/purchases of treasury shares	(174)	(243)
- issues/purchases of equity instruments	-	-
- distribution of dividends and other uses	(360,303)	(253,896)
- sale/purchase of third party control	-	-
<b>Net cash generated/absorbed by financing activities</b>	<b>(360,477)</b>	<b>(254,139)</b>
<b>NET CASH GENERATED/ABSORBED IN THE YEAR</b>	<b>(1,712,402)</b>	<b>(1,644,891)</b>

Key:

(+) generated (-) absorbed





## RECONCILIATION

(thousands of euro)

Items	30/06/2025	30/06/2024
Cash and cash equivalents at the beginning of the year	3,738,224	4,546,559
Total net liquidity generated/absorbed during the year	(1,712,400)	(1,644,891)
Cash and cash equivalents: effect of exchange rate fluctuations	(3,472)	(30,299)
<b>Cash and cash equivalents - closing balance</b>	<b>2,022,352</b>	<b>2,871,369</b>



## CONSOLIDATED NOTES



## Accounting Policies

### Structure and content of the report for the first half of 2025

The report for the first half of 2025 was prepared pursuant to Art. 154-ter of Legislative Decree No. 58 of 24 February 1998 "Consolidated Law on Financial Intermediation pursuant to articles 8 and 21 of Law No. 52 of 6/2/1996" and the provisions issued by Consob on the subject.

The condensed consolidated half-year report as at 30 June 2025 has been prepared in accordance with International Accounting Standard No. 34 and consists of:

- the directors' half-year report on operations;
- balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement;
- notes, whose function is to comment on the figures in the consolidated half-year report and to contain the information required by the regulations in force.

### General information

#### Declaration of compliance with international accounting standards

Banca Popolare di Sondrio, S.p.A. (joint-stock company) declares that these condensed consolidated half-year financial statements have been prepared in accordance with IAS 34.

#### Basis of preparation

The consolidated half-year financial statements have been prepared in accordance with the following general criteria described in IAS 1:

- 1) Going concern. The financial statements have been prepared on a going concern basis: assets, liabilities and off-balance sheet transactions have therefore been valued according to their operating values. In this regard, it should be noted that the boards of directors and statutory auditors have carefully assessed the prospect of the company's continuation as a going concern and have not detected any symptoms in the balance sheet and financial structure or in the operating performance that could lead to uncertainties regarding business continuity, also taking into account the current uncertain macroeconomic context. In this regard, it is believed that Banca Popolare di Sondrio and its subsidiaries, despite possible negative repercussions regarding the trend of some types of revenues and the cost of credit, and the presence of the risk and risk elements referred to in the paragraph "Risk management" can continue to operate as a going concern in the foreseeable future.
- 2) Accruals basis. Costs and revenues are matched in the accounting periods to which they relate, regardless of when the transactions are settled.
- 3) Consistency of presentation. Items are presented and classified in the same way from one year to the next, in order to ensure the comparability of information, unless changes are required by an international accounting standard or related interpretation, or a different presentation or classification would be more appropriate for the meaningful and reliable disclosure of information. If the presentation or classification of balance sheet items is changed, the comparative amounts are also reclassified, if feasible and required by the standards, and the nature of the reclassification is explained together with the reasons for it.
- 4) Significance and grouping. Each significant group of similar items is shown separately in the financial statements. Items with a dissimilar nature or use are reported separately, unless they are insignificant.
- 5) No offsetting of balances. Assets, liabilities, costs and revenues are not offset against each other unless required or allowed by an international accounting standard or related interpretation.
- 6) Comparative information. Prior period comparative information is provided for all the data reported in the financial statements, except if a different approach is allowed by an international accounting standard or its interpretation. Explanatory and descriptive information is included when this helps to



provide a better understanding of the consolidated financial statements.

The financial statements transpose the requirements of Legislative Decree No. 136/2015, the articles of the Italian Civil Code and the corresponding provisions of the Consolidated Finance Act ("TUF"). All figures reported in the financial statements and notes are stated in thousands of euro, unless specified otherwise.

## Scope and methods of consolidation

### Investments in wholly-controlled companies

Investments in wholly-controlled companies are listed in the following table.

The following companies have been consolidated on a line-by-line basis:

Company Name	Operative Office	Registered Office	Type of relationship <sup>(1)</sup>	Share capital (in thousands)	Investment relationship		% of votes <sup>(2)</sup>
					Investing company	% share	
Banca Popolare di Sondrio (SUISSE) SA	Lugano	Lugano	1	(CHF) 180,000	Banca Popolare di Sondrio S.p.a.	100	
Factorit S.p.a.	Milan	Milan	1	85,000	Banca Popolare di Sondrio S.p.a.	100	
Sinergia Seconda S.r.l.	Milan	Milan	1	60,000	Banca Popolare di Sondrio S.p.a.	100	
Banca della Nuova Terra S.p.a.	Sondrio	Sondrio	1	31,315	Banca Popolare di Sondrio S.p.a.	100	
Pirovano Stelvio S.p.a. <sup>(3)</sup>	Sondrio	Sondrio	1	2,064	Banca Popolare di Sondrio S.p.a.	100	
Servizi Internazionali e Strutture Integrate 2000 S.r.l. <sup>(3)</sup>	Milan	Milan	1	75	Banca Popolare di Sondrio S.p.a.	100	
PrestiNuova S.r.l. - Agenzia in Attività Finanziaria	Rome	Rome	1	100	Banca della Nuova Terra S.p.a.	100	
Immobiliare Borgo Palazzo S.r.l. <sup>(3)</sup>	Milan	Milan	1	10	Sinergia Seconda S.r.l.	100	
Immobiliare San Paolo S.r.l. <sup>(3)</sup>	Tirano	Tirano	1	10	Sinergia Seconda S.r.l.	100	
Rajna Immobiliare S.r.l. <sup>(3)</sup>	Sondrio	Sondrio	1	20	Banca Popolare di Sondrio S.p.a.	100	
Rent2Go S.r.l. <sup>(3)</sup>	Monza	Monza	1	4,463	Banca Popolare di Sondrio S.p.a.	100	
Popso Covered Bond S.r.l.	Conegliano V.	Conegliano V.	1	10	Banca Popolare di Sondrio S.p.a.	60	
Centro delle Alpi SME S.r.l. <sup>(4)</sup>	Conegliano V.	Conegliano V.	4	10	-	0	
Centro delle Alpi RE <sup>(3)</sup>	Milan	Milan	4	69,913	Banca Popolare di Sondrio S.p.a.	100	

(1) 1 = majority of voting rights at ordinary shareholders' meeting. 4 = other forms of control

(2) Availability of votes in the ordinary shareholders' meeting, only if different from the shareholding, distinguishing between actual and potential votes.

(3) Equity investments not included in the Banking Group for supervisory purposes.

(4) Special purpose vehicle for securitisations originated by Banca Popolare di Sondrio.

### Ratings and significant assumptions to determine the scope of consolidation

The condensed consolidated half-year financial statements include the balance sheet and income statement results of Banca Popolare di Sondrio and the directly and indirectly controlled entities; this includes subsidiaries operating in business sectors dissimilar to that of Banca Popolare di Sondrio and special purpose entities (SPE/SPV), when the requirements of effective control are met, even regardless of the existence of an equity interest.

As envisaged by IFRS 10, control arises for entities in which the Bank is exposed to variable returns, or has rights to such returns, arising from its relationship with them and at the same time has the ability to affect returns by exercising power over those entities. Control can only take place with the simultaneous



presence of the following elements:

- the power to direct the relevant activities of the investee;
- the exposure or rights to variable returns arising from the relationship with the investee;
- the ability to exert its power over the investee to affect the amount of its returns.

The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the period are included in the consolidated financial statements from the date on which control is obtained until the date on which control is no longer exercised over the company.

With line-by-line consolidation, the book value of the investments is eliminated against the related equity and all of the assets and liabilities, guarantees, commitments and other memorandum accounts are included, as are the revenues and costs of the subsidiaries.

All of the assets and liabilities, equity, revenues, costs and intercompany cash flows relating to transactions between consolidated entities are eliminated, except for any income and charges of insignificant amount. The financial statements of these group companies are reclassified appropriately and, where necessary, restated in accordance with the accounting policies adopted by the Bank.

Companies in which the bank does not have an investment, but for which it has received pledged voting shares are not consolidated, because the pledge is designed to protect the loans granted and not to influence the company's operating policies to obtain economic benefits.

Changes in the investment in a subsidiary that do not involve the loss of control are recognized in equity.

If the Bank loses control of a subsidiary, it must derecognise the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any profit or loss is recognised in the income statement. If an interest is maintained, it has to be shown at fair value.

The scope of consolidation also includes the equity investments where Banca Popolare di Sondrio exercises a significant influence in that the shareholding held directly or indirectly is greater than 20%; or, if it has a lower interest, if one or more of the following circumstances apply:

- 1) representation on the board of directors, or equivalent body, of the investee company;
- 2) the Bank takes part in the decision-making process, including decisions regarding dividends;
- 3) there are significant transactions between the parent company and the subsidiary;
- 4) there is an exchange of managers;
- 5) essential technical information is being provided.

These companies are valued at equity method.

The equity method involves initial recognition of the investment at cost and its subsequent remeasurement based on the portion of equity held. The portion of the subsidiary's net result for the year attributable to the bank is shown in a specific item in the income statement.

Any change in the other components of comprehensive income relating to these investees is presented as part of the comprehensive income.

In the event that an associate or joint venture recognises a change with direct allocation to equity, the Bank recognises its share, where applicable, in the statement of changes in equity. Unrealised profits and losses deriving from transactions between Banca Popolare di Sondrio and its subsidiaries, associates or joint ventures are eliminated in proportion to the shareholding in the associates or joint ventures.

Goodwill relating to the associate or joint venture is included in the book value of the investment and is not subject to a separate impairment test. At each reporting date, the Bank assesses whether there is objective evidence that the investments in associates or joint ventures have suffered impairment. In this case, the Bank calculates the amount of the impairment as the difference between the recoverable amount of the investment in the associate or joint venture and its carrying amount in its financial statements, recognising this difference in the profit or loss for the year under the heading "portion pertaining to the result of associates and joint ventures". Any subsequent write-backs cannot exceed the impairment losses recorded previously.

Upon loss of significant influence over an associate or joint control over a joint venture, the Bank assesses and recognises the residual shareholding at fair value. The difference between the carrying amount of the investment at the date of the loss of significant influence or of the joint control and the fair value of the residual investment and the amount received is recognised in the income statement.





The percentages of ownership in associates are specified in the following table:

Company Name	Head office	Share capital (in thousands)	% holding
Alba Leasing S.p.a.	Milan	357,953	19.264
Arca Vita S.p.a.	Verona	208,279	14.837
Arca Holding S.p.a.	Milan	50,000	34.715
Unione Fiduciaria S.p.a.	Milan	5,940	24.000
Polis SGR S.p.a.	Milan	5,200	19.600
Liquid Factory S.b.r.l.	Sondrio	88	9.057
Bormio Golf S.p.a.	Bormio	317	25.237
Lago di Como GAL S.c.r.l.	Canzo	22	14.606
Acquedotto dello Stelvio S.r.l. <sup>(1)</sup>	Bormio	21	27.000
Sifas S.p.a. <sup>(1)</sup>	Bolzano	1,209	21.614
NPLight S.p.a.	Ravenna	300	40.000

<sup>(1)</sup> investee of Pirovano Stelvio S.p.a.

Following the securitisation of a portfolio of non-performing loans finalised in June 2025, the company NPLight S.p.A. was also set up, which will act as special servicer, and whose majority stake is held by FBS S.p.A. and is also an investee of Banca Popolare di Sondrio (40%) and Clessidra Capital Credit SGR S.p.A.

### Special purpose vehicle for the securitisation of non-performing loans

Based on the provisions of IFRS 10, the Vehicle Companies Diana S.P.V. S.r.l., Pop Npls 2020 S.r.l., Pop Npls 2021 S.r.l., Pop Npls 2022 S.r.l., Pop Npls 2023 S.r.l., Pop Npls 2024 S.r.l. and Platinum SPV S.r.l. specifically established pursuant to Law 130/1999, do not fall within the scope of consolidation of Banca Popolare di Sondrio.

In this regard, please refer to the relevant section of the notes to the financial statements as at 31 December 2024.

### Equity investments in wholly-owned subsidiaries with significant non-controlling interests

As at 30 June 2025, there were no wholly-owned subsidiaries with non-controlling interests considered significant.

### Significant restrictions

Within the scope of the Banks and Companies forming the scope of consolidation, there are no significant restrictions as set forth in paragraph 13 of IFRS 12.

### Translation of financial statements in currencies other than the euro

The financial statements of Banca Popolare di Sondrio (SUISSE) SA are translated into euro at the official year-end exchange rate for balance sheet assets and liabilities, while costs and revenues are translated into euro at average exchange rate. Differences arising on translation are booked in the statement of comprehensive income.



## Subsequent events of the consolidated half-year report

No events have taken place between the reference date for these condensed consolidated half-year financial statements and the date of their approval by the Board of Directors on 5 August 2025 that would require changes in the figures of the financial statements.

With reference to the voluntary public purchase and exchange offer promoted by BPER Banca S.p.A. on all the shares of Banca Popolare di Sondrio S.p.A., it should be noted that, at the end of the period of reopening of the terms, BPER Banca S.p.A. reached 80.69% of the share capital of Banca Popolare di Sondrio S.p.A.

## Other aspects

### New International Accounting Standards endorsed and applied in the preparation of the condensed consolidated half-year financial statements as at 30 June 2025

*New documents issued by the IASB and endorsed by the EU to be mandatorily adopted from the 2025 financial year:*

- *Regulation (EU) 2024/2862 of 12 November 2024* amending Regulation (EU) 2023/1803 as regards IAS 21. The amendments specify when a currency can be exchanged for another and, if it cannot be, how the company determines the applicable exchange rate to use, and the supplementary information the company must provide when a currency is non-exchangeable. The application of the amendments under review had no impact.

*New accounting standards, amendments and interpretations, whose application will become mandatory after 30 June 2025.*

- *Regulation (EU) 2025/1047 of 27 May 2025* amending Regulation (EU) No. 2023/1803 as regards IFRS 9 and IFRS 7. The amendments specify the classification of financial assets with environmental, social and governance (ESG) and similar characteristics as well as the settlement of liabilities through electronic payment systems. They also impose disclosure requirements to increase transparency to investors in relation to investments in equity instruments measured at fair value through other comprehensive income and in financial instruments with contingent features, such as features related to ESG objectives. These changes should promote loans with ESG characteristics, creating the option, depending on the business model, to measure them at amortised cost or at fair value through other comprehensive income provided they meet the SPPI criterion ("principal and interest payments only"). In this way, financial reporting should support economic transition measures that promote the European Green Deal.

The amendments shall apply as of the financial statements for financial years beginning on or after 1 January 2026. Early application is permitted.

- *Regulation (EU) 2025/1266 of 30 June 2025* amending Regulation (EU) No. 2023/1803 as regards IFRS 9 and IFRS 7. On 18 December 2024, the IASB published certain amendments to IFRS 9 and IFRS 7 intended to help companies better communicate the financial effects of electricity-dependent contracts, which are often structured as power purchase and sale agreements. The amendments relate to how the "own-use" requirements would apply, allow hedge accounting if such contracts are used as hedging instruments, and add disclosure requirements to enable investors to understand the effects of such contracts on the company's results of operations and future cash flows.

The amendments shall apply as of the financial statements for financial years beginning on or after 1 January 2026. Early application is permitted.



- *Regulation (EU) 2025/1331 of 9 July 2025* amending Regulation (EU) No. 2023/1803 as regards IFRS 1, 7, 9 and 10 and IAS 7. The amendments introduced minor improvements aimed at rationalising and clarifying existing principles. The amendments shall apply as of the financial statements for financial years beginning on or after 1 January 2026.

*IAS/IFRS and SIC/IFRIC interpretations issued by the IASB/IFRIC, pending endorsement.*

- In April 2024, the International Accounting Standards Board (IASB) issued a new accounting standard IFRS 18 Presentation and Disclosure in Financial Statements that will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve financial performance reporting. IFRS 18 will come into force on 1 January 2027, but earlier application is permitted. In view of the content of the amendment and given the obligation to apply the Bank of Italy's layouts, application will be subject to any updates to Bank of Italy Circular Letter No. 262/05.
- In May 2024, the International Accounting Standards Board (IASB) issued a new accounting standard IFRS 19 Subsidiaries without Public Accountability: *Disclosures*. The new standard allows eligible subsidiaries to use IFRS accounting standards with reduced disclosure. The new standard will enter into force on 1 January 2027.
- IFRS 14 Regulatory deferral accounts. IFRS 14 allows only those adopting IFRS for the first time to continue to book amounts relating to rate regulation according to the previous accounting standards adopted. The endorsement process is suspended pending new accounting standard on "rate-regulated activities". Since the Bank is not a first-time adopter, this standard is not applicable.
- Amendments to IAS 28 and IFRS 10. These amendments are intended to address the inconsistency between the requirements of IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011), in dealing with the loss of control of a subsidiary that is contributed to an associate or joint venture. The endorsement process is suspended pending conclusion of IASB project on the equity method.

### **Change in measurement criterion for property used for business purposes (IAS 16)**

In June 2025, Banca Popolare di Sondrio and its subsidiaries resolved to change the accounting policy for the measurement of real estate assets classified as for business use as governed by IAS 16. The aforementioned amendment entailed a change from the cost model to the revaluation model.

Real estate assets are represented by property used for business purposes, i.e. property used for the conduct of business. It consists of a number of prestigious buildings located in the centres of major Italian cities, as well as a significant number of buildings used for traditional branch activity.

In the case of a voluntary transition from the cost model to the revaluation model, the new measurement criterion is applied, according to the principles of IAS 16 and the general rules of IAS 8, with prospective effect. In particular, as clarified in the Transitional Provisions (IAS 16, para. 80 and in line with IAS 8), the rules relating to initial measurement and determination of fair value do not entail retrospectively restatement of past balances, but take effect from the date of adoption of the new accounting policy. Consequently, the revalued cost base replaces the pre-existing book value only for the future, while the comparative figures are not subject to restatement.

As at the transition date, 30 June 2025, a comparison was made for each functional property between the fair value determined by expert appraisal and the net book value previously recorded under the cost model.

Recognised differences are accounted for as follows: if the fair value was lower than the book value, the loss was charged to the income statement under "Net result of fair value measurement of property, equipment and investment property and intangible assets"; otherwise, i.e. if the fair value exceeded the previous book value, the positive difference was charged to equity under "Valuation reserves" (net of previous impairment).

At the time of First Time Adoption, it is confirmed that with regard to the treatment of accumulated depreciation existing at the date of the revaluation of the asset, the Elimination Approach was adopted,



as this method allows linear accounting management, ensures transparency of the equity effect of the revaluation and avoids complications arising from re-proportionality between gross cost and accumulated depreciation by directly aligning the net book value with the newly determined fair value.

Accounting impacts related to the new accounting policies for the measurement of property used for business purposes

As at 30 June 2025, the market value of the real estate assets, as measured by the appraisal prepared by an independent external expert, amounts to 487 million euro (of which 182 million euro is land). The application of the new measurement criteria resulted in an overall positive impact on equity of 149.88 million euro net of tax effects (215.62 million euro before tax effects).

The table below shows the above-mentioned impacts broken down by type of asset (property for business purposes and land) and by balance sheet item.

Figures in millions of euro	Impacts before tax effect			Impacts net of tax effect		
	Income Statement	Reserves	Total	Income Statement	Reserves	Total
IAS 16 - Property for business purposes	(11.27)	142.97	131.70	(7.54)	97.43	89.88
IAS 16 - Land	(5.55)	89.47	83.92	(3.74)	63.74	60.00
<b>Total Fixed Assets - IAS 16</b>	<b>(16.82)</b>	<b>232.44</b>	<b>215.62</b>	<b>(11.28)</b>	<b>161.17</b>	<b>149.88</b>

Figures in millions of euro	Income Statement	Balance Sheet
<b>Impacts represented in the following income statement and balance sheet items</b>		
Item "260. Net result of fair value measurement of property, equipment and investment property and intangible assets"	(16.82)	
Item "300. Income taxes for the year from continuing operations"	5.54	
Item "90. property, equipment and investment property"		215.62
Item "110. Tax assets"		5.54
Item "60. Tax liabilities"		71.27
Item "120. Valuation reserves"		161.17

As illustrated above, the change of measurement criterion, which is prospective, did not have any impact on the depreciation and amortisation rates for the first half of 2025, which amount to 4.36 million euro.

Lastly, it should be noted that the transition to the new criteria for the measurement of property, differentiated according to its use, was preceded by a precise examination of the real estate assets on the basis of their actual use as required by principle. In more detail, in the presence of property intended for both business use and investment purposes, the new methodology was applied only to the part of the property intended only for business use.

## Platinum 2025 securitisation

In June 2025, Banca Popolare di Sondrio finalised the sale of a portfolio of non-performing loans with a total gross book value of 197.6 million euro as at 30 June 2024. It should be noted that, as of 31 December 2024, these exposures had been reclassified as assets held for sale.

The transaction was structured through a newly established securitisation vehicle called Platinum SPV S.r.l., and involved the issuance of securities divided into senior, mezzanine and junior tranches. Clessidra Capital Credit SGR S.p.A. participates in the transaction through the Clessidra Credit Recovery Fund, as main financial investor, while FBS S.p.A. acts as both junior investor and sub-servicer. The Bank reinvested in the transaction by underwriting the entire senior tranche and part of the mezzanine and junior notes.

The following table shows the securitisation positions held by Banca Popolare di Sondrio at the reporting date.



Seniority	Expiry	Nominal amount
Senior	October 2032	68,958,000
Mezzanine	October 2032	8,866,000
Junior	October 2032	1,972,000
<b>Total</b>		<b>79,796,000</b>

All of the senior securities are classified as "Financial assets measured at amortised cost" for an amount net of expected losses recognised on the basis of the IFRS 9 impairment model; conversely, the portions owned of the mezzanine and junior securities have been classified as "Financial assets mandatorily measured at fair value through profit or loss".

### Risks and uncertainties related to estimates

The preparation of the condensed consolidated half-year financial statements requires the use of estimates and valuations that may have a significant impact on the values recorded in the balance sheet and income statement concerning in particular:

- quantification of impairment losses on loans and financial assets in general;
- use of valuation models for recording the fair value of financial instruments not listed in active markets;
- assessment of the fairness of the value of goodwill and other intangible assets;
- quantification of the fair value of properties;
- quantification of personnel provisions and provisions for risks and charges;
- estimates of the recoverability of deferred tax assets.

Banca Popolare di Sondrio and other subsidiaries defined the estimation processes to support the carrying amount of the more significant items requiring valuation in the condensed consolidated half-year financial statements as at 30 June 2025, as required by prevailing accounting standards and relevant regulation.

These processes are largely based on estimating the future recoverability of amounts reported in the financial statements in accordance with rules dictated by current regulation and have been performed on a going concern basis, i.e. valuations are not based on the assumption of a forced sale. Specifically, with reference to the estimates that could potentially be most impacted by the current geopolitical and macroeconomic context, please refer to the paragraph Significant accounting standards and uncertainties in the use of estimates in preparing the consolidated financial statements of these consolidated notes.

The parameters and information used to verify the above figures have been heavily affected by the macroeconomic and market environment which could experience rapid changes that are currently unforeseeable, with effects - even significant effects - on the amounts reported in the financial statements at 30 June 2025.

### Statutory audit

The condensed consolidated half-year financial statements as at 30 June 2025 are subject to audit by EY S.p.A. in accordance with the shareholders' resolution of 29 April 2017, pursuant to Legislative Decree No. 39 of 27 January 2010, which appointed them as auditors for the nine-year period from 2017 to 2025.



## Part relating to the main financial statement items

Below are the accounting policies, detailed by item, that have been adopted for the preparation of the condensed consolidated half-year financial statements as at 30 June 2025, with reference to the classification, recognition, measurement and derecognition of the various asset and liability items, as well as the methods for recognising revenues and costs introduced by certain general elements inherent to the classification of financial assets.

### Classification of financial assets

The classification of financial assets is guided by the contractual characteristics of the instrument's cash flows related to the generation of cash flows represented solely by payments of principal and interest on the principal to be repaid (i.e., passing the so-called "SPPI test" - "Solely Payment of Principal and Interest test") and the company's business model adopted, which determines whether cash flows will arise from the collection of contractual cash flows, from the sale of financial assets, or from both.

### Business models

#### Held to Collect (HTC)

The objective of this business model is to hold financial assets to collect the contractual cash flows during the instrument's life. Sales are only deemed to be eligible if they are frequent but not significant, or significant but not frequent, if due to an increase in credit risk, and if close to the maturity date of the financial asset. Frequency is measured based on the number of sales made in the period, while significance is measured on the total amount of sales compared to the portfolio at the beginning of the period.

Banca Popolare di Sondrio and its subsidiaries have associated the following to their HTC business model:

- almost the entire portfolio of loans and receivables with customers and banks, given that the Bank mainly undertakes traditional banking activities and holds a loan portfolio that originates from finance granted to households, individuals and businesses;
- debt securities that may be subjected to this business model's management approach.

#### Held to Collect & Sell (HTC&S)

The objective of this business model is to collect contractual cash flows and to sell the financial assets. The HTC&S business model is used for securities.

#### Others (FVTPL)

This business model is adopted when the Bank takes decisions based on the fair value of financial assets and it manages them in order to sell them or when the business model does not fall within the previous two (HTC and HTC&S). The following have been associated with the Others model:

- financial instruments held for trading purposes (Trading business model).
- financial instruments held with management on a fair value basis.

For the securities area, ex-post monitoring is provided to verify the consistency of the portfolio with the HTC and associated HTC&S business model.

### SPPI Test - Solely Payment Principal Interest Test

By means of an SPPI test, it is possible to check whether a financial asset may be considered to be a "basic lending arrangement", whereby the contractual cash flows consist solely of payments of principal and interest accrued on the principal amount outstanding. If the test of the characteristics of the contractual cash flows shows compliance with the requirements of IFRS 9 (SPPI test has been passed), the asset may be measured at amortised cost, provided that it is held within a business model the objective of which is to collect the contractual cash flows during the instrument's life (HTC business model), or at





fair value through other comprehensive income (FVOCI), provided that the asset is held within a business model the objective of which is to collect contractual cash flows over the entire life of the instrument and to sell the asset (HTC&S business model).

If the test of the characteristics of the contractual cash flows from a financial asset does not show compliance with the requirements of IFRS 9 (SPPI test has not been passed), the asset is measured at fair value through profit or loss (FVTPL). The Test is performed before a loan is disbursed or a security purchased (origination).

For credit and loans, the approach for the execution of the SPPI test differs based on whether they consist of:

- Standard products (e.g. current accounts or loans), the test is performed at product level. Upon granting a loan, account is taken of the outcome of the SPPI test at product level, updated following verification of the remuneration of credit risk and passing of the benchmark test, where required.
- Non-standard contracts are tested individually for each amount. It is specified that this category also includes products with "contingent features" linked to ESG KPIs that are not directly correlated to changes in the risks and costs of the basic lending arrangements (such as the time value of money or credit risk), such as the Sustainability-Linked Loans (SLL) which provide for the adjustment of the contractual spread according to the achievement of certain Sustainability Performance Targets (SPTs).

For the securities portfolio, the results of the SPPI test and benchmark test are acquired for each ISIN from an external info provider. For amounts for which the results of the SPPI test and/or benchmark test obtained from an external info provider are not available and/or complete, the tests are performed internally. This includes securities with "contingent features" related to ESG KPIs that are not directly related to changes in the basic risks and costs of lending (such as the time value of money or credit risk); e.g. Sustainability-Linked Bonds (SLBs) that require the interest rate to be adjusted according to whether or not certain Sustainable Performance Targets (SPTs) are reached by a contractually agreed date.

## 1. Financial assets measured at fair value through profit or loss

### Classification

Financial assets held for trading (debt securities, equity securities, loans, mutual funds) have been allocated to this item. It also includes the derivative contracts with a positive fair value, except those offset pursuant to IAS 32. A derivative contract is a financial instrument whose value is linked to movements in an interest rate, the prices struck for a financial instrument, the price of a commodity, a currency exchange rate, a price index, a rate index or other type of index, is settled on maturity and requires a limited initial net investment. If the derivative qualifies as a hedging derivative, it is recognised in the item "hedging derivatives". If a financial asset contains an embedded derivative, the entire asset is measured at fair value. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

This item also includes financial assets designated at fair value (debt securities and loans) as the result of the exercise of the fair value option. The fair value option does not currently apply.

Lastly, it includes other financial assets mandatorily measured at fair value (debt securities, equity securities, mutual funds and loans) or financial assets that do not meet the requirements for classification at amortised cost or at fair value through other comprehensive income, since they do not pass the contractual cash flow characteristics test (SPPI test), as well as equity securities and mutual funds (that are not held for trading) and debt instruments held within a business model.

### Recognition

Assets measured at fair value through profit or loss are recognised at the settlement date at fair value, which normally corresponds to the consideration paid, with the exception of transaction costs and revenues that are recognised directly in the income statement. Trading derivatives are recognised at the "contract" date and are stated at their current value at the time of acquisition.



## Measurement

Subsequent to initial recognition, financial assets measured at fair value through profit or loss are measured at fair value at the reporting date. With regard to instruments listed on official markets, fair value is calculated with reference to their official bid price at the close of trading, while the fair value of instruments not listed on official markets is determined by reference to prices supplied by information providers such as Bloomberg and Reuters. If this is not possible, estimates and valuation models that take account of market data are used, where available; these methods are based on the valuation of listed instruments with similar characteristics, discounting of the cash flows, models for the determination of option prices, taking into account the credit risk profile of the issuer.

If data is not available for measurement under the above models, measurement is performed using unobservable inputs (e.g. adjusted equity).

As regards loans and receivables (due from banks and customers), the models used differ based on the nature and the characteristics of the instruments being measured. Currently, three main base models are applied:

- Discounted Cash Flow Model (DCF)
- Reverse Mortgage Model (RMM)
- ABS model

In the case of sight loans or loans maturing in the short term, the carrying amount is considered a good approximation of fair value.

## Recognition of components affecting the income statement

Income statement components generated by changes in fair value are recognised in the income statement in the period they arise under "Net trading income" and "Net gains/losses on other financial assets and liabilities measured at fair value through profit or loss" split between the sub-items: "financial assets and liabilities designated at fair value" and "other financial assets mandatorily measured at fair value".

Interest income and dividends are reported in the income statement under "interest and similar income" and "dividends and similar income" respectively.

## Derecognition

Financial assets measured at fair value through profit or loss are derecognised when the contractual rights over the cash flows deriving from them expire or are closed out, or when they are sold with the transfer of substantially all the related risks and benefits, or when no control is retained over them even though substantially all the related risks and benefits are neither transferred nor retained.

## 2. Financial assets measured at fair value through other comprehensive income

### Classification

This item includes all financial assets (debt securities, equity securities and loans) classified in the portfolio measured at fair value through other comprehensive income, distinguishing between those that will subsequently be reclassified to the income statement (debt securities and loans) and that will not (equity securities). The following are classified in the portfolio measured at fair value through other comprehensive income:

- debt securities and loans held within an HTC&S business model and that pass the SPPI test;
- for equity securities for which the option set out in the standard is exercised, that permits equity instruments to be designated at fair value through other comprehensive income upon initial recognition.



## Recognition

Assets included in this item are recognised at the settlement date at fair value, which normally corresponds to the consideration paid to acquire them.

With regard to debt securities and loans, any changes in the business model due to inconsistency between the way that the portfolio is managed and the business model that was chosen, or to significant changes in the strategic decisions made, will be decided by the Boards of Directors of each consolidated entity, which will determine if, in rare circumstances, reclassification is needed.

No possibility exists for the reclassification of equity securities. The exercise of the FVOCI option, being the option envisaged by the standard that permits equity instruments to be designated at fair value through other comprehensive income upon initial recognition, is in fact irrevocable.

## Measurement

Subsequent to initial recognition, financial assets measured at fair value through other comprehensive income are measured at fair value, determined in the same manner as financial assets measured at fair value through profit or loss.

The line item "Financial assets measured at fair value through other comprehensive income" comprises equities held by way of support for the core business and to encourage the development of initiatives in the territories where the Bank operates. These instruments represent the majority in this portfolio.

At each year-end or interim reporting date, debt securities classified in this item are subject to adjustments and write-backs connected to changes in credit risk calculated on the basis of a methodological framework similar to the one used for financial instruments measured at "amortised cost". Any subsequent write-backs cannot exceed the impairment losses recorded previously.

Changes in the value of equity securities classified as "Financial assets at fair value through other comprehensive income" are recognised in a specific equity reserve.

## Recognition of components affecting the income statement

The interest calculated using the effective interest method, which takes account of the difference between cost, including transaction costs, and redemption value, is recorded in the income statement.

Changes in fair value of assets, net of the related deferred tax effect, are recorded in specific equity reserve, the "Valuation reserve", consisting of "Valuation reserves: Equity securities measured at fair value through other comprehensive income" and "Valuation reserves: Financial assets (other than equity securities) measured at fair value through other comprehensive income". An exception is made for debt securities, value adjustments and write-backs related to changes in credit risk, which are recognised in the income statement under item 130(b) "Net adjustments/write-backs for credit risk". If the reasons for impairment cease to apply following events subsequent to the reduction in the value of the financial asset, the write-backs relating to debt securities are reflected in the income statement, while those relating to equity securities are recorded in a specific "Valuation reserve" within equity.

Upon derecognition, the cumulative gain or loss on debt securities are recorded in the income statement while on equity securities, they are recorded in the equity reserve (item 150).

Dividends are shown under "dividends and similar income".

## Derecognition

Financial assets measured at fair value through other comprehensive income are derecognised when the contractual rights over the cash flows deriving from them expire or are closed out, or when they are sold with the transfer of substantially all the related risks and benefits, or when no control is retained over them even though substantially all the related risks and benefits are neither transferred nor retained.



### 3. Financial assets measured at amortised cost

#### Classification

This item includes financial assets, debt securities and loans, managed through an HTC business model that have passed the SPPI Test. The following are recognised in this item:

- a) loans and receivables with banks (current accounts, guarantee deposits, debt securities, etc.), other than "on demand" ones included under "Cash and cash equivalents". These include operating loans linked to the provision of financial services and activities as defined by the Consolidated Banking Act (TUB) and the Consolidated Finance Act (TUF) (e.g., distribution of financial products) and receivables due from Central Banks (e.g. compulsory reserve), other than current accounts and "on demand" deposits included under "Cash and cash equivalents", are also included;
- b) loans and receivables with customers (mortgage loans, finance leases, factoring, debt securities, etc.). These also include deposits with post offices and Cassa Depositi e Prestiti, variation margins with clearing houses arising from derivative transactions and operating loans linked to the provision of financial services and activities as defined by the Consolidated Banking Act and the Consolidated Finance Act (for example, servicing activities).

Also included are:

- advances in respect of the assignment of receivables with recourse or without recourse without the substantial transfer of risks and rewards, and receivables acquired by the company recognised against the assigned debtor for which the substantial transfer of risks and rewards to the assignee has been recognised;
- finance leases relating to assets under construction and assets about to be leased under "transfer of risks" contracts, whereby the risks are transferred to the lessee prior to delivery of the asset and the start of lease instalments;
- loans granted through government or other public entity funding in connection with particular lending transactions provided for and governed by specific laws ("loans through third-party funds under administration"), provided that the loans and funds bear interest due and payable to the lender;
- trade notes and documents that the banks receive subject to collection or subsequent to collection and for which the banks handle the collection service on behalf of assignors (recognised only upon settlement of the related amounts).

#### Recognition

Financial assets measured at amortised cost are recognised on the settlement date at fair value, which normally coincides with the amount paid, including transaction costs.

Repurchase agreements are recorded in the financial statements as funding or lending transactions. In particular, spot sales with forward repurchases are recorded as a payable for the spot amount collected, while spot purchases with forward resales are recorded as a receivable for the spot amount paid.

Any changes in the business model due to inconsistency between the portfolio management and the chosen business model, or due to significant changes in strategic choices, are limited to rare circumstances and defined by the Board of Directors of each consolidated entity, where any necessary reclassification is defined.

#### Measurement

Subsequent to initial recognition, valuations are carried out on an amortised cost basis, using the effective interest method. Amortised cost is represented by the initial value, including transaction costs, net of any repayments of principal, as increased or decreased by adjustments or write-backs and the amortisation of the difference between the amount paid and that recoverable on maturity. The effective interest rate is the rate using which the present value of future cash flows equals the amount of the loan granted, as adjusted by directly-related costs and revenues. Short-term loans (less than 12 months) without a specific repayment date and sight loans are recognised at cost, as the calculation of the amortised cost does not produce significant differences. The effective interest rate identified initially, or



when the indexing parameter for the loan is modified, is used subsequently to discount expected cash flows, even if there has been a credit change associated with the loan followed by loan forbearance measures that have led to a change in the contractual rate.

At each reporting date, financial assets measured at amortised cost are subject to value adjustments and write-backs connected to changes in credit risk; the value adjustments made are recognised in the income statement under item "130. Net value adjustments/write-backs for credit risk: a) financial assets measured at amortised cost". For the definition of value adjustments, financial assets measured at amortised cost are classified into different Stages:

- Stage 1: includes performing positions for which there has been no significant increase in credit risk since the date of initial recognition. Value adjustments/write-backs are determined collectively on the basis of the expected loss at 12 months;
- Stage 2: includes performing positions for which there has been a significant increase in credit risk since the date of initial recognition. Value adjustments/write-backs are determined collectively on the basis of the expected loss over the remaining life of the instrument;
- Stage 3: non-performing positions (non-performing past-due positions, unlikely to pay, bad loans) are included. Value adjustments/write-backs are determined analytically or collectively on the basis of the expected loss over the remaining life of the instrument.

The determination of a significant increase in credit risk (SICR) and the subsequent estimation of impairment, which may either be annual (for positions classified in stage 1) or multi-annual based on the residual life of the exposure (for positions classified in stage 2), is performed via the use of specific methodologies, which combine the use of absolute criteria - specifically, information relating to the number of continuous days past due/overdrawn, any forbearance measures, loans purchased or originated credit-impaired and use of the low credit risk exemption for limited and particular types of counterparties and technical forms - and relative criteria. More precisely, the latter enable the measurement, via the analysis of an appropriate PD-based metric ("Probability of Default"), of the change in the riskiness of the position over a timescale equating to the residual life thereof that has elapsed since the origination date up to the analysis/reporting date. For the construction thereof, use is made of probability of default term structures (lifetime PD curves, which differ according to appropriate granularity), which are constructed starting with an internal rating system, where available, or that assigned by an external rating agency, and by also taking into consideration elements of a predictive-evolutionary nature and specific to the macroeconomic scenario deemed to be most plausible at the analysis/reporting date in compliance with the underlying rationale of the accounting standard.

In the event of a significant change in credit risk, there will be a transfer between stages. In the case of positions subject to forbearance measures, classified in stage 2, it should be noted that in accordance with prudential principles, an observation period of at least two years is envisaged before the position is returned to stage 1.

As regards performing positions (stages 1 and 2), the measurement is performed on a collective basis, taking account of the risk parameters consisting of probability of default (PD) and loss given default (LGD), as well as exposure at default (EAD). Value adjustments for expected losses are quantified as the product of the parameters previously reported, for the estimation of which similar parameters used for regulatory purposes are used, suitably modified and adapted in relation to the different requirements between accounting regulations and prudential regulations with particular reference to (I) the logic of calibration of the aforementioned risk parameters according to the point in time approach, (II) the prospective nature of the estimates (namely, modelling of the so-called FLI-forward-looking information) and (III) their explicit conditioning on the realisation of a plurality of appropriately weighted macroeconomic scenarios (so-called scenario-dependency aspects).

Classification in one of the stage 3 credit-impaired categories complies with the definition of "Non-performing exposures" provided by the Implementing Technical Standards ("ITS") of the European Commission. Impaired financial assets are broken down into the categories of bad loans, unlikely to pay, and impaired past due and/or overdrawn.

Specifically:

- Bad loans reflect the exposure to parties that are insolvent or in essentially equivalent situations,



regardless of any loss forecasts made by the Group. Accordingly, no account is taken of any guarantees received in support of such exposures.

- Exposures classified as Unlikely-to-pay are exposures, other than bad loans, for which it is deemed improbable that the obligor will meet its credit obligations (principal and/or interest) in full without recourse to measures such as the enforcement of guarantees.
- Non-performing past due and/or overdrawn exposures are exposures other than bad or unlikely to pay loans, which, at the reference date, are past due and/or overdrawn continuously for more than 90 days and which exceed set absolute materiality thresholds (100 euro for retail exposures or 500 euro for non-retail exposures) and relative materiality (set at one percent (1%) for both retail and non-retail exposures). Non-performing past due and/or overdrawn exposures are determined by reference to the individual debtor.

As regards credit-impaired positions, measurement may be performed on a collective or detailed basis.

Impairment of individual assets measured at amortised cost is the extent to which their recoverable amount is lower than their amortised cost. In the case of detailed analysis, recoverable amount is defined as the present value of expected cash flows, determined with reference to the following elements:

- value of contractual cash flows net of any expected losses, estimated with reference to both the ability of the borrower to meet its obligations and the value of any collaterals or personal guarantees assisting the loan;
- expected timing of recoveries, considering the progress made by recovery procedures;
- internal rate of return.

The specific analysis of non-performing financial assets takes the following parameters into account:

- recoveries forecast by the account managers;
- expected timing of recoveries based on historical-statistical data;
- original discounting rates or the actual contractual rates applying at the time of classifying the loans as bad loans.

The assessment of unlikely-to-pay loans takes the following calculation parameters into account:

- recoveries forecast by the offices involved;
- expected timing of recoveries based on historical-statistical data;
- original discounting rates represented by the actual contractual rates applying at the time the loans were classified as unlikely-to-pay or, with specific reference to loans subject to restructuring agreements, in force before signing the agreement with the debtor.

Collective assessments are made of positions with limited total exposures that do not exceed given "threshold values". These thresholds are determined from time to time, using simple processes that mainly involve the automatic application of specific coefficients defined internally with reference to detailed quantitative analyses.

Non-performing past due and/or overdrawn exposures are identified using automated procedures that extrapolate anomalous positions with reference to specific parameters established by regulations in force from time to time. Value adjustments are determined on the basis of historical evidence of losses on transactions with that type of anomaly.

It should be noted that the impairment model relating to non-performing loans (Stage 3) envisaged by IFRS 9 is based on an estimate of the difference between the original contractual flows and expected cash flows. So, in determining the expected flows, it is necessary to include estimates at the reporting date of the various expected scenarios, including any loan disposal programmes and/or settlement agreements. If the entity expects to recover a portion of the cash flow of the exposures through sales procedures or settlement agreements, these can be included in the calculation of the Expected Credit Losses verified under certain conditions.

Different recovery strategies are incorporated considering the different probabilities of occurrence.

The expected loss on each impaired position is therefore determined using the following formula:





Expected loss	Expected Loss - Disposal Scenario/settlement agreement*	Expected Loss - Internal Management
Single Position	= Probability of occurrence of Disposal/settlement agreement*	+ Internal* Internal Management Probability of Occurrence

## Recognition of components affecting the income statement

Interest income on financial assets measured at amortised cost is classified in the item "interest and similar income". As regards financial assets classified in stage 3 and loans purchased or originated credit-impaired (POCI), interest is calculated using the net interest method and is recognised in the item "interest and similar income".

Adjustments and write-backs for changes in credit risk, calculated as specified above, are recognised in the income statement. Any write-backs do not exceed the (specific and general) impairment adjustments recorded previously.

## Derecognition

Financial assets measured at amortised cost are derecognised when the contractual rights over the cash flows deriving from them expire or are closed out, or when they are sold with the transfer of substantially all the related risks and benefits, or when no control is retained over them even though substantially all the related risks and benefits are neither transferred nor retained.

IFRS 9 also includes the following provisions on:

- Write-off of financial assets: when an entity does not reasonably expect to fully or partly recover contractual cash flows from a financial asset, it must directly reduce the gross book value of the financial asset. This write-down constitutes partial or total derecognition of the asset.
- Change in contractual cash flows: when a change in contractual cash flows occurs, the entity must assess whether the original asset should continue to be recognised in the financial statements or whether the original instrument should be derecognised and a new financial instrument recognised. When the modification of contractual cash flows of a financial asset is substantial, the Entity should derecognise the existing financial asset and subsequently recognise the modified financial asset: the modified financial asset is deemed to be a "new" financial asset for the purpose of this standard (IFRS 9 B5.5.25). When the modification of contractual cash flows from a financial asset is not substantial, an entity should redetermine whether there has been a significant increase in credit risk and/or whether the financial asset should be reclassified to stage 3. At the time of a modification that does not lead to derecognition, the Bank adjusts the book value to the present value of the modified cash flows determined using the original effective interest rate, recognising the difference as a matching entry to the income statement.

## 3.1 Commitments and guarantees given

### Classification

These comprise all the collaterals and personal guarantees given for third-party obligations and commitments to grant loans.

### Recognition and measurement

Endorsement loans are valued on the basis of the riskiness of this particular form of loan, taking into account the creditworthiness of the borrower. The impairment model envisaged for this category of financial assets is the same as that for financial assets measured at amortised cost (see paragraph 3 above).

## Recognition of components affecting the income statement

The commissions accrued are shown in the income statement under "fee and commission income". Impairment losses, and subsequent write-backs, are booked to the income statement under "net



provisions for risks and charges" with a contra-entry to "Provisions for risks and charges - a) Commitments and guarantees given".

## 4. Hedging transactions

### Classification and recognition

Financial and credit derivatives held for hedging purposes with a positive or negative fair value are recognised in the corresponding balance sheet items. The IASB is still developing new macro hedging requirements to complete the hedge accounting requirements already included in IFRS 9, which will replace the rules set out in IAS 39 and, accordingly, until the completion and publication of the new standard, it was deemed appropriate to continue to apply the hedge accounting requirements set out in IAS 39, as this option is allowed under IFRS 9.

The portfolio of hedging derivatives comprises the derivative instruments used to neutralise or minimise the losses arising in relation to hedged assets and liabilities.

The hedging of market risks can take two different forms:

- fair value hedges, to hedge the exposure to changes in the fair value of a balance sheet item attributable to a particular risk; this also includes generic fair value hedges ("macro hedges") whose objective is to reduce fair value fluctuations, attributable to interest rate risk, of a monetary amount, arising from a portfolio of financial assets and liabilities;
- cash flow hedges of the exposure to changes in future cash flows attributable to specific risks associated with balance sheet items.

If the test reveals that the hedge is not sufficiently effective, the instrument is reclassified to the trading portfolio. Hedging instruments are recorded using the "contract date" method.

For a transaction to be accounted for as a "hedging transaction", the following conditions must be met: a) the hedging must be formally documented, b) the hedge must be effective at the time it starts and prospectively throughout its life. Effectiveness is tested using specific techniques and exists when the changes in the fair value (or cash flows) of the hedging instrument almost entirely offset the related changes in the hedged instrument (the results of the test fall into the 80% - 125% interval). The effectiveness of the hedge is assessed at each interim reporting date and at year end.

Derivative hedging instruments are initially recorded at fair value on the date the contract is entered into and are classified, depending on their positive or negative value, respectively, in assets under item "50. Hedging derivatives" or on the liabilities side of the balance sheet under item "40. Hedging derivatives".

### Measurement and recognition of components affecting the income statement

Fair value hedges are measured on the following basis:

- hedging instruments are stated at their fair value; the fair value of instruments listed on active (efficient) markets is represented by their closing market price, while the fair value of instruments not listed on active markets corresponds to the present value of expected cash flows, which are determined having regard for the different risk profiles of the instruments subject to measurement. The resulting gains and losses are recorded in the income statement item "90. Net hedging gain (loss)";
- hedged positions are measured by including changes attributable to the variation of the hedged risk. These changes in value are also recognised in the income statement under item "90. Net hedging gain (loss)" as balancing entry against the change in book value of the hedged item.

With regard to interest-earning financial instruments, if the hedge transaction ceases to satisfy the recognition criteria of the standard, the difference between the carrying amount of the hedged item at the time the hedge ceases and its carrying amount had the hedge never existed is amortised to the income statement; if the financial instruments concerned do not earn interest, this difference is recorded in the income statement immediately.

In the case of generic fair value hedges ("macro hedges"), changes in fair value with reference to the



hedged risk of the hedged assets and liabilities are recognised in the balance sheet respectively, under item "60. Change in value of macro-hedged financial assets" or "50. Change in value of macro-hedged financial liabilities". The offsetting entry for changes in value referring to both the hedged item and the hedging instrument, like specific fair value hedges, is item "90. Net hedging gain (loss)" in the income statement. In the event of the discontinuation of a generic fair value hedging relationship, the cumulative revaluations/write-downs recognised in the balance sheet items above are recognised in the income statement under interest income or expense over the remaining term of the original hedging relationships, subject to verification that the underlying conditions are met.

Cash flow hedges are measured and recorded on the following basis:

- derivative instruments are stated at their fair value. The gains and losses deriving from the effective part of the hedge, net of the related deferred tax effect, are recorded among the "Valuation reserves" within equity and only released to income when the hedged change in cash flows takes place or if the hedge is ineffective;
- the hedged item continues to be valued on the basis applicable to the category concerned;
- the amounts recognised among the components of other comprehensive income are reclassified to the income statement for the year in which the hedged transaction affects the income statement, for example when charges or income are recognised in relation to the hedged instrument.

If the hedging instrument expires or is sold, cancelled or exercised without replacement (as part of the hedging strategy), or if it ceases to be designated as a hedging instrument, or if the hedge no longer satisfies the expected criteria, any gains or losses previously recognised as components of other comprehensive income remain classified separately within equity until the expected transaction takes place or the commitment made in relation to foreign currency is called upon.

## **Derecognition**

Risk hedges cease to generate accounting effects when they expire, when they are closed out or terminated early, or when they cease to satisfy the recognition criteria provided.

## **5. Equity investments**

### **Classification**

The equity investment portfolio includes equity interests for which a situation of joint control or association exists.

### **Recognition**

Reference should be made to Section "Scope and methods of consolidation".

### **Measurement**

Reference should be made to Section "Scope and methods of consolidation".

### **Measurement and recognition of components affecting the income statement**

Reference should be made to Section "Scope and methods of consolidation".

### **Derecognition**

Reference should be made to Section "Scope and methods of consolidation".



## 6. Property, equipment and investment property

### Classification

This item includes buildings, land, installations, furniture, equipment, furnishings and machinery. The rights of use acquired with the lease relating to the use of a tangible asset (for lessees) are also included.

This includes investment property held for the purpose of earning rental income or for capital appreciation, and property, equipment and investment property classified according to IAS 2 Inventories, mainly relating to assets acquired with a view to enhancing the value of the investment, including through refurbishment or upgrading, with the intention of resale.

### Recognition

Property, equipment and investment property are initially recorded at cost, including all expenses directly related to the asset's installation prior to being brought into service. Expenditure on improvements that will generate future economic benefits is added to the value of the assets concerned, while routine maintenance costs are charged to the income statement.

Investment properties, at the time of purchase, are recorded under assets in the balance sheet at cost. In the presence of a change of use of the property from property for business use to investment property, the initial book value is equal to the fair value, deduced from a specific appraisal. The difference between the fair value and the book value of the property at the date of change in use is treated on the basis of IAS 16, i.e. if there is a negative difference between fair value and book value, the decrease is recognised in the income statement, whereas if there is a positive difference between fair value and book value, the increase in value is recognised in the income statement as income for the amount that adjusts any previously recognised decrease in value; any excess must be credited to a revaluation reserve included in equity.

With reference to leases, the IFRS 16 establishes that at the initial date, leases are accounted for on the basis of the right of use model which states that the lessee has a financial obligation to make payments due to the lessor to compensate for his right to use the underlying asset for the duration of the lease.

The start of the lease term is the date from which the lessee is authorised to exercise his right to use the leased asset, it corresponds to the date of initial recognition of the lease and also includes the so-called rent-free period, or those contractual periods in which the lessee makes use of the asset free of charge. When the asset is made available to the lessee for its use, the lessee recognises:

- an asset consisting of the right to use the asset underlying the lease contract. The asset is recognised at cost, determined by the sum of:
  - the financial liability for the lease;
  - payments for the lease paid before or on the date on which the lease takes effect (net of the lease incentives already received);
  - initial direct costs;
  - any (estimated) costs for the dismantling or restoration of the underlying leased asset;
- a financial liability deriving from the lease agreement corresponding to the present value of the payments due for the lease. The discount rate used is the implicit interest rate, if determinable; otherwise the lessee's incremental borrowing rate is used. If a lease contract contains "non-lease components" (for example services, such as routine maintenance, to be recorded according to the provisions of IFRS 15) the lessee has to account for "lease components" and "non-lease components" separately and split the contract consideration between the various components based on the relative prices.

The lease term is determined by taking into account:

- periods covered by a lease extension option, if it is reasonably certain to be exercised;
- periods covered by a lease termination option, if it is reasonably certain to be exercised.



## Measurement

Subsequent to initial recognition, properties used for business purposes are measured according to the revaluation model, which consists of periodically determining the fair value of a property and recognising this value as an asset net of the related accumulated depreciation and any accumulated impairment losses since the last date on which the fair value was determined. The revaluation of fair value must be performed with regularity to ensure that the fair value at the end of reporting period does not differ materially from the book value at the same date; the latter, in turn, is the result of a previous fair value measurement, net of accumulated depreciation and write-downs.

Depreciation shall be based on the new book values of the assets and, where applicable, on the new restated useful life. Under the revaluation model, it is necessary to assess whether the expected useful life of property, equipment and investment property used for business purposes should be restated. The total carrying amount of property has been split, based on specific appraisals, between the value of buildings and that of the related land, which is not depreciated since it has an indefinite life.

On the other hand, the remaining property, equipment and investment property used for business purposes are valued using the model cost, net of any depreciation and impairment losses.

Property, equipment and investment property (inventories) to which IAS 2 applies are valued at the lower of cost and net realisable value. This case is not subject to periodic depreciation.

For investment properties, falling within the scope of IAS 40, the Group adopts the fair value measurement method, whereby, following initial recognition, all investment properties are measured at fair value. Consequently, the above property is not subject to depreciation. With regard to lease contracts, the lessee must:

- assess the right of use at cost, net of accumulated depreciation and accumulated value adjustments determined and accounted for on the basis of the provisions of IAS 36 "Impairment of assets", adjusted to take into account any restatements of the lease liability;
- increase the liability deriving from the lease transaction following the accrual of interest expense calculated at the implicit interest rate of the lease, or, alternatively, at the incremental borrowing rate and reduce it for payments of principal and interest. In the event of changes in payments due for leases, the liability must be restated; the impact of the recalculation of the liability is recognised as a contra-entry to the asset consisting of the right of use.

## Recognition of components affecting the income statement

Periodic depreciation is allocated to the "Net value adjustments to property, equipment and investment property" item of the income statement. Increases in value are recorded in a special equity reserve; if reductions in value have previously been recorded in the income statement, they must be reversed in priority up to that amount. Negative changes in value are recorded in the income statement under "Net result of fair value measurement of property, equipment and investment property and intangible assets"; if increases in value have previously been recorded, the reserve set up will be reduced to the extent that it can be used.

The fair value model for investment properties requires changes in value deriving from the periodic recalculation of fair value to be recognised in the income statement as income or expenses under "Net result of fair value measurement of property, equipment and investment property and intangible assets". For the methods used to determine the fair value and the periodicity of restatement, reference should be made to the criteria illustrated in "Information on fair value" below.

With regard to lease contracts, the amortisation of the Right of Use of the asset is recognised under the item "Net value adjustments/write-backs to property, equipment and investment property", while the interest expense recognised on the financial liability related to the contract is included under the item "Interest and similar expense".

## Derecognition

Property, equipment and investment property are derecognised on disposal or when their economic



lives are over and they are not expected to generate any further economic benefits.

On disposal of an investment property, the difference between the sale consideration and the carrying amount must be recognised in the income statement, as "Gains (losses) on sale of investments".

The right of use deriving from lease contracts is eliminated from the financial statements at the end of the lease term.

## 7. Intangible assets

### Classification

This item comprises identifiable, intangible, non-monetary assets that will benefit future years. Existing intangible assets consist of software, goodwill and other intangible assets recognised in the case of business combinations as part of the acquisition cost allocation process.

### Recognition

Intangible assets are recorded at purchase cost plus any related charges, only if it is probable that the future economic benefits attributable to such assets will be realised and their cost can be measured reliably. In the absence of these conditions, the cost of the intangible asset is recorded in the income statement in the year incurred; any costs incurred subsequently are only capitalised if they increase the value of or the economic benefits expected from the assets concerned. Goodwill is booked to assets when it derives from a business combination according to the criteria laid down in IFRS 3 as the residual surplus between the overall cost incurred for the operation and the net fair value of the acquired assets and liabilities that constitute businesses or business units.

### Measurement

Subsequent to initial recognition, intangible assets except for goodwill are stated at cost, net of accumulated amortisation and any impairment. Amortisation is provided on a systematic, straight-line basis over the expected useful lives of the intangible assets concerned. At the end of each annual or interim reporting period, if there is evidence of impairment, the recoverable amount of the asset is estimated: the amount of the loss is equal to the difference between the book value and the recoverable amount and is posted to the income statement.

Once booked, goodwill is not amortised but tested periodically to ensure that the book value is holding up. This test is carried out once a year or more frequently if there are signs of impairment. For this reason, cash generating units (CGUs) to which the individual amounts of goodwill can be allocated are identified. The amount of any reduction in value is determined on the basis of the difference between the carrying amount of the goodwill and its recoverable amount, if this is less. This recoverable amount is equal to the higher of the fair value of the CGU, net of any costs to sell, and the related value in use, represented by the present value of the estimated cash flows for the years that the CGU is expected to operate, including those deriving from its disposal at the end of its useful life.

### Recognition of components affecting the income statement

Periodic amortisation, impairment losses and write-backs are recorded in the "Net value adjustments/write-backs to intangible assets" or "Goodwill value adjustments" item of the income statement. For goodwill, it is not permitted to book any subsequent write-backs.

### Derecognition

Intangible assets are derecognised when they are not expected to generate any further economic benefits.





## 8. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their book value will be recovered principally from sale rather than from continuous use. Classification under this item is only made when the disposal is deemed highly probable, is expected to be completed within one year from the date of classification, and the asset or disposal group is available for immediate sale in its current condition. They are measured at the lower of book value and fair value less transaction costs, except in the case of certain types of assets (e.g., financial assets within the scope of IFRS 9) for which IFRS 5 specifically provides that the measurement criteria of the relevant accounting standard must be applied.

The results of the valuation are posted in the relevant items of the income statement or in the item "Post-tax profit (loss) from continuing operations" if these are discontinued operations.

## 9. Current and deferred taxation

Tax receivables and payables are reported in the balance sheet as "Tax assets" and "Tax liabilities". Current taxes include advance payments (current assets) and amounts due (current liabilities) in relation to income taxes for the year to be recovered from or paid to the tax authorities. Tax liabilities are determined by applying the current tax rates and regulations.

The estimate of tax assets and liabilities takes into account any charges deriving from disputes notified by the Tax Authorities and not yet settled or whose outcome is uncertain, as well as any doubts about the tax treatment adopted by the Bank and other consolidated companies, given the complexity of tax legislation.

If there are deductible or taxable temporary differences between the value of assets and liabilities for tax purposes and the related book values, the corresponding deferred tax assets and liabilities are recognised using the liability method. Deferred tax liabilities are recognised on all related temporary differences, with the following exceptions:

- deferred tax liabilities deriving from the initial recognition of goodwill, or an asset or liability, in a transaction that does not represent a business combination and that, at the time, does not influence the results reported for statutory and tax purposes;
- the reversal of taxable temporary differences associated with equity investments in subsidiary companies, associates and joint ventures can be controlled, and it is probable that such reversal will not occur in the foreseeable future.

Deferred tax assets are recognised in relation to all deductible temporary differences, tax credits and unused tax losses available to be carried forward, to the extent it is probable that sufficient taxable income will be available in future to absorb them, with the following exceptions:

- the deferred tax assets associated with deductible temporary differences derive from the initial recognition of an asset or liability in a transaction that did not represent a business combination and that, at the time, does not influence the results reported for statutory and tax purposes;
- in the case of deductible temporary differences associated with equity investments in subsidiary companies, associates and joint ventures, deferred tax assets are only recognised if it is probable that they will reverse in the foreseeable future and that sufficient taxable income will be available to absorb them.

Law No. 214/2011 allows, under certain situations, certain types of deferred tax assets recognised in the financial statements to be transformed into tax credits, such as those related to adjustments/reversals of impairment losses on receivables.

No deferred taxes are provided in relation to higher asset values or reserves subject to the deferral of taxation as the conditions for payment of such taxation in the future do not currently apply.

Deferred tax assets determined on the basis of deductible temporary differences are recognised in the financial statements to the extent that there is a probability of their recovery; this probability is assessed, through the performance of the so-called "Probability test", based on the ability to continuously generate positive taxable income for Banca Popolare di Sondrio or its subsidiaries or, as a result of the Tax Consolidation option, for the group of participating companies. Unrecognised deferred tax assets are reviewed at each reporting date and recognised to the extent that it has become probable that future



taxable income will be sufficient to absorb them upon reversal.

Deferred tax assets/liabilities are calculated using the tax rates expected to be in force when they reverse or expire, being the rates currently in force or those already communicated or substantially in force at the reporting date.

Tax assets and liabilities are usually recorded with matching entries to the income statement, except when they derive from transactions whose effects are attributed directly to equity; in those cases, they are recognised respectively in the statement of comprehensive income or in equity, consistent with the element to which they relate.

## 10. Provisions for risks and charges

This item comprises the following provisions:

- the sub-item "commitments and guarantees given" includes provisions for credit risk in connection with commitments to grant loans and financial guarantees given which are subject to the rules for determining impairment losses due to credit risk provided for by IFRS 9 and provisions for other commitments and other guarantees that are not subject to these rules;
- the sub-item "Pensions and similar obligations" only includes the supplementary defined benefit and defined contributions pension plans classified as internal funds pursuant to current pension legislation, as well as the other "external" supplementary pension funds, if the return of the principal and/or the yield to the beneficiaries has been guaranteed. This item includes:
  - The pension provision of Banca Popolare di Sondrio is classified as an "internal" pension fund and represents a defined-benefit obligation. The Bank is responsible for any unfunded liabilities.
  - Actuarial liabilities pertaining to BPS (Suisse) SA arising from supplementary pension costs for the employees thereof;
- the sub-item "Other provisions for risks and charges" includes the provision for the long-service bonuses paid to employees with 30 years of service, as well as provisions for liabilities whose timing and amount are uncertain, including legal disputes, which are recognised in the financial statements when the following conditions are met:
  - the company has a present obligation (legal or constructive) as a result of a past event at the reporting date;
  - it is likely that settlement of the obligation will involve the use of economic resources;
  - a reliable estimate can be made of the amount necessary to settle the obligation.

These provisions are stated at their present value if recognition of the time value of money has a significant effect (settlements to be made more than 12 months after the date of recognition).

## 11. Financial liabilities measured at amortised cost

### Classification

This item includes amounts due to banks and due to customers, regardless of their technical form (deposits, current accounts, loans, securities), other than those recognised in items 20. "Financial liabilities held for trading" and 30. "Financial liabilities designated at fair value". It also includes operating payables linked to the financial services and activities defined in the Consolidated Banking Act and the Consolidated Finance Act, variation margins with clearing houses arising from derivative transactions and other operating payables associated with the provision of financial services. Amounts due to customers and banks and securities issued comprise the financial instruments (other than trading instruments) that represent the normal funding of the activities by customers and other banks, or by the issue of securities. They also include payables recorded by the company as a lessee in the context of lease transactions.

### Recognition

These financial liabilities are recorded in the financial statements at the settlement date. They are initially recognised at their fair value, which is usually represented by the amount collected. The initial



recognition value includes transaction costs, while all charges that are recovered from the creditor counterparty or that are attributable to internal administrative costs are not included. The elements of structured funding, comprising a host instrument and one or more embedded derivatives, are split and recorded separately from the related implicit derivatives, on condition that the economic characteristics and risks of the embedded derivatives are substantially different to those of the host instrument and that the derivatives can be configured as autonomous derivative contracts.

## Measurement

Subsequent to initial recognition, financial liabilities are measured at amortised cost, using the effective interest method. Amortised cost is calculated after identifying the acquisition discount or premium and the fees or costs that are an integral part of the effective interest rate. Amortised cost is not calculated in the case of short-term transactions where the effect of the calculation is considered immaterial.

Liabilities covered by effective hedges are measured in accordance with the regulations applying to such transactions.

Lease payables are revalued when there is a lease modification (e.g. a change in the scope of the contract), which is not accounted for/considered as a separate contract.

## Recognition of components affecting the income statement

Interest expense linked to funding instruments, calculated with the internal rate of return method, are booked to the income statement under "interest and similar expense".

Gains and losses on the repurchase of liabilities are recorded in the income statement under "gains (losses) from sale or repurchase of financial liabilities".

Interest expense on the financial liability under the lease contract is recorded in "Interest and similar expense".

## Derecognition

Financial liabilities are derecognised when the underlying obligations expire or are settled, cancelled or satisfied. Funding liabilities that are subsequently repurchased are derecognised from the financial statements.

## 12. Financial liabilities held for trading

This item comprises derivative instruments with a negative fair value, except for hedging derivatives. The total also includes the negative value of derivatives separated from their underlying structured financial instruments, when the conditions for such separation apply. The criteria for classification, derecognition, measurement and recognition of components affecting the income statement are the same as those described in relation to assets held for trading.



### 13. Financial liabilities designated at fair value

This item includes financial liabilities measured at fair value, as defined at the time of initial recognition and when the conditions provided for by IFRS 9 are met. In particular, reference is made to liabilities whose designation at fair value through profit or loss eliminates or significantly reduces a measurement inconsistency (sometimes referred to as "accounting asymmetry"). No financial liabilities are currently classified as designated at fair value.

### 14. Currency transactions

They include all assets and liabilities denominated in currencies other than the euro.

#### Recognition

Assets and liabilities denominated in currencies other than the euro are recognised initially using the spot exchange rates applying on the transaction dates.

#### Measurement

On the reporting date, monetary assets and liabilities denominated in foreign currencies are translated using the spot exchange rates at that time. Non-current financial assets denominated in foreign currencies are translated using the exchange rates ruling at the time of purchase.

#### Recognition of components affecting the income statement

Exchange differences deriving from the settlement of monetary items or from the translation of monetary items using rates other than the initial translation rate, or the closing rate at the end of prior periods, are recorded in the income statement for the period in which they arise. Exchange differences on assets, excluding monetary items, that are classified as financial assets measured at fair value through other comprehensive income, are recognised among the valuation reserves.

#### Derecognition

The policies applied are those indicated for the corresponding items. The exchange rate used is the one ruling on the date of payment.

### 15. Termination indemnities

Termination indemnities are considered a defined benefit plan, i.e. a defined benefit obligation, and therefore, as required by IAS 19, the value of the obligation is determined using the projected unit credit method.

Under this method, each year of service originates an additional unit of indemnity that is used to calculate the final obligation. This calculation is performed by forecasting future payments with reference to historical-statistical analyses of the demographic curve, and discounting them using a market interest rate. The actuarial analysis is carried out every six months by an independent actuary.

As a result of the reform of supplementary pensions by Legislative Decree No. 252 of 5 December 2005, for companies based in Italy and with a workforce of more than 50 units, the termination indemnities accrued up to 31/12/2006 remain in the company, whereas those accruing after that either have to be assigned to some form of supplementary pension fund or kept in the company and subsequently transferred to INPS, depending on the preference of the individual employee. This has entailed changes in the underlying assumptions used for the actuarial calculation: in particular, account no longer has to be taken of the average annual rate of increase in salaries.

The termination indemnities earned after 31 December 2006 are part of defined contributions plans. Therefore, the contributions payable to these plans are recognised as a liability on an accruals basis, after deducting any contributions already paid to supplementary pension funds and to the INPS treasury fund



in relation to the work performed by employees, with a matching entry to the income statement.

It is also noted that, in compliance with Law 335/95, employees hired since 28/4/1993 may allocate part of their termination indemnities to a supplementary pension fund established pursuant to current in-house agreements.

Gains and losses arising from changes in actuarial assumptions are booked to equity as shown in the statement of comprehensive income.

## 16. Other information

### Share-based payments - Transactions settled using equity instruments

The Bank currently has a share-based compensation plan for key personnel, in the context of which any variable remuneration exceeding the threshold of significance determined by the Board of Directors is subject to rules regarding its deferral and payment with financial instruments that are considered suitable for ensuring compliance with the company's long-term business objectives.

In accordance with IFRS 2, share-based compensation plans are recognised as an expense in the income statement (item "190. a) personnel expenses") with a corresponding increase in equity (item "150. Reserves").

The cost of transactions settled with capital instruments is determined by the fair value on the grant date based on the work performance received. In view of the difficulty of reliably measuring the fair value of the benefits received, the standard allows benefits to be valued, indirectly, with reference to the fair value of the equity instruments at the date of their grant (so-called "grant date"; this date corresponds to the time when the parties agreed on the terms and conditions of the agreement, however, if the agreement is subject to approval by the Board of Directors, the date of agreement coincides with the date of approval). This cost is to be spread over the period in which the conditions relating to the achievement of objectives and/or the provision of the service are fulfilled (so-called "vesting period").

The transaction costs already accumulated at each reporting date prior to the vesting date are projected forward to the vesting date, together with the best estimate of the number of equity instruments that will actually vest. The cost or income recognised in the income statement represents the change in accumulated cost between the start and the end of the year. The service or performance conditions are ignored when the fair value of the plan is determined at the grant date. However, the probability that these conditions will be satisfied is considered when estimating the number of equity instruments that will actually vest.

### Revenue recognition

In compliance with the provisions of IFRS 15, revenue arises from the transfer of goods or services to the customer and is recognised at an amount that reflects the consideration that the Group deems it is entitled to in exchange for the above goods or services using a five-step model (identify the contract(s) with a customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations; recognise revenue when the entity satisfies a performance obligation).

Revenue from contracts with customers is recognised in the income statement when it is probable that an entity will receive the consideration to which it expects to be entitled in exchange for transferring goods or services to a customer. The consideration is allocated to individual performance obligations in the contract and is recognised in the income statement based on the timing of the satisfaction of performance obligations. More specifically, revenue is recognised in the income statement either at a point in time or over time as and when the entity satisfies its performance obligations. The consideration promised in the contract with the customer may include fixed amounts, variable amounts, or both. The contractual consideration may vary as a result of price concessions, discounts, rebates, incentives or other similar items and may be contingent on the occurrence or non-occurrence of a future event. In the presence of variable consideration, revenue is recognised in the income statement if it is possible to reliably estimate the revenue and only if it is highly probable that the entire consideration, or a significant part thereof, will not



be subsequently reversed from profit or loss. If an entity receives from the customer consideration that envisages the reimbursement to the customer of all or part of the revenue obtained, a liability should be recognised for expected future reimbursements. The estimate of this liability is updated at each year end or interim reporting date based on the portion of the consideration that an entity does not expect to be entitled to. The amount of commission recognised on the placement of products is adjusted to take account of any variable revenues that might have to be returned in future. The revenues earned on current accounts are recognised after allocation to the individual products or services comprising the stand-alone package.

### Cost recognition

Costs are recognised in the income statement in the period in which they are incurred on an accrual basis. Costs related to obtaining and fulfilling contracts with customers are recognised in the Income Statement in the periods in which the relevant revenues are recognised. If costs cannot be associated with revenues, they are immediately recognised in the income statement.

### Revenues and costs related to financial instruments

With reference to income and expenses related to financial assets/liabilities, it should be noted that:

- interest is recognised *pro rata temporis* based on the contractual interest rate or the effective interest rate if amortised cost is applied. Interest income and interest expense also include differentials or margins, positive or negative, accrued up to the reporting date, relating to:
  - financial derivative contracts to hedge interest-bearing assets and liabilities;
  - derivative contracts classified in the balance sheet as trading instruments, but managerially linked to financial assets and/or liabilities designated at fair value, in accordance with IFRS 9;
  - derivative contracts operationally related to financial assets and liabilities classified in the balance sheet as trading instruments or operationally related to "other financial assets mandatorily measured at fair value" and which provide for the settlement of differentials or margins at multiple maturities;
- default interest on bad loans is recognised in the profit and loss account at the time of actual collection;
- fees for revenues from services are recognised, based on the existence of contractual agreements, in the period in which the services were rendered, with the exception of fees considered in amortised cost for the purpose of determining the effective interest rate;
- dividends are recognised in the Income Statement when paid;
- gains and losses arising from the trading of financial instruments are recognised in the Income Statement, or in equity in the case of equity instruments for which designation at fair value through comprehensive income has been made, when the sale is completed, based on the difference between the consideration paid or received and the carrying amount of the instruments.





## Accounting treatment of tax credits connected with the "*Cura Italia*" ("*Cure Italy*") and "*Rilancio*" ("*Relaunch*") Decrees.

Law Decrees No. 18/2020 ("*Cura Italia* Decree") and No. 34/2020 ("*Rilancio* Decree") have provided for a series of measures aimed at supporting Italian individuals and businesses in their relaunch following the Covid-19 emergency, including tax incentives related to expenses incurred for specific interventions that can be used in the form of tax deductions or tax credits. These tax incentives are applied to households or businesses, they are commensurate with a percentage of the expenditure incurred (which in some cases even reaches 110%) and are disbursed in the form of tax credits or tax deductions (with an option to convert them into tax credits). With a view to helping to support families and businesses, Banca Popolare di Sondrio launched a specific project in the second half of 2020 aimed at acquiring these tax credits.

The main features of these tax credits are:

- the possibility of offsetting taxes and contributions with the limitations provided for in the regulations;
- transferability to third-party purchasers;
- non-refundability by the Treasury in the event of non-use within the prescribed time-frame.

The accounting was done in accordance with international accounting standards and in line with the provisions of Bank of Italy/Consob/Ivass Document No. 9 ("Accounting treatment of tax credits related to the "*Cura Italia*" and "*Rilancio*" Law Decrees acquired following disposal by direct beneficiaries or previous purchasers") issued on 5 January 2021.

As represented by the above-mentioned document, the tax credits purchased do not represent tax assets, government grants, intangible assets or financial assets. The most appropriate classification is therefore the residual classification of "other assets" in the balance sheet.

At the time of initial recognition, the tax credit is recognised at the price of the transaction (value corresponding to its fair value). For subsequent valuations, the provisions of IFRS 9 are expected to be applied.

In view of the trend in the volume of loans acquired, the future prospects and the note from the Bank of Italy regarding the prudential treatment of these loans, the Bank decided to combine the HTC business model with the HTCS business model and the Trading one.

The HTC business model envisages that the measurement subsequent to initial recognition of the credit takes place at amortised cost using the effective interest rate determined at the time of initial recognition, while the HTCS business model envisages that the measurement subsequent to initial recognition of the credit takes place at fair value with a balancing entry in comprehensive income. The Trading business model, on the other hand, envisages that the measurement following the initial recognition of the loan takes place at fair value through the income statement. It is specified that such trading does not generate day one profit/loss. No expected loss is calculated on these credits because there is no counterparty credit risk considering that the realisation of the credit takes place by offsetting or in cash in the case of assignment.

In order to reflect in the financial statements the risks arising from possible fraud perpetrated against the bank and, therefore, to determine the accounting impacts related to the potential risk on tax credits, it was deemed appropriate to refer to the provisions of IAS 37 - Provisions, Contingent Assets and Contingent Liabilities, with regard to the measurement and recognition of these risks. Specific provisions have therefore been made under the liability item "Provisions for risks and charges".

## Accounting treatment of financial instruments with ESG clauses

With reference to 30 June 2025, we note the presence in the portfolio of:

- subscription of debt securities issued by leading national companies operating mainly in the energy sector, within which step-up clauses were included linked to the achievement of certain ESG objectives (Sustainability-Linked Bonds - SLBs);
- signing of loan agreements (both bilateral and pooled) to companies of national importance within which step-up or step-down clauses linked to the achievement of certain ESG objectives (Sustainability-Linked Loans - SLLs) were included;



- other NEXT campaign loans from the Bank, instruments that are characterised by the fact that they are linked to the support of sustainability projects but do not contain specific clauses that generate issues for the purposes of IFRS 9 accounting classification.

The step-up and step-down clauses associated with these subscriptions do not present a high degree of complexity; specifically, the most common clauses concern the improvement of direct GHG (Greenhouse gases) emissions and the installed capacity of renewable energy sources by a certain date. From an accounting point of view, during the financial year being reported, at the time of the subscription of debt securities and/or disbursement of loans, the bank verified whether or not such instruments could be compliant with a so-called basic lending arrangement according to the requirements set out in IFRS 9 and its amendments (SPPI test with a "passed" outcome). Specifically, it was considered that such instruments could pass the test if it was verified, by means of qualitative/quantitative tests, that the contractual cash flows would not be significantly different from the contractual cash flows relating to a financial instrument with identical contractual terms, but without this contingent feature. The nature of any contingent event that would change the timing or amount of contractual cash flows was also assessed, without regard to the likelihood of the event occurring.

With regard to financing, the nature of the contingent event is associated with the achievement of the following ESG objectives:

- Reduction of emissions, reduction of energy consumption, level of water loss, improvement of the percentage of waste going to recycling/composting/recovery, use of recycled materials;
- Female quotas, employee training programmes, customer satisfaction levels, occupational safety;
- Governance, ESG plan drafting, sustainability rating improvement.

With regard to debt securities, contractual step-up clauses are mainly related to emission reductions and installed capacity of renewable energy sources.

Contractual clauses according to which cash flows may change are included in the contract of the instrument as an incentive to achieve contractually specified ESG objectives and not as remuneration for risks and costs other than those of "basic lending arrangements". Therefore, the nature of the contingent event is not attributable to a change in the costs and risks typical of a "basic lending arrangement".

## Treasury shares

Any treasury shares held are deducted from equity. Any gains or losses from transactions in treasury shares are also reflected in equity.

## Cash and cash equivalents

The item Cash and cash equivalents includes cash and all "sight" receivables, in the technical forms of current accounts and deposits, from banks and Central Banks (with the exception of the reserve requirement). In the income statement, net value adjustments/write-backs for credit risk related to the above-mentioned "sight" loans to banks and central banks are recognised under item 130. "Net value adjustments/write-backs for credit risk".

## Repurchase agreements, securities lending and repo

Repurchase agreements or contangos, whereby the Bank sells securities to third parties with the obligation to repurchase them at the maturity date of the transactions at a predetermined price, are recorded under liabilities to banks or to customers depending on the counterparty. Similarly, reverse repurchase agreement or contangos, whereby the Bank purchases securities from third parties with the obligation to resell them at the maturity date of the transactions at a predetermined price, are accounted for as loans and receivables with banks or customers (accounting category of "Financial assets measured at amortised cost"), depending on the counterparty. The difference between the spot and forward prices of these transactions is accounted for as interest and recorded on an accrual basis over the life of the transaction. Securities lending transactions in which the collateral is cash that is fully available to the lender are recognised in the financial statements in the same way as the aforementioned repurchase agreements.



In the case of securities lending transactions with collateral in the form of other securities, or without collateral, the lender and borrower continue to recognise in the assets side of the balance sheet, respectively, the security lent and the security given as collateral. The remuneration for such operations is recognised by the lender under item "40. Fee and commission income" and by the borrower under item "50. Fee and commission expense".

## Business combinations

A business combination is a transaction or other event in which an acquirer acquires control of a business consisting of inputs and processes applied to those inputs that create output. Acquisitions of shareholdings in subsidiaries, mergers, and acquisitions of business units are therefore to be considered business combinations.

Business combinations that fall within the relevant scope of IFRS 3 are recognised by applying the acquisition method. For each business combination, one of the combining entities must be identified as the acquirer identified in the entity that has control over another entity or group of businesses.

The acquisition date is the date on which the acquirer obtains control over the acquiree and is the date from which the acquiree is consolidated in the acquiring company's financial statements. Where a business combination is effected in a single exchange transaction, the date of exchange coincides with the date of acquisition. The consideration transferred in a business combination shall be measured at fair value calculated as the sum of the fair values, at the acquisition date, of the assets transferred by the acquirer to the former owners of the acquiree, the liabilities incurred by the acquirer to those owners, and the equity interests issued by the acquirer.

The consideration the acquirer transfers in exchange for the acquiree includes any assets or liabilities resulting from a contingent consideration arrangement. Acquisition-related costs are the costs that the acquirer incurs to realise the business combination and are recognised in the income statement, with the exception of the costs of issuing equity or debt securities, which must be recognised in accordance with the accounting standards that define how financial instruments are accounted for.

The acquisition method requires that the identifiable assets acquired, including any intangible assets previously unrecognised by the acquiree, and the identifiable liabilities assumed, should be recognised at their respective fair values at the acquisition date. The identification of the fair value of the assets, liabilities and contingent liabilities of the acquiree must be completed within one year of the acquisition date. If control is realised through subsequent purchases, the acquirer must recalculate the interest it previously held in the acquired company at its fair value at the acquisition date and recognise any difference from the previous carrying amount in the income statement.

On the acquisition date, the acquirer must recognise goodwill by measuring it as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and, in a business combination achieved in multiple stages, the fair value at the acquisition date of the interests in the acquiree previously held by the acquirer, over the net value of the amounts, determined at the acquisition date, of the identifiable assets acquired and the identifiable liabilities assumed, measured on the basis of the above. If a negative difference is recognised, it is charged to the income statement.

It is specified that, for each business combination, any non-controlling interest in the acquired company may be recognised at fair value, with a consequent increase in the consideration transferred, or in proportion to the non-controlling interest's share of the net identifiable assets of the acquired company.

Subsequent to the acquisition of control of a company, the accounting of additional ownership interests is performed by recognising in equity the differences between the acquisition costs and the book value of the non-controlling interests acquired. Similarly, sales of non-controlling interests without loss of control do not generate gains/losses in the income statement but changes in Group equity.

Business combinations between entities under common control do not fall within the scope of IFRS 3. In the absence of specific guidance in other IAS/IFRS, IAS 8 requires that an enterprise must use its own judgement in applying an accounting policy that provides relevant, reliable, prudent information and reflects the economic substance of transactions. These types of combinations, normally realised as part of corporate reorganisation projects, are accounted for by preserving the continuity of the acquiree's values



in the acquirer's financial statements.

### **Financial instruments (measurement of financial assets, equity investments and models for determining the fair value of instruments not listed in active markets)**

Financial instruments not listed in active markets and illiquid and complex instruments are measured using models and/or parameters not observable in the market. These measurements are highlighted by their classification in the fair value hierarchy. Refer to the contents of these Notes, in the section "Information on fair value", for qualitative and quantitative information on the methods adopted to determine the fair value of instruments measured at fair value and those measured at amortised cost.

With regard to equity investments consolidated using the equity method, Banca Popolare di Sondrio did not identify any signs of impairment. The draft financial statements and updated business plans of the companies concerned might not be available, which would increase the uncertainties involved in measuring their value. In such cases, the carrying amounts assigned to the equity investments concerned, based on the available information, might differ from subsequent measurements made on the basis of different information that becomes available.

### **Deferred tax assets and valuation of liabilities associated with employee benefits**

The significant balance sheet assets include deferred tax assets, which principally derive from temporary differences between the date of recognition in the income statement and the date on which the costs become tax deductible and, to a lesser extent, from tax losses carried forward.

Taking into account the updated economic forecasts for the years 2027-2030, which were prepared exclusively for the purpose of fully verifying the recognisability of DTAs for the year 2024, the conclusions of the probability test performed on 31 December 2024, which did not reveal any critical issues with regard to the recoverability of deferred tax assets, can be considered confirmed for the half-year period under review.

The measurement of the liability for employee benefits involves a certain degree of complexity, especially with regard to defined benefit plans and other long-term benefits, given that this involves making actuarial assumptions of a demographic (e.g. mortality rate, employee turnover) and financial (e.g. discount rates and inflation rates) nature. In the section "Information on the consolidated balance sheet" of these Notes, an analysis was carried out for defined-benefit company pension funds on the sensitivity to changes in the main actuarial assumptions included in the calculation model.

### **Significant accounting standards and uncertainties in the use of estimates in the preparation of consolidated financial statements (pursuant to IAS 1 and the recommendations in Bank of Italy/Consob/Isvap Document No. 2 of 6 February 2009 and No. 4 of 3 March 2010)**

As stated previously, the adoption of certain accounting policies requires recourse to estimates and assumptions that influence the value of the assets and liabilities recognised in the half-year financial statements and the disclosures made about any contingent assets and liabilities. When accounting estimates are made, Banca Popolare di Sondrio and the consolidated companies considers all available information at the reporting date, as well as any reasonable assumptions based on external evidence and their own historical experience. However reasonable, it cannot be excluded that these estimates might not be confirmed in the future scenarios. The results reported in future might, in fact, also differ from the estimates made when preparing the annual or half-year financial statements and, consequently, adjustments to the book value of reported assets and liabilities might become necessary that are currently unforeseeable and cannot be estimated.

As things stand, the main factors of uncertainty that could affect future scenarios include the negative consequences on the global and Italian economies directly or indirectly linked to the evolution of the geopolitical and macroeconomic environment and the uncertainty of tariff policies following the announcements by the US government.



In this context, characterised by growing uncertainty over the macroeconomic outlook, the Bank maintained the controls already in place in previous quarters.

### ECL - Expected credit losses

With reference to the methodological framework used for the quantification of expected losses on performing loans ("ECL") during the first half of 2025, the usual activities were carried out to update the parametrisations of the macroeconomic scenarios and the weighting factors associated with them based on the latest available forecasts, including the changed macroeconomic context.

With specific reference to the explicit modelling of the prospective and scenario-dependency components, it is specified that a plurality of macroeconomic scenarios were adopted for the calculation of the write-downs of June 2025:

- a baseline scenario, corresponding to the equivalent scenario issued by the official supplier on the occasion of the last available forecast report at the time of the calculation of the write-downs (i.e. first quarter of 2025);
- a (slightly) adverse scenario, corresponding to the equivalent scenario issued by the official supplier on the occasion of the last available forecast report at the time of the calculation of the write-downs (i.e. first quarter of 2025);
- a scenario of an extreme nature, corresponding to the equivalent scenario issued by the official supplier on the occasion of the last available forecast report at the time of the calculation of the write-downs (i.e. first quarter of 2025);

When weighting the scenario-dependent ECL, the baseline scenario is assigned, by reason of its nature, the prevailing weight factor (equal to 70%), while the alternative scenarios are assigned weight factors respectively equal to 25% and 5%.

With reference to the methodological approach for the determination of expected credit losses, the evolutionary dynamics of the main metrics of the IFRS9 models used for the collective impairment of the loan portfolio as at 30 June 2025 are mainly attributable to:

- the usual changes in portfolio taxonomy and counterparty risk profile;
- periodic updating activities of the calculation parameterisations aimed at explicitly incorporating aspects of a prospective (Forward-Looking Information) and scenario-dependent nature, with particular reference to the latest forecast macro-scenarios available at the time of processing (forecast report of the first quarter of 2025);
- the usual updating of the modelling-methodological layers that contribute to the final calculation of collective write-downs, with particular reference to the geo-sectoral, ESG and watchlist model components;
- the changes introduced in the framework used for modelling emerging risk factors (novel risks), with particular reference to the introduction of a new case related to the effects of recent developments in the macro-economic and geopolitical context in the area of duties and tariffs.

In any case, it cannot be excluded that the introduction of different methodologies, parameters and assumptions in determining the recoverable amount of the performing credit exposures - also influenced by the evolution of the economic-financial and regulatory context of reference - could lead to valuations that are different from those carried out for the purpose of the drafting of the interim report as at 30 June 2025.



## Report on transfers between portfolios of financial assets

In the first half of 2025, as in the previous years, there were no changes to the "business model", i.e. the way in which financial instruments are managed. Thus, there were no reclassifications of financial assets due to the change in business model.

## Information on fair value

### Qualitative information

Information on fair value as required by IFRS 13 is provided below. This standard defines fair value as the price that would be received from the sale of an assets or that would be paid for the transfer of a liability in an orderly transaction between market operators on the measurement date. Fair value is a criterion based on market value; however, while transactional or observable market information may be available for certain assets and liabilities, such information may not be available for other assets and liabilities. When the price of an identical asset or liability cannot be found, it is necessary to use measurement techniques that maximise the use of significant observable inputs and minimise the use of unobservable inputs.

IFRS 13 requires the measurement of default risk in determining the fair value of OTC derivatives. This risk relates to changes in the credit rating of both the counterparty and the issuer. Accordingly, a model for the measurement of this component of risk has been implemented and is used to adjust the value of the instrument.

With regard to derivatives with positive mark-to-market adjustments, the risk component is known as the Credit Value Adjustment (CVA) and represents the potential loss associated with the counterparty credit risk, while the Debit Value Adjustment (DVA) quantifies the issuer risk in relation to instruments with negative mark-to-market adjustments.

These price adjustments are obtained according to a model-based approach derived from the possibility of default by both the counterparties and the bank itself, as well as additional representative cost/convenience components associated with the transaction. The Credit Valuation Adjustment represents the fair value adjustment due to the risk that the counterparty will default at a time when the Bank has positive exposure to it. It therefore takes on a negative sign and represents a valuation component that therefore decreases the positive fair value of the instrument. The Debt Valuation Adjustment represents the fair value adjustment that considers the consequences on counterparties of possible bankruptcy of the Bank. In contrast to the CVA, it represents a positive adjustment that therefore decreases the negative fair value of the instrument. If a specific CSA (Credit Support Annex) agreement has been concluded with the counterparty and a cash deposit has therefore been given or taken as security, the value of the instrument is not adjusted for the CVA/DVA component. The CVA/DVA book value for derivative instruments is then calculated as the product of the fair value of the position, the cumulative probability of default and the complement at 1 of the recovery rate (RR). These adjustments are calculated daily directly in the applications that manage the derivative positions held by the Bank.





## Fair value levels 2 and 3: valuation techniques and inputs used

Input values for the determination of level 2 fair value include: prices for similar assets or liabilities listed in active markets, prices for identical or similar assets or liabilities listed in inactive markets, and information other than observable listed prices, such as routinely listed interest rates and yield curves observable at intervals, implicit volatility, credit spreads and inputs corroborated by the market. This information is usually supplied by providers or determined with reference to prices calculated with reference to the market parameters of similar financial assets.

Input values for the determination of level 3 fair value are unobservable market values for the asset or liability and must be used to measure fair value to the extent that relevant observable inputs are not available. They must reflect the assumptions that market operators would use to determine the price of the asset or liability, including those regarding the related risk. The inputs not observable on the market derive from internal estimates and valuations based on pricing models that privilege the examination of expected cash flows and pricing and spread information, as well as of historical data and series of data concerning the risk factors, and relevant specialist reports.

## Derivatives

OTC derivative instruments, for which there are no publicly formulated quotations by independent third parties and which are typically contracts signed bilaterally between the Bank and another financial counterparty, are valued by means of appropriate pricing models and classified in Level 2 or Level 3 (if significant assumptions and/or unobservable market parameters are to be used) of the fair value hierarchy. In particular, all derivative instruments can be reduced to two categories:

- Derivative instruments with a symmetric profile, which have as their underlying a transaction that is certain to occur on a specified maturity date (or dates) and which provide for simultaneous actions and identical positions (in terms of value and risk) for both counterparties. This category includes plain vanilla futures, forwards and swaps on all types of traded underlyings. Such instruments are typically valued using a Discounted Cash Flow model, which discounts, at a risk-free rate, the cash flows implicit in the contract.
- Derivative instruments with an asymmetric profile, which have as their underlying a transaction that may occur (or not occur) at the discretion of one of the counterparties. Specifically, there is one counterparty, which buys the right and which will have the discretion to activate the underlying transaction on the specified maturity date(s), while the other counterparty, which sells the right, will be subject to the buyer's decision. This category of derivative instruments, to which all types of options belong, requires calculation models based on the volatility of the underlying, with the possible use of models based on numerical methods in the case of the presence of path-dependent elements with respect to the expected evolution of the value of the underlying or exotic elements in the determination of the payoff.

## Loans and receivables

The method of measuring loans and receivables at fair value, where parameters relating to credit risk that can be inferred from market prices cannot be used, results in the instrument being classified in Level 3 of the fair value hierarchy. In general, the calculation of the fair value for these loans is carried out by means of a DCF (Discounted Cash Flow) model, whereby the individual cash flows associated with the individual maturities, deducted of the unrecoverable component related to the counterparty's credit risk, are discounted at a risk-free rate plus a premium for the illiquidity of the instrument itself. The cash flows at the individual payment date are determined from the contractual flows and take into account, where relevant, both anticipatory early redemption dynamics and the modelling of any optional components linked to the indexation of the flows. For on sight loans or without contractual maturity, the net book value is considered the best approximation of fair value. Due to their particular contractual structure and risk profile, Mortgage Life Loans (PIV) have a specific valuation model that is more focused on the value of the property being financed.



With regard to tax receivables classified under Other Assets in the balance sheet, the fair value estimate is calculated using a "basic" method, which replicates the DCF model previously set out. Possible refinements of the valuation model may depend on the observation of comparable transactions in the market, e.g. size, activity levels, time proximity to the assets being valued.

## Mutual funds

Mutual funds are financial intermediaries that collect private savings and invest them on the basis of specific management rules, structured with reference to specific limits in terms of risk, asset allocation, concentration and exposure.

Mutual funds generally have segregated assets that are usually managed dynamically. The Management Entity shall publish an estimate of the overall net value of the assets of the mutual fund (denominated Net Asset Value or NAV) with a frequency established by the internal regulations of the mutual fund, from which the theoretical value of each unit is calculated.

The risk and return profile of an investment in mutual funds is highly variable, depending on the characteristics and form of the mutual fund itself, the type of legislation to which it is subject, the type of investments it makes, and the possibilities for disposing of the units held. Most of the factors related to the risk and return profile of the units of a mutual fund are reflected in the valuation of the assets and, consequently, in the NAV value produced and disclosed by the Management Entity, which is the basis for determining the fair value of the units themselves. However, there may be elements of risk that are not perfectly or fully reflected in the NAV and therefore, require appropriate adjustments to be made to the NAV to identify fair value. This is particularly the case for mutual funds with the following characteristics:

- Closed-ended mutual funds - unlike open-ended mutual funds, do not allow investors to obtain (at any time) the immediate disposal of their units. Therefore, such disinvestment is only possible by reselling own units to a third party, which normally entails long lead times and high transaction costs.
- Mutual funds whose NAV does not represent the fair value of the underlying assets - certain types of mutual funds, based on the relevant legislation, may adopt NAV measurement criteria that do not correspond to the measurement criteria that would be used to determine the fair value of the underlying investments. This category includes, for example, funds investing in private equity (whose investments are often valued at the lower of cost or market), those investing in private debt (normally valued at cost subject to impairment), and funds of NPEs, which sometimes value the underlying loans by discounting expected recoveries against rates that are far from market rates. In all these situations, it may be appropriate to make an adjustment to the NAV to realign it to the potential fair value.
- Mutual funds with infrequent NAV publication - some types of mutual funds, especially closed-end mutual funds and mutual funds with illiquid underlying assets provide NAV calculation with limited frequency. Consequently, the value expressed by the latest available NAV could also be significantly different (as it is not up-to-date) from the actual value at current prices of the assets of the mutual fund itself. Again, it may be appropriate to make adjustments to the NAV to determine fair value.

## Investments and other equity securities

If Level 1 and Level 2 price sources are not available, fair value is determined using an ad-hoc valuation model, specifically defined with respect to the characteristics of the instrument in question and the financial information available at the time of valuation. In said case, the instrument will be classified as Level 3 in the fair value hierarchy. In such circumstances, specific valuation approaches and methodologies are used, developed ad-hoc by the Pricing and Valuation Models Office in accordance with best practices and industry literature in the field of valuation and financial modelling, which can be categorised into the following two macro-typologies of analytical and empirical valuation methods. The so-called analytical methods are usually used as the main valuation approach, if no direct transactions on the company being valued can be detected, referring to the transfer of a significant portion of the share capital between independent market counterparties in a reasonably close time span. These methodologies estimate the value of a company by analysing its fundamentals to determine the inputs (such as cash flows, income, assets, etc.) on which the valuation is based. Analytical methods differ from empirical methods (described



below), which estimate the value of a company by relying on the prices of comparable companies on the market.

For unlisted equities with observable inputs, but for which the most recent information available to measure their fair value is insufficient, the best estimate was made considering their adjusted equity value.

### Non-financial assets measured at fair value on a recurring basis

For Banca Popolare di Sondrio and its subsidiaries, the non-financial assets measured at fair value on a recurring basis are the real estate assets owned.

As illustrated above, real estate assets are measured at fair value and more precisely according to the revaluation model, governed by IAS 16, for property held for business purposes and the fair value measurement for property held for investment purposes accounted for under IAS 40.

The update of the fair value of properties, whether held for business or investment purposes, is determined through the use of special appraisals prepared by qualified independent companies, and operating in the specific sector, capable of providing property valuations based on RICS Valuation standards.

These standards ensure that:

- the fair value is determined in accordance with the indications of the international accounting standard IFRS 13, i.e. it represents the estimated amount for which an asset would be sold and purchased, at the date of valuation, by a seller and a buyer with no special ties, both interested in the purchase and sale, at competitive conditions, after adequate marketing in which the parties have both acted in an informed, conscious and non-coerced manner;
- experts have professional, ethical and independence requirements in line with international and European standards.

The methodologies applied by the valuer are defined according to the characteristics, uses and potential uses of each property, including:

- comparative method: the value of the property is derived by comparing it with current market quotations for comparable properties, through an adjustment process that appreciates the unique characteristics of the property under appraisal with respect to the corresponding characteristics of the comparables;
- discounted Cash Flow (DCF) method: the value of the property is derived by discounting the expected cash flows from leases and/or sales proceeds, net of costs attributable to ownership; the procedure uses an appropriate discount rate, which analytically considers the characteristic risks of the property under consideration;
- transformation method: the transformation value means the market value of the asset in the event of its transformation according to the use envisaged by the town planning instruments. The transformation value is derived by determining the final market value of the property after the transformation, after deducting the costs to be incurred to carry out the transformation itself, taking into account the risk component related to the uncertainty of the timing of the intervention and the future trend of the real estate market;
- cost method: this is based on the cost that would be incurred to replace the property under consideration with a new asset having the same characteristics and utility as that property. This cost must be reduced in consideration of various depreciation factors arising from the conditions observed: utility, state of use, functional obsolescence, useful life, residual life, etc. in comparison with new goods of the same type. In determining the Replacement Costs, the following must be taken into account: current market prices including materials, labour, manufactured goods, indirect costs, profits and fees; installation and connection costs; financial charges relating to the construction period.

For properties held for investment purposes, if of a significant amount or in the event of a deviation of significant value with respect to the previous year, a "full" appraisal is envisaged, i.e. conducted by means of an inspection of the property, as well as a detailed analysis of the available documentation. For the remaining properties, however, it is possible to have recourse to a "drive-by" type appraisal, that is, based



on the examination of the documentation as well as through an external inspection of the unit being appraised.

For functional properties, provision is made for an update of valuations in "desktop" mode. Instead, a "full" valuation is carried out only for those real estate units where there is a significant deviation between the balance sheet value at the valuation date and the estimated "desktop" fair value. For the purposes of determining fair value and useful life, the external appraiser takes into account any extraordinary maintenance costs (e.g. costs incurred in the expansion, modernisation or improvement of structural elements of the real estate unit).

## Processes and sensitivity of the measurements

The fair value of assets and liabilities is determined using various methodologies defined in the corporate policies. Based on the inputs that can be used, financial instruments are classified as Level 1, Level 2, Level 3. Financial instruments that are quoted in active markets for which the fair value is assumed based on official market quotations are classified in Level 1. If there is more than one active market, reference is made to the principal market; failing this, the most advantageous market is used. Level 1 inputs cannot be adjusted in normal circumstances. The concept of active market does not coincide with that of official market; rather, it refers strictly to the financial instrument concerned. It follows that a listing in an official market is not sufficient to be considered as listed in an active market. Listed prices are obtained from price boards, dealers, brokers etc. and reflect transactions carried out on an orderly basis. Level 2 financial instruments are those whose inputs are different from the listed prices included in Level 1 that are directly or indirectly observable for the asset or liability concerned. In this case, the measurement techniques used include the market value method, the income method which, in turn, is based on present value techniques and models for measuring the price of options. The use of present value techniques involves determining:

- a) an estimate of future cash flows deriving from the asset or liability to be measured;
- b) the uncertainty inherent in the cash flows, given possible changes in their amount and timing;
- c) the rate applicable to risk-free monetary assets of similar duration;
- d) the risk premium;
- e) for liabilities, the related non-performance risk, including the credit risk associated with the debtor.

Level 3 financial instruments are those whose inputs are not observable. In this case, the best information available in the specific circumstances is used, including all reasonably available information about the assumptions adopted by market operators.

If a financial instrument is measured by recourse to inputs from various levels, it is allocated to the level of the input considered least meaningful. With regard to Level 3 financial assets on a recurring basis, IFRS 13 requires the disclosure of information about the sensitivity of the reported results to changes in one or more of the unobservable parameters used to measure their fair value.

Given the limited weighting of such instruments within the portfolio of financial assets and considering that the Level 3 instruments contained in the portfolio of financial assets largely comprise securities carried according to models whose inputs are specific to the entity being valued (for example, the assets of the company) or through prices of previous transactions, without further adjustments (for which no quantitative information is required about the sensitivity of their valuation), any changes in unobservable inputs would not have a significant economic impact.

As regards the Asset Backed Securities (ABS) present in portfolio, deriving from securitisations of bad loan portfolios, the analyses and assessments were carried out on the basis of the most recent information available and following the so-called waterfall structure for modelling the cash flows of the securitisations. From our analyses, no elements emerged that would justify a change in the fair value of the tranches with respect to the values currently recorded in the financial statements.

There are also in portfolio units of funds deriving from corporate loan restructuring, whose measurement at fair value is carried out on the basis of the NAV, corrected if necessary to take into account the investment's poor liquidity.

The instruments classified at level 3, for which non-observable quantitative inputs are used in the



determination of the fair value, are largely attributable to financial instruments that did not pass the SPPI test envisaged for the classification of financial assets by IFRS 9. The fair value of most of these financial instruments is determined through a Discounted Cash Flow model or, for revocable products, set equal to the gross exposure adjusted for the credit risk loss component. The economic results do not fluctuate significantly on changes in the unobservable risk parameters. In particular, the following analyses were carried out:

- a) analysis of the sensitivity to changes in the PD (Probability of default) parameter under various scenarios: adverse and extreme. In both cases, the changes in fair value were very limited (total fair value lower by 0.05% under the adverse scenario and lower by 0.14% under the extreme scenario). The changes were very limited because the credit risk associated with most of these instruments is low;
- b) analysis of the sensitivity to changes in the LGD (Loss Given default) parameter under various scenarios: adverse and extreme. In both cases, the changes in fair value were very limited (fair value lower by 0.20% under the adverse scenario and lower by 0.39% under the extreme scenario). Here too, the changes were very limited because the credit risk associated with most of these instruments is low;
- c) analysis of the sensitivity to changes in the rate used to discount cash flows, applying a parallel shock to the rate curves of +/-200 basis points. In these cases, fair value decreased by -1.91% following an increase in the rate curves and, conversely, increased by +2.63% following a decrease in them. In particular, for fixed-rate instruments, the capitalisation rate was not affected by the shock which, however, did affect the discounting of cash flows; conversely, with regard to variable-rate instruments, the spread component of the capitalisation rate was not affected by the shock which, however, did affect determination of the variable component of coupons and the discounting cash flows. The fair value, with and without the application of the shock, may be affected by discounting using a negative rate; this is consistent with recent calculations for other purposes and with market practice. The capitalisation phase has a natural limit of zero and no rates are generated with a negative interest rate. The changes in fair value are greater than found with the other two sensitivity analyses, but nevertheless remain low;
- d) sensitivity analysis to quantify the effect of modelling explicitly the illiquidity and funding spread component. If this component is not modelled explicitly, the change in fair value is +1.25%; conversely, if a parallel shock to the rate curves of +/-50 basis points is applied, the change in fair value is -2.24% if the rate curves are shifted up, and +2.36% if they are shifted down.

## Fair value hierarchy

The following levels of fair value hierarchy exist:

- a) prices (without adjustments) on active markets for the assets and liabilities being measured (level 1);
- b) inputs other than the listed prices mentioned above; these can be seen directly (prices) or indirectly (derived from prices) on the market (level 2);
- c) inputs not based on market observable data (level 3). In this case, the fair value is determined using measurement techniques based on estimates and assumptions.

Allocation to the levels is not optional and is carried out in hierarchical order, giving priority to the official prices in active markets; in the absence of such inputs, reference is made to other methods that rely on observable parameters, and then to measurement techniques that use unobservable inputs.

An asset or liability is transferred between different levels of the fair value hierarchy when, following changes, its previous classification is no longer consistent with the inputs used.

## Fair value hierarchy of real estate assets

The fair value of properties held for investment or business purposes is classified at level 3 in the fair value hierarchy under IFRS 13, as it is determined using valuation techniques for which one of the significant inputs is not based on observable market data.



#### A.4.4 Other information

The information provided above together with that contained in the following tables is consistent with the disclosure pursuant to paras. 91 and 92 of IFRS 13. The disclosures envisaged in paras. 51, 93 (i) and 96 of that standard are not required.





## QUANTITATIVE INFORMATION

### Fair value hierarchy

#### Assets and liabilities designated at fair value on a recurring basis: breakdown by fair value levels

	30/06/2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets/liabilities measured at fair value						
1. Financial assets measured at fair value through profit or loss	262,592	143,925	447,311	150,012	140,796	449,068
a) financial assets held for trading	172,822	104,882	1,031	69,667	104,372	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	89,770	39,043	446,280	80,345	36,424	449,068
2. Financial assets measured at fair value through other comprehensive income	2,842,781	-	93,811	2,566,328	-	89,924
3. Hedging derivatives	-	-	-	-	-	-
4. Property, equipment and investment property	-	-	566,961	-	-	80,396
5. Intangible assets	-	-	-	-	-	-
<b>Total</b>	<b>3,105,373</b>	<b>143,925</b>	<b>1,108,083</b>	<b>2,716,340</b>	<b>140,796</b>	<b>619,388</b>
1. Financial liabilities held for trading	41	42,899	-	168	16,393	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	1,991	-	-	2,426	-
<b>Total</b>	<b>41</b>	<b>44,890</b>	<b>-</b>	<b>168</b>	<b>18,819</b>	<b>-</b>

There were no significant transfers of financial instruments between the three fair value levels during the year. The impact of the CVA (Credit value adjustment) and DVA (Debit value adjustment) on the determination of the fair value of derivative products is not significant, not least because most of the exposures are covered by credit support annexes (CSA).



### Annual changes in assets measured at fair value on a recurring basis (level 3)

Financial assets measured at fair value through profit or loss								
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value	Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, equipment and investment property	Intangible assets
<b>1. Opening balance</b>	<b>449,068</b>	-	-	<b>449,068</b>	<b>89,924</b>	-	<b>80,396</b>	-
<b>2. Increases</b>	<b>75,386</b>	<b>1,031</b>	-	<b>74,355</b>	<b>4,871</b>	-	<b>486,985</b>	-
2.1. Purchases	53,428	-	-	53,428	1,183	-	-	-
2.2. Profits recognised in:	11,292	35	-	11,257	3,593	-	-	-
2.2.1. Income Statement	11,292	35	-	11,257	-	-	-	-
- of which gains	10,397	35	-	10,362	-	-	-	-
2.2.2. Equity	-	-	-	-	3,593	-	-	-
2.3. Transfers from other levels	996	996	-	-	-	-	-	-
2.4. Other increases	9,670	-	-	9,670	95	-	486,985	-
<b>3. Decreases</b>	<b>77,143</b>	-	-	<b>77,143</b>	<b>984</b>	-	<b>420</b>	-
3.1. Sales	1,233	-	-	1,233	-	-	-	-
3.2. Reimbursements	16,944	-	-	16,944	52	-	-	-
3.3. Losses recognised in:	7,572	-	-	7,572	931	-	420	-
3.3.1. Income Statement	7,572	-	-	7,572	-	-	420	-
- of which losses	7,526	-	-	7,526	-	-	420	-
3.3.2. Equity	-	-	-	-	931	-	-	-
3.4. Transfers from other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	51,394	-	-	51,394	1	-	-	-
<b>4. Closing balance</b>	<b>447,311</b>	<b>1,031</b>	-	<b>446,280</b>	<b>93,811</b>	-	<b>566,961</b>	-

The change during the year in financial assets mandatorily measured at fair value was largely attributable to the repayment of financial instruments (loans in particular) that did not pass the SPPI test and that, accordingly, were classified in this line item. By contrast, in this item, units in mutual funds, which are not held for trading purposes, increased.

As at 30 June, property, equipment and investment property measured at fair value on a recurring basis consisted of real estate assets. Sub-item "2.4 Other increases" shows the value of property, equipment and investment property used for business purposes following the change in measurement criterion from cost to fair value.



## Annual changes in liabilities measured at fair value (level 3)

There are no financial liabilities measured at fair value on a recurring basis of level 3.

## Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value levels

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis	30/06/2025				31/12/2024			
	Book value	Level 1	Level 2	Level 3	Book value	Level 1	Level 2	Level 3
1. Financial assets measured at amortised cost	46,937,873	9,556,810	-	38,569,120	45,459,416	9,142,224	-	37,544,036
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets and groups of assets held for sale	-	-	-	-	108,593	-	-	108,593
<b>Total</b>	<b>46,937,873</b>	<b>9,556,810</b>	<b>-</b>	<b>38,569,120</b>	<b>45,568,009</b>	<b>9,142,224</b>	<b>-</b>	<b>37,652,629</b>
1. Financial liabilities measured at amortised cost	49,561,965	5,415,613	383,656	43,904,474	50,729,041	4,900,142	361,511	45,574,959
2. Liabilities associated with assets held for sale	-	-	-	-	3	-	-	3
<b>Total</b>	<b>49,561,965</b>	<b>5,415,613</b>	<b>383,656</b>	<b>43,904,474</b>	<b>50,729,044</b>	<b>4,900,142</b>	<b>361,511</b>	<b>45,574,962</b>

## Information on the so-called "day one profit/loss"

The "day one profit/loss" provided for in IFRS 7 and IFRS 9 para. B5.1.2A derives from the difference at the time of initial recognition between the transaction price of the financial instrument and its fair value. This difference can generally be found for those financial instruments that do not have an active market. This difference is charged to the income statement over the useful life of the financial instrument concerned. There are no transactions outstanding which could generate significant income that could be defined as "day one profit/loss".



## Information on the consolidated balance sheet

### Assets

#### Financial assets measured at fair value through profit or loss - item 20

##### Financial assets held for trading: breakdown

Items/Amounts	30/06/2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>A. Cash assets</b>						
1. Debt securities	130,242	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	130,242	-	-	-	-	-
2. Equity securities	13,786	-	1,031	34,540	-	-
3. Mutual funds	28,412	71,181	-	34,398	69,196	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
<b>Total (A)</b>	<b>172,440</b>	<b>71,181</b>	<b>1,031</b>	<b>68,938</b>	<b>69,196</b>	<b>-</b>
<b>B. Derivative instruments</b>	-	-	-	-	-	-
1. Financial derivatives	382	33,701	-	729	35,176	-
1.1 for trading	382	33,701	-	729	35,176	-
1.2 associated with the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 for trading	-	-	-	-	-	-
2.2 associated with the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
<b>Total (B)</b>	<b>382</b>	<b>33,701</b>	<b>-</b>	<b>729</b>	<b>35,176</b>	<b>-</b>
<b>Total (A+B)</b>	<b>172,822</b>	<b>104,882</b>	<b>1,031</b>	<b>69,667</b>	<b>104,372</b>	<b>-</b>

##### Other financial assets mandatorily measured at fair value: breakdown

Items/Amounts	30/06/2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>1. Debt securities</b>	<b>89,770</b>	<b>-</b>	<b>23,644</b>	<b>80,345</b>	<b>-</b>	<b>14,409</b>
1.1 Structured securities	21,159	-	23,644	17,977	-	14,409
1.2 Other debt securities	68,611	-	-	62,368	-	-
<b>2. Equity securities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Mutual funds</b>	<b>-</b>	<b>39,043</b>	<b>224,752</b>	<b>-</b>	<b>36,425</b>	<b>214,000</b>
<b>4. Loans</b>	<b>-</b>	<b>-</b>	<b>197,884</b>	<b>-</b>	<b>-</b>	<b>220,659</b>
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	197,884	-	-	220,659
<b>Total</b>	<b>89,770</b>	<b>39,043</b>	<b>446,280</b>	<b>80,345</b>	<b>36,425</b>	<b>449,068</b>

The debt securities classified under this item are instruments that are part of a business model of financial instruments managed at fair value and not held for trading.

Mutual funds are made up of: equity funds and sicavs for 52.105 million euro, bond funds for 178.846 million euro, balanced and flexible funds for 17.421 million euro and real estate funds for 15.423 million euro.



With regard to mutual funds acquired as part of loan sales transactions included in bond and real estate funds, please refer to the specific paragraph in the notes Section "Information on risks and related hedging policies", subsection "Securitisation transactions and sale of assets".

## Financial assets measured at fair value through other comprehensive income - item 30

### Financial assets measured at fair value through other comprehensive income: breakdown

Items/Amounts	30/06/2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>1. Debt securities</b>	<b>2,838,466</b>	<b>-</b>	<b>103</b>	<b>2,562,616</b>	<b>-</b>	<b>154</b>
1.1 Structured securities	360,512	-	-	341,456	-	-
1.2 Other debt securities	2,477,954	-	103	2,221,160	-	154
<b>2. Equity securities</b>	<b>4,316</b>	<b>-</b>	<b>93,708</b>	<b>3,712</b>	<b>-</b>	<b>89,772</b>
<b>3. Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,842,782</b>	<b>-</b>	<b>93,811</b>	<b>2,566,328</b>	<b>-</b>	<b>89,926</b>

The debt securities portfolio is made up mostly of government securities held with the intent of receiving cash flows and benefiting from any gains deriving from their sale.

Equity securities also include equity investments held with a view to supporting the typical business and supporting the development of the local areas.



## Financial assets measured at amortised cost - item 40

### Financial assets measured at amortised cost: breakdown of loans and receivables with banks

Type of transaction/Amounts	30/06/2025						31/12/2024					
	Book value			Fair value			Book value			Fair value		
	First and second stage	Third stage	Impaired purchased or originated	Level 1	Level 2	Level 3	First and second stage	Third stage	Impaired purchased or originated	Level 1	Level 2	Level 3
<b>A. Loans and receivables with Central Banks</b>	<b>314,159</b>	-	-	-	-	<b>314,159</b>	<b>331,185</b>	-	-	-	-	<b>331,185</b>
1. Fixed-term deposits	-	-	-	-	-	-	-	-	-	-	-	-
2. Compulsory reserve	314,159	-	-	-	-	-	331,185	-	-	-	-	-
3. Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>B. Loans and receivables with banks</b>	<b>1,645,760</b>	<b>3,858</b>	<b>-</b>	<b>1,114,914</b>	<b>-</b>	<b>545,276</b>	<b>1,804,777</b>	<b>-</b>	<b>-</b>	<b>1,066,502</b>	<b>-</b>	<b>740,703</b>
1. Loans	520,909	3,858	-	-	-	528,263	728,656	-	-	-	-	731,345
1.1 Current accounts	-	-	-	-	-	-	-	-	-	-	-	-
1.2. Fixed-term deposits	349,923	-	-	-	-	-	639,060	-	-	-	-	-
1.3. Other loans:	170,986	3,858	-	-	-	-	89,596	-	-	-	-	-
- Reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
- Financing for leases	-	-	-	-	-	-	-	-	-	-	-	-
- Other	170,986	3,858	-	-	-	-	89,597	-	-	-	-	-
2. Debt securities	1,124,851	-	-	1,114,914	-	17,013	1,076,121	-	-	1,066,502	-	9,358
2.1 Structured securities	721,065	-	-	725,578	-	14,946	676,566	-	-	685,203	-	7,290
2.2 Other debt securities	403,786	-	-	389,336	-	2,067	399,555	-	-	381,299	-	2,068
<b>Total</b>	<b>1,959,919</b>	<b>3,858</b>	<b>-</b>	<b>1,114,914</b>	<b>-</b>	<b>859,435</b>	<b>2,135,962</b>	<b>-</b>	<b>-</b>	<b>1,066,502</b>	<b>-</b>	<b>1,071,888</b>

The above receivables are not subject to micro hedging.

The fair value of short-term loans or sight loans is assumed to be the same as their carrying amount.





## Financial assets measured at amortised cost: breakdown of loans and receivables with customers

Type of transaction/Amounts	30/06/2025					
	Book value			Fair value		
	First and second stage	Third stage	Impaired purchased or originated	Level 1	Level 2	Level 3
<b>1. Loans</b>	<b>35,366,930</b>	<b>376,156</b>	<b>90,934</b>	<b>509,129</b>	<b>-</b>	<b>36,584,663</b>
1. Current accounts	3,014,264	82,837	21,921	-	-	-
2. Reverse repurchase agreements	509,129	-	-	-	-	-
3. Mortgage loans	21,218,007	244,601	67,716	-	-	-
4. Credit cards, personal loans and salary-backed loans	625,195	7,215	328	-	-	-
5. Financing for leases	-	-	-	-	-	-
6. Factoring	4,275,364	5,676	-	-	-	-
7. Other loans	5,724,971	35,827	969	-	-	-
<b>2. Debt securities</b>	<b>9,140,076</b>	<b>-</b>	<b>-</b>	<b>7,932,767</b>	<b>-</b>	<b>1,125,022</b>
1. Structured securities	1,602,656	-	-	480,546	-	1,125,022
2. Other debt securities	7,537,420	-	-	7,452,221	-	-
<b>Total</b>	<b>44,507,006</b>	<b>376,156</b>	<b>90,934</b>	<b>8,441,896</b>	<b>-</b>	<b>37,709,685</b>

Type of transaction/Amounts	31/12/2024					
	Book value			Fair value		
	First and second stage	Third stage	Impaired purchased or originated	Level 1	Level 2	Level 3
<b>1. Loans</b>	<b>33,782,628</b>	<b>364,316</b>	<b>94,614</b>	<b>-</b>	<b>-</b>	<b>35,656,497</b>
1. Current accounts	3,136,669	80,147	19,558	-	-	-
2. Reverse repurchase agreements	-	-	-	-	-	-
3. Mortgage loans	20,447,774	238,390	71,331	-	-	-
4. Credit cards, personal loans and salary-backed loans	592,004	6,070	357	-	-	-
5. Financing for leases	-	-	-	-	-	-
6. Factoring	4,496,934	4,866	-	-	-	-
7. Other loans	5,109,247	34,843	3,368	-	-	-
<b>2. Debt securities</b>	<b>9,081,896</b>	<b>-</b>	<b>-</b>	<b>8,075,722</b>	<b>-</b>	<b>815,651</b>
1. Structured securities	1,293,626	-	-	463,345	-	815,651
2. Other debt securities	7,788,270	-	-	7,612,377	-	-
<b>Total</b>	<b>42,864,524</b>	<b>364,316</b>	<b>94,614</b>	<b>8,075,722</b>	<b>-</b>	<b>36,472,148</b>

Loans for an insignificant portion are specifically and generically hedged.

Loans include 2,331 million euro of residential mortgages, which were the subject of covered bond transactions by Banca Popolare di Sondrio. The securities issued under the covered bond programme were placed with institutional customers. Given that Banca Popolare di Sondrio maintained all of the risks and rewards of these mortgage loans, they have not been derecognised from the accounting records and have therefore been retained on the balance sheet.

Following the self-securitisation transaction put in place by the Bank as of June 2023, mortgage loans include 2,325 million euro of performing loans granted to SMEs, secured or unsecured, which formed the object of the transaction. Similar to the covered bond transaction, Banca Popolare di Sondrio retained all risks and rewards of the securitised loans, so they were not derecognised. Banca Popolare di Sondrio



retained all risks and rewards of the securitised loans, so they were not derecognised.

Item 2. Debt securities, include in the amount of 237.670 million euro senior securities issued by the vehicles Diana S.p.V., POP NPLs 2020 S.p.V., Luzzatti POP NPLs 2021 S.p.V., Luzzatti POP NPLs 2022 S.p.V., Luzzatti POP NPLs 2023 S.p.V., Luzzatti POP NPLs 2024 S.p.V., Platinum S.p.V.. For more information, please refer to the Securitisation transactions and sale of assets section of the Part on Information on risks and related hedging policies.

### Financial assets measured at amortised cost: gross value and total value adjustments

		Gross value					Total value adjustments				
		First stage	of which: Instruments with low credit risk	Second stage	Third stage	Impaired purchased or originated	First stage	Second stage	Third stage	Impaired purchased or total write- off	Partial
Debt securities		10,268,544	159,750	-	-	-	3,614	-	-	-	-
Loans		32,582,301	-	3,889,594	1,018,946	148,217	78,478	191,421	638,933	57,282	109,125
<b>Total</b>	<b>30/06/2025</b>	<b>42,850,845</b>	<b>159,750</b>	<b>3,889,594</b>	<b>1,018,946</b>	<b>148,217</b>	<b>82,092</b>	<b>191,421</b>	<b>638,933</b>	<b>57,282</b>	<b>109,125</b>
<b>Total</b>	<b>31/12/2024</b>	<b>41,653,524</b>	<b>73,163</b>	<b>3,637,661</b>	<b>958,778</b>	<b>158,982</b>	<b>78,039</b>	<b>212,661</b>	<b>594,461</b>	<b>64,368</b>	<b>104,818</b>



## Hedging derivatives - item 50

Banca Popolare di Sondrio has four macrohedging transactions in place against interest rate risk on an amount of loans classified in the amortised cost portfolio, whose fair value is negative and therefore reported in the Liabilities section.

## Change in value of macro-hedged financial assets - item 60

Value adjustment of hedged assets/Group components	30/06/2025	31/12/2024
<b>1. Positive adjustment</b>	<b>1,575</b>	<b>2,139</b>
1.1 of specific portfolios:	1,575	2,139
a) financial assets measured at amortised cost	1,575	2,139
b) financial assets measured at fair value through other comprehensive income	-	-
1.2 overall	-	-
<b>2. Negative adjustment</b>	<b>-</b>	<b>-</b>
2.1 of specific portfolios:	-	-
a) financial assets measured at amortised cost	-	-
b) financial assets measured at fair value through other comprehensive income	-	-
2.2 overall	-	-
<b>Total</b>	<b>1,575</b>	<b>2,139</b>

The balance of changes in the value of assets subject to macro-hedging against interest rate risk is recognised in this item, for which the Bank avails itself of the option, provided for by IFRS 9, to continue to apply the provisions permitted by IAS 39 in the "Carve-out" version.



## Equity investments - item 70

### Equity investments: changes in the year

	30/06/2025	31/12/2024
<b>A. Opening balance</b>	<b>402,758</b>	<b>376,357</b>
<b>B. Increases</b>	<b>15,445</b>	<b>27,792</b>
B.1 Purchases	1,443	940
B.2 Write-backs	-	-
B.3 Revaluations	-	-
B.4 Other changes	14,002	26,852
<b>C. Decreases</b>	<b>9,359</b>	<b>1,391</b>
C.1 Disposals	-	-
C.2 Value adjustments	-	-
C.3 Write-downs	92	241
C.4 Other changes	9,267	1,150
<b>D. Closing balance</b>	<b>408,844</b>	<b>402,758</b>
<b>E. Total revaluations</b>	<b>-</b>	<b>-</b>
<b>F. Total adjustments</b>	<b>(539)</b>	<b>(447)</b>

Other increases and decreases mainly derive from the measurement of investees under the equity method.

## Property, equipment and investment property - item 90

### Property, equipment and investment property used for business purposes: breakdown of assets measured at cost

Assets/Amounts	30/06/2025	31/12/2024
<b>1. Owned assets</b>	<b>97,343</b>	<b>370,315</b>
a) land	-	75,634
b) buildings	-	199,092
c) furniture	6,552	6,795
d) electronic equipment	6,225	5,956
e) other	84,566	82,838
<b>2. Rights of use acquired through leases</b>	<b>148,198</b>	<b>141,437</b>
a) land	-	-
b) buildings	147,900	141,098
c) furniture	-	-
d) electronic equipment	136	176
e) other	162	163
<b>Total</b>	<b>245,541</b>	<b>511,752</b>
of which: obtained through enforcement of guarantees received	-	-

For a correct understanding of the change in balances, it should be noted that the reduction in the item "owned assets" is due to the change in the presentation criterion of property used for business purposes; these are now shown in the table below "Property, equipment and investment property used for business purposes: breakdown of revalued assets", following the aforementioned change.



## Property, equipment and investment property used for business purposes: breakdown of revalued assets

Assets/Amounts	30/06/2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>1. Owned assets</b>	-	-	<b>486,971</b>	-	-	-
a) land	-	-	140,618	-	-	-
b) buildings	-	-	346,353	-	-	-
c) furniture	-	-	-	-	-	-
d) electronic equipment	-	-	-	-	-	-
e) other	-	-	-	-	-	-
<b>2. Rights of use acquired through leases</b>	-	-	-	-	-	-
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
c) furniture	-	-	-	-	-	-
d) electronic equipment	-	-	-	-	-	-
e) other	-	-	-	-	-	-
<b>Total</b>	-	-	<b>486,971</b>	-	-	-
of which: obtained through enforcement of guarantees received	-	-	-	-	-	-

## Property, equipment and investment property held for investment purposes: breakdown of assets measured at fair value

Assets/Amounts	30/06/2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>1. Owned assets</b>	-	-	<b>79,990</b>	-	-	<b>80,396</b>
a) land	-	-	-	-	-	-
b) buildings	-	-	79,990	-	-	80,396
<b>2. Rights of use acquired through leases</b>	-	-	-	-	-	-
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
<b>Total</b>	-	-	<b>79,990</b>	-	-	<b>80,396</b>
of which: obtained through enforcement of guarantees received	-	-	-	-	-	-



## Inventories of property, equipment and investment property governed by IAS 2: breakdown

Assets/Amounts	30/06/2025	31/12/2024
<b>1. Inventories of property, equipment and investment property obtained through enforcement of guarantees received</b>	<b>58,017</b>	<b>58,784</b>
a) land	4,970	4,970
b) buildings	53,047	53,814
c) furniture	-	-
d) electronic equipment	-	-
e) other	-	-
<b>2. Other inventories of property, equipment and investment property</b>	<b>139</b>	<b>12,647</b>
<b>Total</b>	<b>58,156</b>	<b>71,431</b>
of which: measured at fair value less costs to sell	-	-





## Intangible assets - item 100

### Intangible assets: breakdown by type of asset

Assets/Amounts	30/06/2025		31/12/2024	
	Finite life	Indefinite life	Finite life	Indefinite life
<b>A.1 Goodwill</b>	-	<b>12,632</b>	-	<b>12,632</b>
A.1.1 attributable to the Group	-	12,632	-	12,632
A.1.2 attributable to non-controlling interests	-	-	-	-
<b>A.2 Other intangible assets</b>	<b>26,700</b>	-	<b>23,204</b>	-
of which: software	26,685	-	<b>23,188</b>	-
A.2.1 Assets measured at cost:	26,700	-	23,204	-
a) Intangible assets generated internally	14	-	15	-
b) Other assets	26,686	-	23,189	-
A.2.2 Assets measured at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
<b>Total</b>	<b>26,700</b>	<b>12,632</b>	<b>23,204</b>	<b>12,632</b>

Intangible assets with indefinite useful life recognised in the consolidated financial statements are represented by goodwill recognised in the context of business combinations following the completion of the acquisition cost allocation process carried out in accordance with IFRS 3. In particular, goodwill concerns:

- *Factorit S.p.a* for an amount of 7.847 million euro; the company operates in the sector of advances, guarantees and management of trade receivables of companies. The acquisition of control took place in 2010, on 1 March 2022, the purchase of the non-controlling shares was finalised and the interest held by Banca Popolare di Sondrio thus increased from 60.5% to 100%;
- *Prestinuova S.p.a.* for an amount of 4.785 million euro; the company was acquired on 23 July 2018. This company operated in the granting of loans repayable by assigning a fifth of one's salary or pension. On 24 June 2019, the merger by incorporation of PrestiNuova S.p.A. into Banca della Nuova Terra S.p.A. ("BNT") was finalised, which now carries out this activity, the latter company also being wholly-owned by Banca Popolare di Sondrio.

According to IAS 36, intangible assets with indefinite useful life must be tested for impairment at least annually in order to verify their recoverability. The test is performed on 31 December of each year and, in any case, whenever indicators of impairment are detected. In the absence of said indicators, no impairment test was deemed necessary.



## Non-current assets and groups of assets held for sale and associated liabilities - asset item 120 and liability item 70

As at 31 December 2024, this item included financial assets of about 109 million euro attributable to the Platinum transaction. The transaction was completed in June 2025, therefore there were no assets classified in this item as at 30 June 2025.

### Other assets - item 130

#### Other assets: breakdown

	30/06/2025	31/12/2024
Advances paid to tax authorities	114,182	77,995
Tax credits "Cura Italia" and "Rilancio" Law Decrees	1,792,948	2,137,106
Tax credits and related interest	17,116	5,417
Current account cheques drawn on third parties	17,401	16,318
Current account cheques drawn on Group banks	631	545
Transactions in customers' securities	9,865	23,738
Advances to suppliers	376	2,132
Advances to customers awaiting collections	19,965	24,720
Miscellaneous debits in transit	38,658	38,294
Liquid assets serving pension and similar obligations	34,348	24,965
Accrued income not allocated	43,643	59,568
Prepayments not allocated	45,374	46,261
Differences on elimination	4,986	13,413
Residual items	172,054	161,407
<b>Total</b>	<b>2,311,547</b>	<b>2,631,879</b>

Item 130 "Other assets" is composed primarily of tax credits connected with the "*Cura Italia*" and "*Rilancio*" Law Decrees, amounting to 1,792.948 million euro. For further details, reference should be made to Section 16 of these Notes. Other information.



## Liabilities

### Financial liabilities measured at amortised cost - item 10

#### Financial liabilities measured at amortised cost: breakdown of due to banks

Type of transaction/Amounts	30/06/2025				31/12/2024			
	Book value	Fair Value			Book value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>1. Due to central banks</b>	<b>1,222</b>	-	-	-	<b>18,561</b>	-	-	-
<b>2. Due to banks</b>	<b>4,526,523</b>	-	-	-	<b>6,209,989</b>	-	-	-
2.1 Current accounts and sight deposits	462,618	-	-	-	716,218	-	-	-
2.2 Fixed-term deposits	1,099,466	-	-	-	1,045,779	-	-	-
2.3 Loans	2,941,154	-	-	-	4,426,467	-	-	-
2.3.1 Repurchase agreements	2,508,476	-	-	-	3,953,993	-	-	-
2.3.2 Other	432,678	-	-	-	472,474	-	-	-
2.4 Payables for commitments to repurchase own equity instruments	-	-	-	-	-	-	-	-
2.5 Lease payables	-	-	-	-	-	-	-	-
2.6 Other payables	23,285	-	-	-	21,525	-	-	-
<b>Total</b>	<b>4,527,745</b>	-	-	<b>4,527,745</b>	<b>6,228,550</b>	-	-	<b>6,228,550</b>

These payables are not specifically hedged.

"Loans - Other" are made up principally of funding set up by EIB in connection with loans granted by this institution on the basis of the convention stipulated with it.

Since these payables are predominantly sight or short-term payables, the book value is considered a good approximation of fair value.



## Financial liabilities measured at amortised cost: breakdown of due to customers

Type of transaction/Amounts	30/06/2025				31/12/2024			
	Book value	Fair Value			Book value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Current accounts and sight deposits	32,857,792	-	-	-	32,181,375	-	-	-
2. Fixed-term deposits	4,044,572	-	-	-	5,486,445	-	-	-
3. Loans	2,204,481	-	-	-	1,471,044	-	-	-
3.1 Repurchase agreements	2,204,481	-	-	-	1,471,044	-	-	-
3.2 Other	-	-	-	-	-	-	-	-
4. Payables for commitments to repurchase own equity instruments	-	-	-	-	-	-	-	-
5. Lease payables	153,240	-	-	-	146,293	-	-	-
6. Other payables	116,644	-	-	-	61,252	-	-	-
<b>Total</b>	<b>39,376,729</b>	-	-	<b>39,376,729</b>	<b>39,346,409</b>	-	-	<b>39,346,409</b>

These payables are not specifically hedged.

The fair value is assumed to be the same as the book value as the amounts are short-term or due at sight.

## Financial liabilities measured at amortised cost: breakdown of securities issued

Type of securities/Amounts	30/06/2025				31/12/2024			
	Book value	Fair Value			Book value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>A. Securities</b>								
1. bonds	5,555,817	5,415,613	281,983	-	5,088,450	4,902,669	295,879	-
1.1 structured	2,307,836	2,204,124	183,730	-	2,330,231	2,195,826	198,349	-
1.2 other	3,247,981	3,211,489	98,253	-	2,758,219	2,706,843	97,530	-
2. other securities	101,674	-	101,673	-	65,632	-	65,632	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	101,674	-	101,673	-	65,632	-	65,632	-
<b>Total</b>	<b>5,657,491</b>	<b>5,415,613</b>	<b>383,656</b>	-	<b>5,154,082</b>	<b>4,902,669</b>	<b>361,511</b>	-

The fair value of the sub-item other securities is equal to the book value as this item includes short-term bankers' drafts and similar documents.

The level 1 securities mostly relate to bonds listed on the HI-MTF market (Multilateral Trading Facility).



## Financial liabilities held for trading - item 20

### Financial liabilities held for trading: breakdown

Type of transaction/Amounts	30/06/2025					31/12/2024				
	Fair Value					Fair Value				
	NV	Level 1	Level 2	Level 3	FV*	NV	Level 1	Level 2	Level 3	FV*
<b>A. Cash liabilities</b>										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	-	-	-	-	-	-
3.1.2 Other bonds	-	-	-	-	-	-	-	-	-	-
3.2 Other securities	-	-	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	-	-	-	-	-	-	-
3.2.2 Other	-	-	-	-	-	-	-	-	-	-
<b>Total (A)</b>	-	-	-	-	-	-	-	-	-	-
<b>B. Derivative instruments</b>										
1. Financial derivatives	-	41	42,899	-	-	-	168	16,393	-	-
1.1 For trading	-	41	42,899	-	-	-	168	16,393	-	-
1.2 Associated with the fair value option	-	-	-	-	-	-	-	-	-	-
1.3 Other	-	-	-	-	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-	-	-	-	-
2.1 For trading	-	-	-	-	-	-	-	-	-	-
2.2 Associated with the fair value option	-	-	-	-	-	-	-	-	-	-
2.3 Other	-	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	-	<b>41</b>	<b>42,899</b>	-	-	-	<b>168</b>	<b>16,393</b>	-	-
<b>Total (A+B)</b>	-	<b>41</b>	<b>42,899</b>	-	-	-	<b>168</b>	<b>16,393</b>	-	-

FV\* = Fair Value calculated excluding the differences in value due to changes in the issuer's credit rating since the issue date

NV = Nominal or notional value



## Hedging derivatives - item 40

### Hedge derivatives: breakdown by hedge type and levels

	Fair value 30/06/2025			NV 30/06/2025	Fair value 31/12/2024			NV 31/12/2024
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>A. Financial derivatives</b>	-	<b>1,991</b>	-	<b>57,002</b>	-	<b>2,426</b>	-	<b>59,243</b>
1) Fair value	-	1,991	-	57,002	-	2,426	-	59,243
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1,991</b>	-	<b>57,002</b>	-	<b>2,426</b>	-	<b>59,243</b>

NV = Nominal Value

## Other liabilities - item 80

### Other liabilities: breakdown

	30/06/2025	31/12/2024
Amounts at the disposal of third parties	584,448	406,262
Taxes to be paid on behalf of third parties	440,725	158,292
Taxes to be paid	482	9,420
Employee salaries and contributions	24,506	23,163
Suppliers	30,523	44,914
Transit accounts for sundry entities	42,019	17,004
Invoices to be received	33,429	21,287
Credits in transit for financial transactions	296	86
Value date differentials on portfolio transactions	519,708	240,257
Directors' and statutory auditors' emoluments	168	34
Loans granted to customers to be finalised	5,620	5,260
Miscellaneous credit items being settled	88,553	67,033
Accrued expenses not allocated	44,471	34,541
Deferred income not allocated	17,623	17,496
Differences on elimination	81,765	74,944
Residual items	163,018	108,652
<b>Total</b>	<b>2,077,355</b>	<b>1,228,645</b>

The "value date differentials on portfolio transactions" relate to the notes received and sent for collection with recourse or for crediting after collection, which are only recognised in the balance sheet on settlement.



## Termination indemnities - item 90

### Termination indemnities: changes in the year

	30/06/2025	31/12/2024
<b>A. Opening balance</b>	<b>32,577</b>	<b>33,459</b>
<b>B. Increases</b>	<b>5,412</b>	<b>11,974</b>
B.1 Provisions for the year	5,363	10,921
B.2 Other changes	49	1,053
- of which business combinations	-	-
<b>C. Decreases</b>	<b>7,013</b>	<b>12,856</b>
C.1 Payments made	1,356	2,377
C.2 Other changes	5,657	10,479
- of which business combinations	-	-
<b>D. Closing balance</b>	<b>30,976</b>	<b>32,577</b>
<b>Total</b>	<b>30,976</b>	<b>32,577</b>

## Provisions for risk and charges - item 100

### Provisions for risks and charges: breakdown

Items/Components	30/06/2025	31/12/2024
1. Provisions for credit risk related to commitments and financial guarantees given	47,066	49,167
2. Provisions on other commitments and other guarantees given	37,007	39,660
3. Pension and similar obligations	187,471	189,432
4. Other provisions for risks and charges	107,795	112,308
4.1 legal and tax disputes	89,862	84,246
4.2 personnel expenses	16,136	25,726
4.3 other	1,797	2,336
<b>Total</b>	<b>379,339</b>	<b>390,567</b>

The pension fund, as at 30 June 2025, of 187.471 million euro consists of the pension fund for Banca Popolare di Sondrio's personnel of 160.435 million euro and the actuarial liabilities linked to the supplementary pension plan for employees of BPS Suisse SA of 27.036 million euro.

Banca Popolare di Sondrio's pension plan for employees is an internal defined-benefit plan intended to supplement the pension paid to retired employees by the State. The plan is funded by contributions from the Bank and from employees which are determined on a percentage of income basis and credited each month. This plan is also a separate fund pursuant to Art. 2117 of the Italian Civil Code.

The amount of the fund is adjusted taking into account the closed group of members referred to 28/4/1993. This closed group consists of 253 employees and 351 pensioners. Pursuant to current internal agreements, employees hired after 28/04/1993 have been given the chance to enrol in an open-ended supplementary pension fund, for which Arca Previdenza F.P.A. had been chosen.

BPS Suisse SA is a member of the BVG collective foundation of Rentenanstalt, which guarantees a professional pension to its employees through Swiss Life.

The adequacy of the fund with respect to the present value of the obligations at the reference date is verified periodically using calculations prepared by an independent actuary, making demographic assumptions that distinguish between age and gender, as well as technical-economic assumptions that





reflect the theoretical changes in earnings and payments. The technical assessments are based on dynamic economic and financial assumptions. The discounting rate reflects the yield on prime bonds.

## Sensitivity analysis

### **Banca Popolare di Sondrio Spa**

- +0.25% change in the discount rate, the liability decreased by 3.313 million euro;
- -0.25% change in the discount rate, the liability increased by 3.475 million euro;
- +0.25% change in the inflation rate, the liability increased by 2.289 million euro;
- -0.25% change in the inflation rate, the liability decreased by 2.226 million euro.

### **Banca Popolare di Sondrio (Suisse) SA**

- +0.50% change in the discount rate, the liability decreased by 7.934 million euro;
- -0.50% change in the discount rate, the liability increased by 8.906 million euro;
- +0.50% change in the salary increase rate, the liability increased by 0.648 million euro;
- -0.50% change in the salary increase rate, the liability decreased by 0.648 million euro.

## Provisions for risks and charges - other provisions

The provision for legal disputes covers outstanding disputes regarding, in particular, claims for repayment from the liquidators of bankrupt customers, concerning positions classified as bad loans or which have already been written off, and other disputes that have arisen in the ordinary course of business. The provision also includes an allocation for the period for pending legal actions in connection with tax credits acquired. For further details, reference should be made to these Notes under Section "16. Other information "sub-section" Accounting treatment of tax credits connected with the "Cura Italia" ("Cure Italy") and "Rilancio" ("Relaunch") Decrees".

The duration of such disputes is difficult to assess, given the extended time required in order to obtain justice. The item increased by 5.616 million euro due to the difference between the provisions of the period and the release of provisions set aside in prior years.

As at 30 June 2025, a number of disputes, other than tax-related ones, were pending, with a total claim amount of about 485 million euro. This amount includes all existing disputes regardless of the estimate of the risk of disbursement of economic resources deriving from the potential loss. It therefore also includes disputes with a remote risk.

The following paragraphs provide brief information on the disputes considered significant, mainly those with higher claims as well as on cases considered significant.

- Claims for "indemnification" relating to loans sold as part of the securitisation transactions called "Diana", "Pop NPLs 2020", "Pop NPLs 2021", "Pop NPLs 2022", "Pop NPLs 2023", "Pop NPLs 2024" and "Platinum". The assignee companies have the contractual right to make claims for compensation for alleged breaches of the guarantees given by the bank on the portfolio of assigned receivables. As regards the "Diana" transaction, 131 requests for a potential amount of 44.68 million euro are pending, for which a provision of 8.90 million euro has been made. On the other hand, with regard to the "PopSo NPLS 2020" transaction, 42 requests are pending for a potential amount of 5.45 million euro, for which a provision of 3.02 million euro has been set aside, for the "Pop NPLS 2021" transaction, 145 requests are pending for a potential amount of 9 million euro, for which a provision of 3.85 million euro has been set aside. Lastly, as regards the "Pop NPLS 2022" transaction, 27 requests for a potential amount of 3.99 million euro are pending, for which a provision of 0.77 million euro has been made. For the "POP NPLS 2023", "POP NPLs 2024" and "Platinum" transactions, no claims were currently received.



- Disputes relating to compound interest and usury. The disputes falling within this line of litigation for years represented a significant part of the litigation brought against the Italian banking system. For disputes relating to compound interest, the petitem is equal to approximately 3.77 million euro, with provisions for 0.27 million euro, while for those relating to usury, the petitem is equal to 3.16 million euro, with provisions for 2.21 million euro.
- Clawback actions in insolvency proceedings. 10 disputes were pending for a *petitem* of 6.50 million euro, with a provision of 2.63 million euro. None with a request for a refund of a particularly significant amount.
- AMA - Azienda Municipale Ambiente s.p.a. In December 2020, the Bank was notified of the summons before the Court of Rome, concerning the requests for assessment and declaration of the nullity or cancellation of the transaction in financial instruments called "Interest Rate Swap" stipulated on 30 September 2010 and the repayment of amounts unduly received by the Bank for 20.67 million euro. In a judgement delivered on 23 February 2025, the Court of Rome rejected AMA s.p.a.'s request. Six months begin to run from the publication of the judgement within which AMA s.p.a. may decide to appeal the decision. The risk of losing appears "possible".
- Bankruptcy of Interservice s.r.l. in liquidation. In February 2015, the bankruptcy procedure sued the Bank before the Court of Milan with a request for compensation for the damage caused to the company by the illegal conduct of its director, quantified at 14.65 million euro. With a sentence published on 26 May 2020, the Court rejected the plaintiff's request, but the plaintiff has filed an appeal. The Court of Appeal of Milan ordered the bank to repay more than 7 million euro. An appeal has been filed with the Court of Cassation and a hearing for discussion is pending. The risk of losing the case appears "probable", although negotiations are pending for the settlement of all pending claims with the assignee, which has taken over the entire mass of claims from the judicial liquidation procedure.
- Ginevra s.r.l. In January 2019, the company and the shareholders Giuliana Piovan and Gianpiero De Luca sued the Bank before the Court of Genoa with a request for compensation, quantified at 11.40 million euro, for contractual liability for failure to grant credit, compound interest and usury. At the hearing on 13 June 2023, deadlines were set for the filing of final pleadings. The Court of Genoa ruled in favour of the Bank. The unsuccessful parties appealed the decision and the Bank entered an appearance requesting the dismissal of the appeal. At the hearing of 4 July 2025, the Investigating Judge referred the case to the Court for a decision. By judgement No. 919/2025, the Court of Appeal of Genoa rejected the appeal brought by the counterparties, confirming the contested judgement in its entirety.
- Società Italiana per le Condotte d'Acqua s.p.a. In December 2022, a summons was notified concerning the damage caused to the Company by the bank for having granted credit despite the alleged state of crisis and the lack of concrete prospects of overcoming the crisis. The amount of the application, carried out jointly with other credit institutions, is 389 million euro. The bank filed an appearance to reject the charge as unfounded and lacking evidentiary support. The first hearing was set for 24 February 2025 and then postponed to 18 November 2025.

The provision for personnel expenses essentially relates to the cost of untaken holidays and the potential cost of employee long-service bonuses. It decreased by 9.590 million euro, -37.28%.

Other provisions include Banca Popolare di Sondrio's provision for charitable donations consisting of net profits authorised by the shareholders of 1.765 million euro used to make approved donations. It was increased by 0.500 million euro when allocating the 2024 profit.



## Group equity - Items 120, 130, 140, 150, 160, 170, 190 and 200

Share capital comprises 453,385,777 issued and fully-paid ordinary shares, without nominal value, totalling 1,360.157 million euro. All shares in circulation have dividend and voting rights from 1 January 2025.

At period-end, Banca Popolare di Sondrio held treasury shares with a carrying amount of 25.048 million euro. As at 30 June 2025, equity, including non-controlling interests and profit for the period, amounted to 4,329 million euro, compared to 4,156 million euro as at 31 December 2024, an overall net increase of 173 million euro. The change resulted mainly from the allocation of the 2024 profit, the recognition of the profit for the period and the change in reserves and the valuation reserves.



## Other information

### Commitments and financial guarantees given

	Nominal value on commitments and financial guarantees given				Total 30/06/2025	Total 31/12/2024
	First stage	Second stage	Third stage	Impaired purchased or originated		
1. Commitments to grant loans	14,096,653	2,404,882	100,621	7,928	16,610,084	18,423,725
a) Central banks	-	-	-	-	-	-
b) Public administrations	676,638	139,422	-	-	816,060	916,002
c) Banks	99,805	58,452	-	-	158,257	282,643
d) Other financial companies	1,271,563	31,027	555	-	1,303,145	1,705,124
e) Non-financial companies	10,170,291	1,915,736	94,537	7,343	12,187,907	13,071,181
f) Households	1,878,356	260,245	5,529	585	2,144,715	2,448,775
2. Financial guarantees given	806,887	96,352	11,537	-	914,776	924,600
a) Central banks	-	-	-	-	-	-
b) Public administrations	5,965	184	-	-	6,149	10,525
c) Banks	14,262	166	-	-	14,428	17,811
d) Other financial companies	78,433	41	121	-	78,595	71,852
e) Non-financial companies	638,104	83,935	10,969	-	733,008	773,215
f) Households	70,123	12,026	447	-	82,596	51,197

### Other commitments and other guarantees given

	Nominal value	
	Total 30/06/2025	Total 31/12/2024
<b>Other guarantees given</b>	<b>4,492,882</b>	<b>4,533,991</b>
of which: non-performing exposures	75,785	94,699
a) Central banks	-	-
b) Public administrations	128,622	132,608
c) Banks	293,449	271,219
d) Other financial companies	17,909	19,200
e) Non-financial companies	3,869,933	3,922,395
f) Households	182,969	188,569
<b>Other commitments</b>	<b>5,032,312</b>	<b>4,795,162</b>
of which: non-performing exposures	39,120	26,918
a) Central banks	-	-
b) Public administrations	35,536	32,724
c) Banks	418,078	444,621
d) Other financial companies	59,881	59,135
e) Non-financial companies	4,404,044	4,163,381
f) Households	114,773	95,301



## Management and brokerage for third parties

Type of service	Amount
<b>1. Execution of orders on behalf of customers</b>	<b>707,274</b>
a) purchases	455,960
1. settled	452,217
2. not settled	3,743
b) sales	251,314
1. settled	247,280
2. not settled	4,034
<b>2. Portfolio management</b>	<b>2,214,090</b>
a) individual	2,214,090
b) collective	-
<b>3. Custody and administration of securities</b>	<b>85,235,304</b>
a) third-party securities on deposit: associated with activities as a custodian bank (excluding portfolio management)	4,779,768
1. securities issued by companies included in the consolidation	-
2. other securities	4,779,768
b) third-party securities on deposit (excluding portfolio management): other	29,621,164
1. securities issued by companies included in the consolidation	1,792,010
2. other securities	27,829,154
c) third-party securities on deposit with third parties	34,435,788
d) own securities held by other custodians	16,398,584
<b>4. Other transactions</b>	<b>7,587,050</b>



## Information on the consolidated Income statement

### Interest - items 10 and 20

#### Interest and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other transactions	30/06/2025	30/06/2024
<b>1. Financial assets measured at fair value through profit or loss:</b>	<b>3,766</b>	<b>3,836</b>	<b>-</b>	<b>7,602</b>	<b>8,621</b>
1.1 Financial assets held for trading	1,894	-	-	1,894	772
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	1,872	3,836	-	5,708	7,849
<b>2. Financial assets measured at fair value through other comprehensive income</b>	<b>26,878</b>	<b>-</b>	<b>-</b>	<b>26,878</b>	<b>49,840</b>
<b>3. Financial assets measured at amortised cost:</b>	<b>138,757</b>	<b>662,739</b>	<b>-</b>	<b>801,496</b>	<b>972,407</b>
3.1 Loans and receivables with banks	17,082	36,948	-	54,030	106,650
3.2 Loans and receivables with customers	121,675	625,791	-	747,466	865,757
<b>4. Hedging derivatives</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>276</b>
<b>5. Other assets</b>	<b>-</b>	<b>-</b>	<b>69,724</b>	<b>69,724</b>	<b>55,899</b>
<b>6. Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>
<b>Total</b>	<b>169,401</b>	<b>666,575</b>	<b>69,732</b>	<b>905,707</b>	<b>1,087,047</b>
of which: interest income on impaired financial assets	-	24,491	-	24,491	27,240
of which: interest income on financial lease	-	-	-	-	-

Other assets include interest on tax credits related to the "Cura Italia" and "Rilancio" Law Decrees purchased (69.435 million euro compared to 55.747 million euro in the first half of 2024).



## Interest and similar expense: breakdown

Items/Technical forms	Payables	Securities	Other transactions	30/06/2025	30/06/2024
<b>1. Financial liabilities measured at amortised cost</b>	<b>(251,621)</b>	<b>(98,184)</b>	<b>-</b>	<b>(349,805)</b>	<b>(548,929)</b>
1.1 Due to central banks	(768)	-	-	(768)	(71,243)
1.2 Due to banks	(66,248)	-	-	(66,248)	(87,242)
1.3 Due to customers	(184,605)	-	-	(184,605)	(296,923)
1.4 Securities issued	-	(98,184)	-	(98,184)	(93,521)
<b>2. Financial liabilities held for trading</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Financial liabilities designated at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4. Other liabilities and provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5. Hedging derivatives</b>	<b>-</b>	<b>-</b>	<b>(166)</b>	<b>(166)</b>	<b>(7)</b>
<b>6. Financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8)</b>	<b>(52)</b>
<b>Total</b>	<b>(251,621)</b>	<b>(98,184)</b>	<b>(166)</b>	<b>(349,979)</b>	<b>(548,988)</b>
of which: interest expense on lease payables	(1,476)	-	-	(1,476)	(1,447)

Interest from central banks decreased as a result of the repayments made during the financial year 2024 on the T-LTRO refinancing operations; in the half-year 2024, interest expenses of 71 million euro had accrued on these operations.

## Differentials relating to hedging transactions

Items	30/06/2025	30/06/2024
A. Positive differentials relating to hedging transactions	8	276
B. Negative differentials relating to hedging transactions	(166)	(7)
<b>C. Balance (A-B)</b>	<b>(158)</b>	<b>269</b>





## Commissions - items 40 and 50

### Fee and commission income: breakdown

Type of service/Amounts	30/06/2025	30/06/2024
<b>a) Financial instruments</b>	<b>49,679</b>	<b>41,715</b>
1. Placement of securities	27,676	22,110
1.1 On a firm and/or irrevocable commitment basis	-	-
1.2 Without irrevocable commitment	27,676	22,110
2. Receiving and sending orders and execution of orders on behalf of customers	13,060	10,932
2.1 Receiving and sending orders for one or more financial instruments	11,206	9,296
2.2 Execution of orders on behalf of customers	1,854	1,636
3. Other commissions related to activities linked to financial instruments	8,943	8,673
of which: trading on own account	65	47
of which: individual portfolio management	6,232	6,073
<b>b) Corporate Finance</b>	<b>-</b>	<b>-</b>
1. Mergers and acquisitions advisory services	-	-
2. Treasury services	-	-
3. Other commissions related to corporate finance services	-	-
<b>c) Investment advisory activities</b>	<b>9</b>	<b>42</b>
<b>d) Compensation and settlement</b>	<b>-</b>	<b>-</b>
<b>e) Collective portfolio management</b>	<b>-</b>	<b>-</b>
<b>f) Custody and administration</b>	<b>9,689</b>	<b>9,559</b>
1. Custodian bank	2,997	3,307
2. Other commissions related to custody and administration activities	6,692	6,252
<b>g) Central administrative services for collective portfolio management</b>	<b>-</b>	<b>-</b>
<b>h) Fiduciary business</b>	<b>-</b>	<b>-</b>
<b>i) Payment services</b>	<b>76,606</b>	<b>77,165</b>
1. Current accounts	24,971	24,041
2. Credit cards	9,214	8,087
3. Debit cards and other payment cards	8,751	9,052
4. Bank transfers and other payment orders	27,415	29,750
5. Other fees related to payment services	6,255	6,235
<b>j) Distribution of third-party services</b>	<b>17,582</b>	<b>16,497</b>
1. Collective portfolio management	-	-
2. Insurance products	15,614	14,276
3. Other products	1,968	2,221
of which: individual portfolio management	-	-
<b>k) Structured finance</b>	<b>-</b>	<b>-</b>
<b>l) Servicing for securitisation transactions</b>	<b>-</b>	<b>-</b>
<b>m) Commitments to make loans</b>	<b>-</b>	<b>-</b>
<b>n) Financial guarantees given</b>	<b>21,545</b>	<b>19,704</b>
of which: credit derivatives	-	-
<b>o) Financing transactions</b>	<b>52,990</b>	<b>48,173</b>
of which: for factoring transactions	19,426	18,298
<b>p) Trading in foreign currencies</b>	<b>-</b>	<b>-</b>
<b>q) Goods</b>	<b>-</b>	<b>-</b>
<b>r) Other commission income</b>	<b>10,593</b>	<b>10,841</b>
of which: for management of multilateral trading systems	-	-
of which: for management of organised trading systems	-	-
<b>Total</b>	<b>238,693</b>	<b>223,696</b>

Commission income increased by 6.71% from 223.696 million euro to 238.693 million euro, mainly due to the increase in commission related to the granting of financial guarantees and those related to financing transactions and to financial instruments.



## Fee and commission expense: breakdown

Type of service/Amounts	30/06/2025	30/06/2024
<b>a) Financial instruments</b>	<b>(1,791)</b>	<b>(1,654)</b>
of which: trading of financial instruments	(1,791)	(1,654)
of which: placement of financial instruments	-	-
of which: individual portfolio management	-	-
- Own	-	-
- Delegated to third parties	-	-
<b>b) Compensation and settlement</b>	<b>-</b>	<b>-</b>
<b>c) Collective portfolio management</b>	<b>-</b>	<b>-</b>
1. Own	-	-
2. Delegated to third parties	-	-
<b>d) Custody and administration</b>	<b>(2,041)</b>	<b>(1,879)</b>
<b>e) Collection and payment services</b>	<b>(2,540)</b>	<b>(2,504)</b>
of which: credit cards, debit cards and other payment cards	(1,334)	(1,280)
<b>f) Servicing for securitisation transactions</b>	<b>-</b>	<b>-</b>
<b>g) Commitments to receive funds</b>	<b>-</b>	<b>-</b>
<b>h) Financial guarantees received</b>	<b>(2,478)</b>	<b>(2,805)</b>
of which: credit derivatives	-	-
<b>i) Door-to-door distribution of financial instruments, products and services</b>	<b>-</b>	<b>-</b>
<b>j) Trading in foreign currencies</b>	<b>-</b>	<b>-</b>
<b>k) Other commission expenses</b>	<b>(2,390)</b>	<b>(2,188)</b>
<b>Total</b>	<b>(11,240)</b>	<b>(11,030)</b>

## Dividends and similar income - item 70

### Dividends and similar income: breakdown

Items/Income	30/06/2025		30/06/2024	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	327	17	913	69
B. Other financial assets mandatorily measured at fair value	-	1,075	-	1,377
C. Financial assets measured at fair value through other comprehensive income	4,358	136	750	113
D. Equity investments	-	-	-	-
<b>Total</b>	<b>4,685</b>	<b>1,228</b>	<b>1,663</b>	<b>1,559</b>



## Net trading income - item 80

### Net trading income: breakdown

Transactions/Income items	Gains (A)	Trading profits (B)	Losses (C)	Trading losses (D)	Profit (loss) [(A+B)-(C+D)]
<b>1. Financial assets held for trading</b>	<b>6,118</b>	<b>67,622</b>	<b>(17,965)</b>	<b>(2,502)</b>	<b>53,273</b>
1.1 Debt securities	-	516	(240)	(14)	262
1.2 Equity securities	220	2,628	(1,052)	-	1,796
1.3 Mutual funds	1,100	1,431	(1,767)	-	764
1.4 Loans	-	-	-	-	-
1.5 Other	4,798	63,047	(14,906)	(2,488)	50,451
<b>2. Financial liabilities held for trading</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
<b>3. Financial assets and liabilities: exchange differences</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,822)</b>
<b>4. Derivatives</b>	<b>1,644</b>	<b>9,644</b>	<b>(1,949)</b>	<b>(7,846)</b>	<b>1,637</b>
4.1 Financial derivatives:	1,644	9,644	(1,949)	(7,846)	1,637
- On debt securities and interest rates	947	1,355	(1,115)	(1,174)	13
- On equity securities and stock indices	225	6,347	(347)	(4,785)	1,440
- On currency and gold	-	-	-	-	144
- Other	472	1,942	(487)	(1,887)	40
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges related to the fair value option	-	-	-	-	-
<b>Total</b>	<b>7,762</b>	<b>77,266</b>	<b>(19,914)</b>	<b>(10,348)</b>	<b>41,088</b>

Net trading income amounted to 41.088 million euro, down from 56.484 million euro in the first half of 2024.



## Net hedging gain (loss) - item 90

### Net hedging gain (loss): breakdown

Income items/Amounts	30/06/2025	30/06/2024
<b>A. Income related to:</b>		
A.1 Fair value hedging derivatives	467	1,209
A.2 Hedged financial assets (fair value)	-	14
A.3 Hedged financial liabilities (fair value)	-	-
A.4 Financial derivatives - Cash-flow hedges	-	-
A.5 Assets and liabilities denominated in foreign currencies	-	-
<b>Total hedging income (A)</b>	<b>467</b>	<b>1,223</b>
<b>B. Charges relating to:</b>		
B.1 Fair value hedging derivatives	23	(7)
B.2 Hedged financial assets (fair value)	(582)	(1,214)
B.3 Hedged financial liabilities (fair value)	-	-
B.4 Financial derivatives - Cash-flow hedges	-	-
B.5 Assets and liabilities denominated in foreign currencies	-	-
<b>Total hedging expense (B)</b>	<b>(559)</b>	<b>(1,221)</b>
<b>C. Net hedging gain (loss) (A - B)</b>	<b>(92)</b>	<b>2</b>
of which: result of hedging on net positions	-	-

## Gains (losses) from sales/repurchases - item 100

### Gains (losses) from sales/repurchases: breakdown

Items/Income items	30/06/2025			30/06/2024		
	Gains	Losses	Profit (loss)	Gains	Losses	Profit (loss)
<b>Financial assets</b>						
1. Financial assets measured at amortised cost	12,626	(241)	12,385	7,669	(1)	7,668
1.1 Loans and receivables with banks	-	-	-	-	-	-
1.2 Loans and receivables with customers	12,626	(241)	12,385	7,669	(1)	7,668
2. Financial assets measured at fair value through other comprehensive income	12,735	(4,061)	8,674	7,385	(3,373)	4,012
2.1 Debt securities	12,735	(103)	12,632	7,385	(183)	7,202
2.2 Loans	-	(3,958)	(3,958)	-	(3,190)	(3,190)
<b>Total assets (A)</b>	<b>25,361</b>	<b>(4,302)</b>	<b>21,059</b>	<b>15,054</b>	<b>(3,374)</b>	<b>11,680</b>
<b>Financial liabilities measured at amortised cost</b>	-	-	-	-	-	-
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	-	-	-	677	-	677
<b>Total liabilities (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>677</b>	<b>-</b>	<b>677</b>



## Net gains/losses on other financial assets and liabilities measured at fair value through profit or loss - item 110

### Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

Transactions/Income items	Gains (A)	Gains on disposals (B)	Losses (C)	Losses on disposals (D)	Profit (loss) [(A+B)-(C+D)]
<b>1. Financial assets</b>	<b>19,735</b>	<b>1,676</b>	<b>(18,371)</b>	<b>(411)</b>	<b>2,629</b>
1.1 Debt securities	1,856	923	(1,353)	(19)	1,407
1.2 Equity securities	116	-	(3)	-	113
1.3 Mutual funds	7,980	-	(5,429)	(47)	2,504
1.4 Loans	9,783	753	(11,586)	(345)	(1,395)
<b>2. Financial assets: exchange differences</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>297</b>
<b>Total</b>	<b>19,735</b>	<b>1,676</b>	<b>(18,371)</b>	<b>(411)</b>	<b>2,926</b>

## Net value adjustments/write-backs for credit risk - item 130

### Net value adjustments for credit risk related to financial assets measured at amortised cost: breakdown

Transactions/Income items	Value adjustments (1)					
	Third stage				Impaired purchased or originated	
	First stage	Second stage	Write-off	Other	Write-off	Other
<b>A. Loans and receivables with banks</b>	<b>(1,145)</b>	<b>(107)</b>	<b>-</b>	<b>(2,253)</b>	<b>-</b>	<b>-</b>
- Loans	(1,003)	(107)	-	(2,253)	-	-
- Debt securities	(142)	-	-	-	-	-
<b>B. Loans and receivables with customers</b>	<b>(34,683)</b>	<b>(74,905)</b>	<b>(16,214)</b>	<b>(123,545)</b>	<b>(163)</b>	<b>(3,211)</b>
- Loans	(34,306)	(74,905)	(16,214)	(123,545)	(163)	(3,211)
- Debt securities	(377)	-	-	-	-	-
<b>Total</b>	<b>(35,828)</b>	<b>(75,012)</b>	<b>(16,214)</b>	<b>(125,798)</b>	<b>(163)</b>	<b>(3,211)</b>

Transactions/Income items	Write-backs (2)					
	First stage	Second stage	Third stage	Impaired purchased or originated		
<b>A. Loans and receivables with banks</b>	<b>1,144</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>(2,359)</b>	<b>137</b>
- Loans	939	2	-	-	(2,422)	925
- Debt securities	205	-	-	-	63	(788)
<b>B. Loans and receivables with customers</b>	<b>71,086</b>	<b>47,279</b>	<b>95,933</b>	<b>6,866</b>	<b>(31,557)</b>	<b>(111,969)</b>
- Loans	70,507	47,279	95,933	6,866	(31,759)	(111,783)
- Debt securities	579	-	-	-	202	(186)
<b>Total</b>	<b>72,230</b>	<b>47,281</b>	<b>95,933</b>	<b>6,866</b>	<b>(33,916)</b>	<b>(111,832)</b>



## Net value adjustments for credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Income items	Value adjustments (1)					
	First stage	Second stage	Third stage		Impaired purchased or originated	
			Write-off	Other	Write-off	Other
A. Debt securities	(288)	-	-	-	-	-
B. Loans	-	-	-	-	-	-
- Customers	-	-	-	-	-	-
- Banks	-	-	-	-	-	-
<b>Total</b>	<b>(288)</b>	-	-	-	-	-

Transactions/Income items	Write-backs (2)				30/06/2025	30/06/2024
	First stage	Second stage	Third stage	Impaired purchased or originated		
A. Debt securities	373	59	-	-	144	(117)
B. Loans	-	-	-	-	-	-
- Customers	-	-	-	-	-	-
- Banks	-	-	-	-	-	-
<b>Total</b>	<b>373</b>	<b>59</b>	-	-	<b>144</b>	<b>(117)</b>

## Gains/(losses) from contractual amendments without derecognition - item 140

### Gains (losses) from contractual amendments: breakdown

Losses from contractual amendments without derecognition amount to 3.055 million euro.



## Administrative expenses - item 190

### Personnel expenses: breakdown

Type of expense/Amounts	30/06/2025	30/06/2024
<b>1) Employees</b>	<b>(162,105)</b>	<b>(153,379)</b>
a) wages and salaries	(104,415)	(98,590)
b) social security contributions	(25,588)	(23,837)
c) termination indemnities	-	-
d) pension expenses	(4,029)	(3,751)
e) provision for employee termination indemnities	(5,390)	(5,156)
f) provision for pension and similar obligations:	(4,305)	(5,351)
- defined contribution	-	-
- defined benefits	(4,305)	(5,351)
g) payments to external supplementary pension funds:	(2,719)	(2,541)
- defined contribution	(2,699)	(2,522)
- defined benefits	(20)	(19)
h) costs deriving from payment agreements based on own capital instruments	(453)	(1,375)
i) other personnel benefits	(15,206)	(12,778)
<b>2) Other personnel in activity</b>	<b>(517)</b>	<b>(492)</b>
<b>3) Directors and Statutory Auditors</b>	<b>(2,461)</b>	<b>(2,235)</b>
<b>4) Retired personnel</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(165,083)</b>	<b>(156,106)</b>

### Average number of employees by category

	30/06/2025	31/12/2024
<b>1) Employees</b>	<b>3,716</b>	<b>3,652</b>
a) managers	38	39
b) officials	990	952
c) other employees	2,688	2,661
<b>2) Other personnel</b>	<b>14</b>	<b>12</b>

	30/06/2025	31/12/2024
- Number of employees at year-end	3,762	3,720
- Other personnel	14	13





## Other administrative expenses: breakdown

Type of service/Amounts	30/06/2025	30/06/2024
Telephone, post and data transmission	(8,413)	(7,611)
Maintenance of property, equipment and investment property	(6,300)	(5,483)
Rent of buildings	(356)	(313)
Security	(3,027)	(3,010)
Transportation	(1,733)	(1,922)
Professional fees	(44,333)	(27,580)
Office materials	(1,041)	(1,224)
Electricity, heating and water	(3,598)	(4,076)
Advertising and entertainment	(2,652)	(2,282)
Legal	(6,170)	(5,824)
Insurance	(1,122)	(1,087)
Company searches and information	(5,260)	(4,995)
Indirect taxes and dues	(39,857)	(36,195)
Software and hardware rental and maintenance	(20,563)	(18,142)
Data entry by third parties	(1,328)	(1,355)
Cleaning	(3,554)	(3,426)
Membership fees	(1,134)	(1,127)
Services received from third parties	(3,105)	(3,113)
Outsourced activities	(16,066)	(14,473)
Deferred charges	(707)	(566)
Goods and services for employees	(627)	(586)
Contributions to resolution and guarantee funds	(3)	(21,296)
Other	(5,572)	(4,852)
<b>Total</b>	<b>(176,521)</b>	<b>(170,538)</b>

## Net accruals to provisions for risks and charges - item 200

### Net accruals to provisions for risks and charges: breakdown

This item is negative for 3.071 million euro, made up of the difference between provisions for the year, reallocations and write-backs. It includes reallocations and write-backs for commitments and guarantees given of 4.749 million euro and other net accruals of 7.820 million euro. This includes provisions set aside against risks of possible fraud perpetrated against the bank on purchased tax credits.



## Gains (losses) on equity investments - item 250

### Gains (losses) on equity investments: breakdown

Income items/Sectors	30/06/2025	30/06/2024
<b>1) Jointly controlled companies</b>		
A. Income	-	8
1. Revaluations	-	8
2. Gains on disposal	-	-
3. Write-backs	-	-
4. Other income	-	-
B. Charges	-	-
1. Write-downs	-	-
2. Impairment write-downs	-	-
3. Losses on disposal	-	-
4. Other charges	-	-
<b>Profit (loss)</b>	-	<b>8</b>
<b>2) Companies subject to significant influence</b>		
A. Income	20,130	18,578
1. Revaluations	20,130	18,578
2. Gains on disposal	-	-
3. Write-backs	-	-
4. Other income	-	-
B. Charges	(165)	(329)
1. Write-downs	(73)	(329)
2. Impairment write-downs	(92)	-
3. Losses on disposal	-	-
4. Other charges	-	-
<b>Profit (loss)</b>	<b>19,965</b>	<b>18,249</b>
<b>Total</b>	<b>19,965</b>	<b>18,257</b>

## Net result of fair value measurement of property, equipment and investment property and intangible assets - item 260

### Net result of fair value measurement (or revalued amount) or realisable value measurement of property, equipment and investment property and intangible assets: breakdown

The item, negative by 17.2 million euro (1.6 million euro as at June 2024), mainly includes the results of the fair value measurement of "revalued property, equipment and investment property used for business purposes".

For further details, please refer to the section "Change in measurement criterion for property used for business purposes (IAS 16)" contained in the "Accounting policies" of these Notes.



## Gains (losses) on sale of investments - item 280

### Gains (losses) on sale of investments: breakdown

Income item/Sectors	30/06/2025	30/06/2024
A. Property	311	253
- Gains on disposal	311	253
- Losses on disposal	-	-
B. Other assets	14	(120)
- Gains on disposal	14	31
- Losses on disposal	-	(151)
<b>Profit (loss)</b>	<b>325</b>	<b>133</b>

### Earnings per share

There were no significant transactions involving share capital during the year and no financial instruments were issued that might involve the future issue of shares. There are no instruments in place with a potential dilutive effect.

	30/06/2025	30/06/2024
Net profit (loss) attributable	336,209	263,562
Basic EPS - euro <sup>(a)</sup>	0.75	0.59
Diluted EPS - euro <sup>(b)</sup>	0.75	0.59

<sup>(a)</sup> "Basic EPS" calculated as the ratio of net profit attributable to shareholders to the weighted average number of outstanding shares, excluding treasury shares

<sup>(b)</sup> "Diluted EPS", determined by taking account of the dilutive effect of all potential ordinary shares.



## Information on risks and related hedging policies

The information provided in this section may be based on internal management data and, therefore, may not coincide perfectly with the balance sheet and income statement figures shown in the tables.

## Risks of the Banking Group

### Credit risk

#### QUALITATIVE INFORMATION

For qualitative information on credit risk, please refer in general to the financial statements as at 31/12/2024. With regard to information on impaired financial assets, please refer to the Report on Operations, section "Loans", and the Notes, section "Financial assets measured at amortised cost". Below is a summary of the most important aspects referring to the first half of 2025.

#### Methods for measuring expected losses

With reference to the methodological approach used for the quantification of expected losses on performing loans, during the first half of 2025, the revision activity concerning the framework used for the modelling of emerging risk factors (novel risks) should be noted, with particular reference to the introduction of a new case related to the effects of the recent evolutions of the macro-economic and geopolitical context in the area of duties and tariffs.

In addition, in order to continue to adequately incorporate in the quantification of its provisions the current and prospective effects of both the continuing crisis triggered by the outbreak of the pandemic and the current geopolitical context and its consequences at macroeconomic and business level, the usual maintenance and fine-tuning was carried out and a series of evolutionary specifications were introduced within the methodological and procedural architecture for calculating collective write-downs.

More precisely, during the half-year, steps were taken to:

- update and fine-tune the specific modelling of forward-looking information (FLI) and update the macroeconomic forecasts for a plurality of scenarios used as input to the models, as well as the weighting coefficients associated with them for the calculation of write-downs; in this regard, worthy of mention are the definition of the in-model adjustment for the suite of statistical-econometric models, developed according to data-driven logics, aimed at modelling, in an explicitly prospective manner, the evolutionary dynamics of the risk parameters for all the macroeconomic scenarios that contribute to the calculation of collective value adjustments;
- further reinforce the periodic set of qualitative and quantitative analyses aimed at certifying the soundness, plausibility and accuracy of the macroeconomic forecasts periodically provided to the Bank by the appointed provider, prior to their use in the procedures for determining the accounting adjustments with the purpose of "conditioning" the factors for estimating the collective impairment to the performance of alternative macroeconomic scenarios; it is also worth noting, in this context, the further extension of the analysis and reporting structure aimed at reporting the results of the analyses carried out during the periodic meetings of the dedicated management committee (Scenarios Committee), supported by a periodic and systematic activity of monitoring, analysis and reporting (third party data analysis) of the publications of the most authoritative national and international research bodies and institutions, such as, by way of example but not limited to, the Bank of Italy, the European Central Bank, the European Commission, the International Monetary Fund, Confindustria, the Italian Banking Association (ABI), Oxford Economics, the National Institute of Statistics (ISTAT) and the Ministry of Economy and Finance (MEF) with reference not only to macroeconomic variables, but also to the evolution of financial markets, as well as geo-sectoral decay rates and to the investigation and recognition of new risk factors (so-called novel risk) to be considered in modelling aimed at quantifying collective allocations;



- subject to periodic updating and review both the lists of counterparties considered to be "high risk" positions for which a reclassification to Stage 2 has been temporarily assessed, with particular reference both to the updating of the positions pertaining to the cases already present in it, and that, introduced from the end of the previous accounting year, of the counterparties affected by potential sub-optimality and/or deficiencies in the credit monitoring process, for which a classification to Stage 2 is made with a level of coverage defined with specific assessments of the individual positions (ECL target);
- carry out specific activities for the recalibration and refinement of the overlay and add-on components, which contribute a total of about 52 million euro to the determination/quantification of the collective fund, with particular reference to the aforementioned revision of the components of emerging risk factors (novel risks), which entailed, inter alia, the introduction of a new case of the same, linked to the effects of the recent developments in the macro-economic and geopolitical context in the area of duties and tariffs;
- ensure the usual direct and constant involvement of senior management in monthly managerial forums relating to the parameter setting of the scenario-dependency components and their effects in the quantification of the collective write-downs, as well as in the examination and calibration of the components they are composed of - specifically ECL core e overlays/add-on(s) - in order to obtain a level of overall collective write-downs deemed by the same to be consistent with the current context and representative of the actual risk profile - current and prospective - of the portfolio.

With regard to the overlay component aimed at addressing aspects of improvement that have been identified in the credit management and monitoring processes (process deficiency-related add-on), a dedicated ad-hoc methodological framework was defined during the 2024 financial year and maintained in the current period ("watchlist model") applied to a perimeter, the subject of monthly updates, consisting of:

- counterparties with which a pink management indicator is associated at the reporting date;
- reports and/or counterparties reported on the basis of analyses by internal or external control functions.

As at 30 June 2025, the application of this criterion gave rise to an ECL component of approximately 78 million euro.

Concerning the management of non-performing loans, the NPL strategy in the 2025-2027 horizon was updated. The document, approved by Banca Popolare di Sondrio's Board of Directors in March 2025 for submission to the Supervisory Authority, envisages the combined use of ordinary and extraordinary initiatives, including disposals, aimed at achieving the NPL ratio target values. Credits for which a sale is contemplated are measured on the basis of the quantified recoverable amount, taking into account recent transactions concluded by the Bank, market and remuneration forecasts (i.e. discount factors) as well as the type of asset. With specific reference to the credit subject to potential disposal, in the absence of transactions concluded by the Bank on portfolios with similar characteristics, the recoverable amount is estimated considering the main transactions concluded on the market by comparable intermediaries.



## Methods for measuring expected losses - ECL sensitivity analysis

Generally speaking, the scenarios adopted for the calculation of write-downs contain forecasts for the evolutionary dynamics of dozens of macroeconomic variables, developed over multi-year time horizons and updated on a generally quarterly basis in market conditions considered standard<sup>2</sup> and are subject to specific analysis, discussion and approval in dedicated managerial committees. The scenarios examined address different degrees of adverse/favourable conditions affecting the overall macroeconomic situation.

For the purposes of estimating devaluations, a basic scenario has historically been considered, defined according to the "central" evolutionary trend of the macro-economic variables with respect to their value observed at the initial moment of the estimate and that should therefore be configured as the one whose realisation is generally considered to be more probable and possible, and two scenarios so-called - "adverse" and "favourable" - that address outcomes deemed somewhat plausible and not extreme in the macroeconomic context identified. The importance of the above scenarios in the final determination of the write-downs is defined using an appropriate set of weighting coefficients that, in general, reflect the estimated severity assigned to each scenario by the external provider, as adjusted after specific internal analysis and processing.

However, the cautious approach, adopted since the deflagration of the Russian-Ukrainian conflict, of replacing the "favourable" scenario with the "extreme adverse" one has been maintained also for the first half of 2025, in the face of the continuing climate of overall uncertainty that characterises the macroeconomic and geopolitical environment at a global level. In order to guarantee optimal monitoring of these aspects in view of the particular importance acquired by the same, the Bank has continued to carry out periodic *ad-hoc* analyses of both a qualitative and quantitative nature in this area, also by conducting regular benchmarking analyses with other available information sources, namely both alternative providers and publications of the main domestic and foreign bodies and institutions of established reputation (third-party data).

Finally, with regard to the weighting with which the above-mentioned scenarios contribute to the final calculation of the write-downs, the baseline scenario - which, in accordance with its name, represents the evolution of the macroeconomic context considered most plausible and likely at the time of formulating the forecasts - is assigned the highest probability coefficient, while the so-called alternative scenarios, due to their "residual" nature, are assigned lower weighting factors.

In this regard, it should be noted that, when calculating write-downs at the end of June 2025, Banca Popolare di Sondrio adopted the following three different macro-scenarios and their respective weightings:

- a baseline scenario, being the same as the one issued by the official supplier on the occasion of the last forecast report available at the date of calculating collective write-downs, to which a probability of 70% is attributed;
- a (slightly) adverse scenario, being the same as the one issued by the official supplier on the occasion of the last forecast report available at the date of calculating collective write-downs, to which a probability of 25% is attributed;
- an extreme adverse scenario, being the same as the one issued by the official supplier on the occasion of the last forecast report available at the date of calculating collective write-downs, to which a probability of 5% is attributed.

Table 1 shows the evolutionary dynamics of the main macroeconomic variables for each of the above scenarios with reference to a three-year forecast horizon.

### Table 1 - Annual forecasts for the main macroeconomic variables

<sup>2</sup> These estimates are, however, subject to *ad-hoc* updates should the provider identify elements of atypicality and/or particular turbulence in the general macroeconomic context.



Macroeconomic variable	Baseline scenario June 2025			Adverse scenario June 2025			Extreme scenario June 2025		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
Italy's GDP (% on an annual basis)	0.6%	0.7%	0.6%	-0.1%	0.3%	0.3%	-0.9%	-1.2%	0.0%
Italy's unemployment	6.4%	6.3%	6.2%	6.6%	6.8%	7.0%	6.8%	7.7%	8.6%
Italy's inflation (% on an annual basis)	1.7%	1.8%	1.5%	2.0%	2.0%	2.3%	2.1%	2.4%	2.2%
Italy's equity index (% on an annual basis)	14.7%	6.6%	4.6%	-6.4%	6.1%	4.1%	-14.0%	-14.0%	3.2%
10-year BTP interest rate (%)	3.9%	4.2%	4.4%	4.0%	4.4%	4.6%	4.0%	4.6%	4.4%
Italian residential property price index (% on annual basis)	2.2%	1.9%	2.1%	1.8%	0.0%	0.9%	0.2%	-2.9%	-0.8%
Euro/dollar exchange rate	0.95	0.98	0.99	0.95	0.98	0.99	1.00	1.02	1.03
Brent oil: \$ per barrel	69	68	76	70	70	80	71	75	85
3-month Euribor	2.2%	2.0%	2.4%	2.0%	1.7%	2.1%	1.8%	1.5%	1.4%

For more information on the inclusion of forward-looking information (FLI) in the impairment model, please refer to paragraph 2.3 of Section 1 Credit risk of Part E of the Notes as at 31/12/2024.

In order to quantify the variability to which the final write-downs are subject, given all the scenario-dependent factors considered explicitly in its methodological framework, the Bank has also carried out, in accordance with sector best practices and the recommendations of the Supervisory Authorities<sup>3</sup>, specific sensitivity analyses on the level of write-down of its performing exposures, the results of which are summarised in the tables below.

In particular, Table 2 analyses by operational macro-segment and stage the different levels of write-down corresponding to the three scenarios identified - baseline, adverse and extreme - used to calculate the official amount, as well as the weighted outcome determined after applying the probabilities indicated above.

<sup>3</sup> See for example the paper ESMA32 -63 - 791 of 22 October 2019.





**Table 2 - Write-downs [in euro/million] as at 30 June 2025 for the performing positions of the Banca Popolare di Sondrio's loan portfolio associated with different macroeconomic scenarios**

Operational macro-segment	Stage	Bas. scen.	Adv. scen.	Extr. scen.	Weight. scen.
<b>Corporate &amp; Large Corporate</b>	Stage 01	62.1	64.6	66.9	63.0
	Stage 02	145.7	147.3	149.5	146.4
	<b>Total</b>	<b>207.8</b>	<b>211.9</b>	<b>216.4</b>	<b>209.4</b>
<b>Small Business</b>	Stage 01	7.2	7.5	7.7	7.3
	Stage 02	17.9	18.2	18.6	18.0
	<b>Total</b>	<b>25.2</b>	<b>25.7</b>	<b>26.3</b>	<b>25.4</b>
<b>Small Economic Operators</b>	Stage 01	4.4	4.6	5.0	4.5
	Stage 02	19.8	20.5	22.0	20.1
	<b>Total</b>	<b>24.2</b>	<b>25.1</b>	<b>27.0</b>	<b>24.6</b>
<b>Individuals</b>	Stage 01	6.8	7.2	7.8	7.0
	Stage 02	30.5	31.9	34.5	31.3
	<b>Total</b>	<b>37.4</b>	<b>39.1</b>	<b>42.3</b>	<b>38.2</b>
<b>Other</b>	Stage 01	3.8	4.2	4.9	4.0
	Stage 02	2.7	2.7	2.8	2.7
	<b>Total</b>	<b>6.5</b>	<b>6.9</b>	<b>7.7</b>	<b>6.7</b>
<b>Total</b>	Stage 01	84.4	88.0	92.2	85.7
	Stage 02	216.6	220.7	227.4	218.5
	<b>Total</b>	<b>301.0</b>	<b>308.7</b>	<b>319.6</b>	<b>304.2</b>

Dually, Table 3 provides a representation of the value of write-downs that would be obtained in correspondence of four different parameters of probabilistic coefficients<sup>4</sup> regarding the official one adopted.

<sup>4</sup>The values of the weighting factors for the baseline, adverse, and favourable scenarios are 60%-30%-10% (alternative weighted scenario 1), 65%-30%-5% (alternative weighted scenario 2), 65%-25%-10% (alternative weighted scenario 3), and 80%-20%--0% (alternative weighted scenario 4), respectively.



**Table 3 - Write-downs [in euro/million] as at 30 June 2025 for the performing positions of Banca Popolare di Sondrio's loan portfolio associated with different weightings of the macroeconomic scenarios**

Operational macro-segment	Stage	Weighted scenario 1	Weighted scenario 2	Weighted scenario 3	Weighted scenario 4
<b>Corporate &amp; Large Corporate</b>	Stage 01	63.3	63.1	63.2	62.6
	Stage 02	146.7	146.5	146.6	146.1
	<b>Total</b>	<b>210.0</b>	<b>209.6</b>	<b>209.8</b>	<b>208.7</b>
<b>Small Business</b>	Stage 01	7.3	7.3	7.3	7.3
	Stage 02	18.1	18.1	18.1	18.0
	<b>Total</b>	<b>25.4</b>	<b>25.4</b>	<b>25.4</b>	<b>25.3</b>
<b>Small Economic Operators</b>	Stage 01	4.5	4.5	4.5	4.4
	Stage 02	20.2	20.1	20.2	19.9
	<b>Total</b>	<b>24.8</b>	<b>24.6</b>	<b>24.7</b>	<b>24.4</b>
<b>Individuals</b>	Stage 01	7.1	7.0	7.0	6.9
	Stage 02	31.5	31.3	31.5	31.0
	<b>Total</b>	<b>38.6</b>	<b>38.3</b>	<b>38.5</b>	<b>37.9</b>
<b>Other</b>	Stage 01	4.0	4.0	4.0	3.9
	Stage 02	2.7	2.7	2.7	2.7
	<b>Total</b>	<b>6.7</b>	<b>6.7</b>	<b>6.7</b>	<b>6.6</b>
<b>Total</b>	Stage 01	86.3	85.9	86.1	85.2
	Stage 02	219.2	218.7	219.0	217.7
	<b>Total</b>	<b>305.5</b>	<b>304.6</b>	<b>305.1</b>	<b>302.9</b>

Lastly, Table 4, Table 5 and Table 6 show the different levels of collective write-downs corresponding to the baseline, adverse and extreme scenarios respectively, in the event that their parameters were used not only to calculate the ECL, but also in the stage allocation.



**Table 4 - Write-downs [in euro/million] as at 30 June 2025 for the performing positions of Banca Popolare di Sondrio's loan portfolio if the parameters of the baseline scenario were used both to calculate the ECL and for the stage allocation**

Operational macro-segment	Stage_base	Nr. Pos	EAD	Nr. Pos%	EAD%	Baseline ECL
<b>Corporate &amp; Large Corporate</b>	Stage 01	67,892	16,295.9	78.7%	84.0%	61.9
	Stage 02	18,392	3,114.5	21.3%	16.0%	146.1
	<b>Total</b>	<b>86,284</b>	<b>19,410.4</b>	<b>20.4%</b>	<b>60.7%</b>	<b>208.0</b>
<b>Small Business</b>	Stage 01	67,362	1,887.9	80.2%	81.3%	7.3
	Stage 02	16,579	433.5	19.8%	18.7%	17.9
	<b>Total</b>	<b>83,941</b>	<b>2,321.4</b>	<b>19.8%</b>	<b>7.3%</b>	<b>25.2</b>
<b>Small Economic Operators</b>	Stage 01	81,221	1,709.6	80.9%	80.8%	4.4
	Stage 02	19,179	407.0	19.1%	19.2%	19.0
	<b>Total</b>	<b>100,400</b>	<b>2,116.6</b>	<b>23.7%</b>	<b>6.6%</b>	<b>23.4</b>
<b>Individuals</b>	Stage 01	135,605	4,231.1	90.8%	89.6%	6.9
	Stage 02	13,770	492.8	9.2%	10.4%	27.5
	<b>Total</b>	<b>149,375</b>	<b>4,723.9</b>	<b>35.2%</b>	<b>14.8%</b>	<b>34.4</b>
<b>Other</b>	Stage 01	3,433	3,313.7	88.0%	97.3%	3.8
	Stage 02	469	91.4	12.0%	2.7%	2.6
	<b>Total</b>	<b>3,902</b>	<b>3,405.1</b>	<b>0.9%</b>	<b>10.6%</b>	<b>6.4</b>
<b>Total</b>	Stage 01	355,513	27,438.2	83.9%	85.8%	84.3
	Stage 02	68,389	4,539.3	16.1%	14.2%	213.1
	<b>Total</b>	<b>423,902</b>	<b>31,977.5</b>	<b>100.0%</b>	<b>100.0%</b>	<b>297.4</b>



**Table 5 - Write-downs [in euro/million] as at 30 June 2025 for the performing positions of Banca Popolare di Sondrio's loan portfolio if the parameters of the adverse scenario were used both to calculate the ECL and for the stage allocation**

Operational macro-segment	Stage_adv.	Nr. Pos	EAD	Nr. Pos%	EAD%	ECL adv.
<b>Corporate &amp; Large Corporate</b>	Stage 01	66,845	16,186.5	77.5%	83.4%	64.9
	Stage 02	19,439	3,223.9	22.5%	16.6%	147.2
	<b>Total</b>	<b>86,284</b>	<b>19,410.4</b>	<b>20.4%</b>	<b>60.7%</b>	<b>212.1</b>
<b>Small Business</b>	Stage 01	65,966	1,861.4	78.6%	80.2%	7.4
	Stage 02	17,975	460.0	21.4%	19.8%	18.5
	<b>Total</b>	<b>83,941</b>	<b>2,321.4</b>	<b>19.8%</b>	<b>7.3%</b>	<b>25.9</b>
<b>Small Economic Operators</b>	Stage 01	77,346	1,620.7	77.0%	76.6%	4.3
	Stage 02	23,054	495.9	23.0%	23.4%	22.1
	<b>Total</b>	<b>100,400</b>	<b>2,116.6</b>	<b>23.7%</b>	<b>6.6%</b>	<b>26.4</b>
<b>Individuals</b>	Stage 01	133,432	4,062.0	89.3%	86.0%	7.0
	Stage 02	15,943	661.9	10.7%	14.0%	34.9
	<b>Total</b>	<b>149,375</b>	<b>4,723.9</b>	<b>35.2%</b>	<b>14.8%</b>	<b>41.9</b>
<b>Other</b>	Stage 01	3,367	3,299.0	86.3%	96.9%	4.2
	Stage 02	535	106.1	13.7%	3.1%	2.7
	<b>Total</b>	<b>3,902</b>	<b>3,405.1</b>	<b>0.9%</b>	<b>10.6%</b>	<b>6.9</b>
<b>Total</b>	Stage 01	346,956	27,029.5	81.8%	84.5%	87.7
	Stage 02	76,946	4,947.9	18.2%	15.5%	225.4
	<b>Total</b>	<b>423,902</b>	<b>31,977.5</b>	<b>100.0%</b>	<b>100.0%</b>	<b>313.2</b>



**Table 6 - Write-downs [in euro/million] as at 30 June 2025 for the performing positions of Banca Popolare di Sondrio's loan portfolio if the parameters of the extreme scenario were used both to calculate the ECL and for the stage allocation**

Operational macro-segment	Stage_extr.	Nr. Pos	EAD	Nr. Pos%	EAD%	ECL extr.
<b>Corporate &amp; Large Corporate</b>	Stage 01	65,430	15,968.5	75.8%	82.3%	67.3
	Stage 02	20,854	3,441.8	24.2%	17.7%	149.7
	<b>Total</b>	<b>86,284</b>	<b>19,410.4</b>	<b>20.4%</b>	<b>60.7%</b>	<b>217.0</b>
<b>Small Business</b>	Stage 01	63,307	1,811.4	75.4%	78.0%	7.3
	Stage 02	20,634	510.0	24.6%	22.0%	20.3
	<b>Total</b>	<b>83,941</b>	<b>2,321.4</b>	<b>19.8%</b>	<b>7.3%</b>	<b>27.5</b>
<b>Small Economic Operators</b>	Stage 01	70,947	1,472.9	70.7%	69.6%	4.2
	Stage 02	29,453	643.7	29.3%	30.4%	27.7
	<b>Total</b>	<b>100,400</b>	<b>2,116.6</b>	<b>23.7%</b>	<b>6.6%</b>	<b>31.9</b>
<b>Individuals</b>	Stage 01	121,775	3,560.7	81.5%	75.4%	6.5
	Stage 02	27,600	1,163.2	18.5%	24.6%	53.2
	<b>Total</b>	<b>149,375</b>	<b>4,723.9</b>	<b>35.2%</b>	<b>14.8%</b>	<b>59.7</b>
<b>Other</b>	Stage 01	3,150	3,225.6	80.7%	94.7%	5.0
	Stage 02	752	179.6	19.3%	5.3%	3.4
	<b>Total</b>	<b>3,902</b>	<b>3,405.1</b>	<b>0.9%</b>	<b>10.6%</b>	<b>8.4</b>
<b>Total</b>	Stage 01	324,609	26,039.2	76.6%	81.4%	90.2
	Stage 02	99,293	5,938.3	23.4%	18.6%	254.3
	<b>Total</b>	<b>423,902</b>	<b>31,977.5</b>	<b>100.0%</b>	<b>100.0%</b>	<b>344.5</b>



## Quantitative information

### Asset quality targets

### Non-performing and performing exposures: balances and value adjustments

#### Distribution of financial assets by portfolio and credit quality (book values)

Portfolios/quality	Bad loans	Unlikely-to-pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	49,565	287,025	56,273	187,889	46,357,122	46,937,874
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	2,838,569	2,838,569
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	7,096	502	200	303,500	311,298
5. Financial assets held for sale	-	-	-	-	-	-
<b>30/06/2025</b>	<b>49,565</b>	<b>294,121</b>	<b>56,775</b>	<b>188,089</b>	<b>49,499,191</b>	<b>50,087,741</b>
<b>31/12/2024</b>	<b>51,231</b>	<b>370,076</b>	<b>85,381</b>	<b>534,514</b>	<b>47,404,990</b>	<b>48,446,192</b>

The word exposures is understood as excluding equity securities and mutual funds.

#### Distribution of financial assets by portfolio and credit quality (gross and net values)

Portfolios/quality	Non-performing				Performing			
	Gross exposure	Total value adjustments	Net exposure	Total partial write-offs*	Gross exposure	Total value adjustments	Net exposure	Total (net exposure)
1. Financial assets measured at amortised cost	1,079,147	(686,284)	392,863	109,079	46,828,454	(283,443)	46,545,011	46,937,874
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	2,839,251	(682)	2,838,569	2,838,569
3. Financial assets designated at fair value	-	-	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	16,979	(9,381)	7,598	-	-	-	303,700	311,298
5. Financial assets held for sale	-	-	-	-	-	-	-	-
<b>30/06/2025</b>	<b>1,096,126</b>	<b>(695,665)</b>	<b>400,461</b>	<b>109,079</b>	<b>49,667,705</b>	<b>(284,125)</b>	<b>49,687,280</b>	<b>50,087,741</b>
<b>31/12/2024</b>	<b>1,266,923</b>	<b>(760,234)</b>	<b>506,689</b>	<b>104,818</b>	<b>47,933,986</b>	<b>(302,189)</b>	<b>47,939,504</b>	<b>48,446,193</b>

For financial assets held for trading, those measured at fair value and hedging derivatives, the gross exposure is presented at the value resulting from the period-end measurement.



## Prudential consolidation - Cash credit exposures and off-balance-sheet exposures to banks: gross and net values

Types of exposures/Amounts	Gross exposure				Impaired purchased or originated
	First stage	Second stage	Third stage		
<b>A. Cash credit exposures</b>					
<b>A.1 Sight</b>	<b>1,867,578</b>	<b>1,865,544</b>	<b>2,034</b>	<b>-</b>	<b>-</b>
a) Non-performing	-	-	-	-	-
b) Performing	1,867,578	1,865,544	2,034	-	-
<b>A.2 Other</b>	<b>2,448,531</b>	<b>2,365,929</b>	<b>55,331</b>	<b>6,111</b>	<b>-</b>
a) Bad loans	-	-	-	-	-
- of which: exposures subject to forbearance	-	-	-	-	-
b) Unlikely-to-pay	-	-	-	-	-
- of which: exposures subject to forbearance	-	-	-	-	-
c) Non-performing past due exposures	6,111	-	-	6,111	-
- of which: exposures subject to forbearance	-	-	-	-	-
d) Performing past due exposures	6,330	6,330	-	-	-
- of which: exposures subject to forbearance	-	-	-	-	-
e) Other performing exposures	2,436,090	2,359,599	55,331	-	-
- of which: exposures subject to forbearance	-	-	-	-	-
<b>Total (A)</b>	<b>4,316,109</b>	<b>4,231,473</b>	<b>57,365</b>	<b>6,111</b>	<b>-</b>
<b>B. Off-balance sheet credit exposures</b>					
a) Non-performing	7,293	-	-	-	-
b) Performing	1,112,282	118,031	58,618	-	-
<b>Total (B)</b>	<b>1,119,575</b>	<b>118,031</b>	<b>58,618</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>5,435,684</b>	<b>4,349,504</b>	<b>115,983</b>	<b>6,111</b>	<b>-</b>

	Total value adjustments and provisions					Net exposure	Total partial write-offs*
	First stage	Second stage	Third stage	Impaired purchased or originated			
A. Cash credit exposures							
A.1 Sight	115	110	5	-	-	1,867,463	-
a) Non-performing	-	-	-	-	-	-	-
b) Performing	115	110	5	-	-	1,867,463	-
A.2 Other	3,914	1,536	126	2,253	-	2,444,617	-
a) Bad loans	-	-	-	-	-	-	-
- of which: exposures subject to forbearance	-	-	-	-	-	-	-
b) Unlikely-to-pay	-	-	-	-	-	-	-
- of which: exposures subject to forbearance	-	-	-	-	-	-	-
c) Non-performing past due exposures	2,254	-	-	2,253	-	3,857	-
- of which: exposures subject to forbearance	-	-	-	-	-	-	-
d) Performing past due exposures	10	10	-	-	-	6,320	-
- of which: exposures subject to forbearance	-	-	-	-	-	-	-
e) Other performing exposures	1,650	1,526	126	-	-	2,434,440	-
- of which: exposures subject to forbearance	-	-	-	-	-	-	-
Total (A)	4,029	1,646	131	2,253	-	4,312,080	-
B. Off-balance sheet credit exposures							
a) Non-performing	-	-	-	-	-	7,293	-
b) Performing	61	30	-	-	-	1,112,221	-
Total (B)	61	30	-	-	-	1,119,514	-
Total (A+B)	4,090	1,676	131	2,253	-	5,431,594	-

Cash credit exposures include loans and receivables with banks shown in item 40 a) and item 10, as well as other financial assets represented by bank securities included in items 20 c), 30 and 40 of the assets side of the balance sheet, excluding equities. The off-balance sheet exposure is represented by guarantees given, commitments and derivatives (except those relating to equity securities).





## Prudential consolidation - Cash credit exposures and off-balance-sheet exposures to customers: gross and net values

Types of exposures/Amounts	Gross exposure				
	First stage	Second stage	Third stage	Impaired purchased or originated	
A. Cash credit exposures					
a) Bad loans	313,638	-	-	307,599	6,039
- of which: exposures subject to forbearance	89,323	-	-	86,023	3,300
b) Unlikely-to-pay	709,217	-	-	639,135	53,740
- of which: exposures subject to forbearance	274,495	-	-	234,731	33,495
c) Non-performing past due exposures	67,157	-	-	66,103	417
- of which: exposures subject to forbearance	2,424	-	-	2,101	-
d) Performing past due exposures	184,486	140,232	43,590	-	464
- of which: exposures subject to forbearance	2,091	-	1,849	-	241
e) Other performing exposures	47,474,747	43,237,295	3,805,923	-	87,556
- of which: exposures subject to forbearance	298,263	-	260,557	-	29,269
Total (A)	48,749,245	43,377,527	3,849,513	1,012,837	148,216
B. Off-balance sheet credit exposures					
a) Non-performing	221,190	-	-	112,159	1,419
b) Performing	26,007,610	14,790,002	2,442,616	-	6,509
Total (B)	26,228,800	14,790,002	2,442,616	112,159	7,928
Total (A+B)	74,978,045	58,167,529	6,292,129	1,124,996	156,144

Types of exposures/Amounts	Total value adjustments and provisions					Net exposure	Total partial write-offs*
	First stage	Second stage	Third stage	Impaired purchased or originated			
A. Cash credit exposures							
a) Bad loans	264,073	-	-	258,672	5,401	49,565	106,363
- of which: exposures subject to forbearance	76,588	-	-	73,560	3,028	12,735	41,498
b) Unlikely-to-pay	415,099	-	-	363,951	41,901	294,118	2,716
- of which: exposures subject to forbearance	178,129	-	-	150,502	24,210	96,366	-
c) Non-performing past due exposures	14,241	-	-	14,058	48	52,916	-
- of which: exposures subject to forbearance	816	-	-	732	-	1,608	-
d) Performing past due exposures	2,717	606	2,097	-	15	181,769	-
- of which: exposures subject to forbearance	186	-	178	-	8	1,905	-
e) Other performing exposures	279,745	80,618	189,211	-	9,917	47,195,002	46
- of which: exposures subject to forbearance	26,614	-	22,618	-	3,996	271,649	-
Total (A)	975,875	81,224	191,308	636,681	57,282	47,773,370	109,125
B. Off-balance sheet credit exposures							
a) Non-performing	38,381	-	-	7,297	-	182,809	-
b) Performing	45,634	23,197	16,416	-	131	25,961,976	-
Total (B)	84,015	23,197	16,416	7,297	131	26,144,785	-
Total (A+B)	1,059,890	104,421	207,724	643,978	57,413	73,918,155	109,125

Cash exposures include the customer loans shown in item 40 b) as well as other financial assets represented by non-bank securities included in items 20 c), 30 and 40 of the assets side of the balance sheet, excluding equity securities and mutual funds. Off-balance sheet exposure is represented by guarantees given, commitments and derivatives (except those relating to equity securities and mutual funds).



## Large exposures

	30/06/2025	31/12/2024
Number of positions	28	28
Exposure	32,437,936	32,529,555
Risk position	9,410,491	9,264,155

The exposure limit of 10% of own funds - the threshold for inclusion of a counterparty in the category of "Large exposures" - has to be measured in terms of the "nominal amount" of the exposure i.e. the sum of cash risk assets and off-balance sheet transactions with a customer or a group of related customers. On the other hand, the "risk position", on which the maximum limits are measured for the assumption of each individual significant risk, is given by the same aggregate weighted according to a system that takes account of the nature of the debtor and any guarantees that have been obtained.

It should be noted that the positions shown above include the Italian Republic (nominal exposure, 10,247 million euro; risk position, 3 million), purely on the basis of sovereign securities held in proprietary portfolios, and the Bank of Italy (nominal exposure, 944 million euro; zero risk position), as well as exposures to Spain, Germany and France for a nominal amount of 3,572 million euro with a zero risk position.

In accordance with the provisions of Art. 4 (39) of Regulation (EU) No. 575/2013, as amended and supplemented, the prudential supervisory reporting of large exposures provides for the conventional method of representing groups of connected customers by repeating, for each group of connected customers directly controlled by or economically dependent on a central government, the exposure amounts and the resulting risk position vis-à-vis the corresponding central government.

It should be noted that the information presented in the table under review does not follow the signalling approach described above because the amounts of exposure and risk position towards central governments are not repeated in relation to the groups of related customers with economic and/or legal ties to the aforementioned central governments.



## Banking group - Market risk

For qualitative information on interest rate, price and exchange rate risks, please refer to the financial statements as at 31/12/2024.

### Derivative instruments and related hedging policies

Since June 2022, the Bank has been using the Macro Fair Value Hedge (MFVH) methodology applied to interest rate risk with the objective of neutralising the change in fair value of assets and liabilities recognised in the financial statements or portions thereof as a result of changes in interest rates.

To this end, the formalisation of operational processes and procedures was promoted to enable:

- the structuring of transactions to hedge the interest rate risk assumed through the provision of fixed-rate loans and other fixed-rate assets;
- the recognition and subsequent management of these transactions within the Macro Fair Value Hedge framework, thus limiting the volatility elements that would otherwise be caused by the different measurement criteria of hedging transactions (shown at fair value) and hedged instruments (recognised at amortised cost);
- the inclusion of such operations in the risk management and monitoring processes.

On first-time application of IFRS 9, the option provided by the standard to continue to fully apply the rules of IAS 39 for all types of hedges (micro and macro) was exercised.

In the hypothesis of "fair value hedges", the sources of ineffectiveness of a hedging relationship, during its period of validity, can be traced back to:

- mismatch between the notional amount of the derivative and the underlying hedged item recognised at the time of the initial designation or generated thereafter, such as in the case of partial loan repayments;
- inclusion in the effectiveness test of the value of the variable part of the hedging derivative.

During the period under analysis, no elements were found that might have caused the hedges to be ineffective, giving the possibility of continuing to apply the hedge accounting rules.



## Financial derivatives

### Trading financial derivatives: period-end notional amounts

Underlying assets/Types of derivatives	30/06/2025				31/12/2024			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With settlement agreements	Without settlement agreements			With settlement agreements	Without settlement agreements	
1. Debt securities and interest rates	-	-	330,454	-	-	-	371,958	-
a) Options	-	-	89,718	-	-	-	97,845	-
b) Swaps	-	-	240,736	-	-	-	274,113	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and stock indices	-	-	46,223	-	-	-	86,405	-
a) Options	-	-	46,223	-	-	-	86,405	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currency and gold	-	-	4,200,147	-	-	-	3,814,733	-
a) Options	-	-	159,409	-	-	-	153,684	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	4,040,738	-	-	-	3,661,049	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	-	-	47,759	-	-	-	26,479	-
5. Other	-	-	-	-	-	-	-	-
Total	-	-	4,624,583	-	-	-	4,299,575	-



## Trading financial derivatives: positive and negative gross fair value - breakdown by product

Types of derivatives	Total 30/06/2025				Organised markets	Total 31/12/2024				Organised markets
	Central counterparties	Over the counter		Without central counterparties		Central counterparties	Over the counter		Without central counterparties	
		Without settlement agreements					Without settlement agreements			
		With settlement agreements	Without settlement agreements				With settlement agreements	Without settlement agreements		
1. Positive fair value										
a) Options	-	-	5,667	-	-	-	3,597	-		
b) Interest rate swaps	-	-	2,863	-	-	-	4,240	-		
c) Cross currency swaps	-	-	-	-	-	-	-	-		
d) Equity swaps	-	-	-	-	-	-	-	-		
e) Forwards	-	-	24,517	-	-	-	27,520	-		
f) Futures	-	-	-	-	-	-	-	-		
g) Other	-	-	1,035	-	-	-	548	-		
Total	-	-	34,082	-	-	-	35,905	-		
2. Negative fair value										
a) Options	-	-	5,331	-	-	-	3,018	-		
b) Interest rate swaps	-	-	2,285	-	-	-	3,500	-		
c) Cross currency swaps	-	-	-	-	-	-	-	-		
d) Equity swaps	-	-	-	-	-	-	-	-		
e) Forwards	-	-	34,320	-	-	-	9,512	-		
f) Futures	-	-	-	-	-	-	-	-		
g) Other	-	-	1,003	-	-	-	531	-		
Total	-	-	42,939	-	-	-	16,561	-		



## Hedging financial derivatives

### Hedging financial derivatives: period-end notional amounts

Underlying assets/Types of derivatives	Total 30/06/2025				Organised markets	Total 30/06/2024			
	Over the counter					Over the counter			
	Without central counterparties		Without central counterparties						
	Central counterparties	With settlement agreements	Without settlement agreements			Central counterparties	With settlement agreements	Without settlement agreements	Organised markets
1. Debt securities and interest rates	-	-	57,002	-	-	-	59,243	-	
a) Options	-	-	-	-	-	-	-	-	
b) Swaps	-	-	57,002	-	-	-	59,243	-	
c) Forwards	-	-	-	-	-	-	-	-	
d) Futures	-	-	-	-	-	-	-	-	
e) Other	-	-	-	-	-	-	-	-	
2. Equity securities and stock indices	-	-	-	-	-	-	-	-	
a) Options	-	-	-	-	-	-	-	-	
b) Swaps	-	-	-	-	-	-	-	-	
c) Forwards	-	-	-	-	-	-	-	-	
d) Futures	-	-	-	-	-	-	-	-	
e) Other	-	-	-	-	-	-	-	-	
3. Currency and gold	-	-	-	-	-	-	-	-	
a) Options	-	-	-	-	-	-	-	-	
b) Swaps	-	-	-	-	-	-	-	-	
c) Forwards	-	-	-	-	-	-	-	-	
d) Futures	-	-	-	-	-	-	-	-	
e) Other	-	-	-	-	-	-	-	-	
4. Commodities	-	-	-	-	-	-	-	-	
5. Other	-	-	-	-	-	-	-	-	
Total	-	-	57,002	-	-	-	59,243	-	



## Hedging financial derivatives: positive and negative gross fair value - breakdown by product

Positive and negative fair value									Change in value used to recognise hedge ineffectiveness	
Types of derivatives	Total 30/06/2025				Total 31/12/2024				Total 30/06/2025	Total 31/12/2024
	Over the counter				Over the counter					
	Without central counterparties				Without central counterparties					
	Central counterparties	With settlement agreements	Without settlement agreements	Organised markets	Central counterparties	With settlement agreements	Without settlement agreements	Organised markets		
Positive fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	1,991	-	-	-	2,426	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	-	1,991	-	-	-	2,426	-	-	-





## Banking group - Liquidity risk

For qualitative information on liquidity risk, please refer to the financial statements as at 31 December 2024.

## Securitisation transactions and sale of assets

### Covered Bond

On 6 November 2013, the Bank's Board of Directors authorised a covered bond programme for a maximum amount of 5 billion euro, based on the assignment to a vehicle company of residential mortgages and construction loans arranged by the Bank. On 30 June 2023, the Board of Directors also approved the update of the Programme by incorporating the changes introduced by the implementing provisions of Title I-bis of Law No. 130 of 30 April 1999, on covered bonds (OBG), amending Circular No. 285 of 17 December 2013.

As regards the sale of assets serving the Programme, on 1 June 2014, pursuant and consequent to the combined provisions of arts. 4 and 7-bis of law 130 of 30 April 1999, the first non-recourse assignment of a portfolio of performing loans totalling 802 million euro was made to the vehicle POPSO Covered Bond s.r.l.. These transactions carried out over the years involved the sale of new portfolios of residential mortgages to the vehicle company, which was simultaneously granted a subordinated loan in order to settle the sale price. Since the Bank retains all the risks and rewards relating to those assigned loans, these mortgages were not derecognised.

The initiative provided the Bank with a new class of debt instruments that could be placed on the market, even through public transactions. In addition to this primary objective, the activation of the Programme makes it possible to:

- extend the maturities of funding and strengthen its correlation with the medium/long-term loans granted;
- diversify the long-term sources of funding;
- benefit from the favourable conditions of this class of bonds, with respect to those available via the routine placement of unsecured bonds.

A complex and well-structured process has been set up to meet the regulatory requirements, allowing, in particular, the calculation and monitoring of the tests required by law and contracts, checking compliance with the requirements governing the suitability of the assets assigned, preparing the reports required by the regulations and the rating agencies, and performing all the related control activities. Among the various counterparties involved for various reasons, BDO Italia Spa, the Independent Auditors and "asset monitor", is responsible for verifying the regulatory tests.

The regulations also require assessment of the objectives, legal, reputational and other risks, and controls put in place by the corporate bodies responsible for strategic supervision and control. The transactions are proceeding smoothly and no irregularities have come to light.

The following information is provided about the bank bonds issued by Banca Popolare di Sondrio S.p.A. for which the vehicle company, Popso Covered Bond s.r.l., acts as Guarantor:



Series and Class	Series 3
ISIN Code	IT0005568529
Issue date	24/10/2023
Maturity Date	24/10/2028
Extended maturity	24/10/2029
Currency	Euro
Amount	500,000,000
Type of rate	Fixed
Parameter	4.125%
Coupon	Annual
Applicable law	Italian

Series and Class	Series 4
ISIN Code	IT0005580276
Issue date	22/01/2024
Maturity Date	22/07/2029
Extended maturity	22/07/2030
Currency	Euro
Amount	500,000,000
Type of rate	Fixed
Parameter	3.250%
Coupon	Annual
Applicable law	Italian

Series and Class	Series 5
ISIN Code	IT0005641763
Issue date	31/03/2025
Maturity Date	31/03/2030
Extended maturity	31/03/2031
Currency	Euro
Amount	150,000,000
Type of rate	Fixed
Parameter	3.071%
Coupon	Half-yearly
Applicable law	Italian

Series and Class	Series 6
ISIN Code	IT0005651382
Issue date	21/05/2025
Maturity Date	21/05/2030
Extended maturity	21/05/2031
Currency	Euro
Amount	500,000,000
Type of rate	Fixed
Parameter	2.750%
Coupon	Annual
Applicable law	Italian

With regard to the first two series of bonds, not recalled above, it should be noted that they were fully redeemed at maturity.



## Credit Transfer

As at 30 June 2025, the exposure in Asset Backed Securities (ABS) from securitisation transactions amounted to 560.872 million euro.

The breakdown of ABS securities is as follows:

- 36.101 million euro relative to securities issued by the vehicle company Diana SPV, held following the securitisation backed by GACS of bad loans, called "Diana Project", completed in June 2020 (senior tranche of Euro 35.433 million euro; mezzanine and junior tranches of Euro 0.668 million euro);
- 31.713 million euro relative to securities issued by the vehicle company Luzzatti POP NPLs 2020 Srl, held as a result of the GACS-assisted securitisation of bad loans, called "Luzzatti", completed in December 2020 (senior tranche of 31.612 million euro; mezzanine and junior tranches of 0.101 million euro);
- 41.776 million euro relative to securities issued by the vehicle company Luzzatti POP NPLs 2021 Srl, held as a result of the GACS-assisted securitisation of bad loans, called "Luzzatti II", completed in December 2021 (senior tranche of 41.682 million euro; mezzanine and junior tranches of 0.094 million euro);
- 29.919 million euro relative to securities issued by the vehicle company Luzzatti POP NPLs 2022 Srl, held as a result of the securitisation of bad loans, called "Luzzatti III", completed in December 2022 (senior tranche of 29.792 million euro; mezzanine and junior tranches of 0.127 million euro);
- 24.951 million euro relative to securities issued by the vehicle company Luzzatti POP NPLs 2023 Srl, held as a result of the securitisation of bad loans, called "Luzzatti IV", completed in December 2023 (senior tranche of 24.835 million euro; mezzanine and junior tranches of 0.116 million euro);
- 5.390 million euro relative to securities issued by the vehicle company Luzzatti POP NPLs 2024 Srl, held as a result of the securitisation of bad loans, called "Luzzatti V", completed in December 2024 (senior tranche of 5.388 million euro; mezzanine and junior tranches of 0.002 million euro);
- 78.985 million euro relative to securities issued by the vehicle company Platinum SPV Srl, held following the securitisation of bad loans, called "Platinum", completed in June 2025 (senior tranche of 68.928 million euro; mezzanine and junior tranches of 10.057 million euro);
- 312.037 million euro relating to securities of third-party securitisation transactions, issued by the special purpose vehicle "BNT Portfolio SPV", established in 2014 in order to finalise the securitisation of Banca della Nuova Terra's agricultural loans, and by the special purpose vehicle "Alba 6 Spv".

For further details, see "Part E - Section 2 - C. Securitisation Transactions", of the Consolidated financial statements as at 31 December 2024.

At consolidated level, the group also holds structured credit securities in the amount of 146.626 million euro relating to mutual fund units subscribed as a result of multi-originator sales of non-performing loan portfolios. For a discussion of mutual funds resulting from multi-originator disposals, please refer to "Part E - Section 2 - D.3 Disposals - Financial assets sold and fully derecognised" of the Consolidated Financial Statements as at 31 December 2024.

## Synthetic securitisation

In 2022 June, the Bank signed a synthetic securitisation transaction with the EIB Group on a portfolio of loans granted to "corporate" counterparties (Small-business, SME and Large Business segments) for a countervalue of 958 million euro. By means of synthetic securitisation, the bank acquires, in synthetic and thus aggregate form, a hedge against "first losses" that may occur in an identified portfolio of loans. For further details, see "Part E - Section 2 - C. Securitisation Transactions", of the Consolidated financial statements as at 31 December 2024.

## Self-securitisation

On 16 June 2023, a securitisation transaction was finalised by the Bank as part of the strategies of



managing sources of funding and asset appreciation. The transaction consisted in the non-recourse assignment of a granular portfolio of performing loans granted to SMEs, guaranteed or unsecured, amounting to 1,554 million euro, pursuant to Law 130/1999, to the vehicle company, named Centro delle Alpi SME S.r.l., which was set up for this purpose. On 2 May 2024 and on 3 June 2025, pursuant to the "Sale Agreement", two further assignments of receivables were made to the vehicle company, concerning granular portfolios of unsecured performing loans granted to SMEs, amounting to 1,528 million euro and 562 million euro, respectively.

Among the main strategic objectives pursued are those of diversifying the sources of funding, equipping the Bank with functional instruments to lengthen funding maturities also with a view to controlling liquidity risks, and supporting the efficient management and increase in value of high quality credit assets.

The Bank acts as servicer on behalf of the vehicle company Centro delle Alpi SME srl, i.e. the service of management, administration and collection of loans; it acts on behalf of the vehicle company but remains the sole counterparty of the customers and, for this service, receives servicing fees.

As at 30 June 2025, the value of securities subscribed by the Bank was 1,702.5 million euro for senior securities, 251.6 million euro for mezzanine securities and 544.9 million euro for junior securities.



## Banking group - Operational risks

For qualitative information on operational risks, please refer to the consolidated financial statements as at 31/12/2024.

### Information on exposure to sovereign debt

Consob, with communication No. DEM/11070007 of 05/08/2011, invited listed companies to provide in the financial statements information on exposures to sovereign debtors, i.e. bonds issued by central and local governments, government agencies and any loans made to them.

In this regard, the overall exposure as at 30 June 2025 amounted to 10,981 million euro and was structured as follows:

- a) Italian government securities: 5,951 million euro;
- b) Securities of other issuers: 4,288 million euro;
- c) Loans to government departments: 208 million euro;
- d) Loans to other public administrations and miscellaneous entities: 534 million euro.

The table below shows the balance sheet value of the total debt securities exposure to sovereign states as at 30 June 2025, by portfolio.

Issuer	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Book value
<b>Government securities</b>				
Italy	-	148,605	5,802,585	5,951,190
France	-	599,312	483,199	1,082,512
Spain	-	997,341	655,501	1,652,842
Germany	-	253,548	545,400	798,948
Austria	-	149,475	49,771	199,246
Holland	-	-	-	-
U.S.A.	130,242	-	-	130,242
<b>Other Securities from Governments:</b>				
- Italy	-	20,385	111,520	131,904
- Other	54,862	144,742	92,027	291,631
<b>Total</b>	<b>185,104</b>	<b>2,313,408</b>	<b>7,740,002</b>	<b>10,238,514</b>

The table does not include GACS-assisted securitisation securities.

With regard to government securities exposures, the following table provides information on maturity, by portfolio:

	Within 1 year	from 1 to 5 years	Over 5 years	Total
Financial assets measured at fair value through profit or loss (Item 20)	130,242	-	-	130,242
Financial assets measured at fair value through other comprehensive income (Item 30)	1,248,088	600,970	299,223	2,148,281
Financial assets measured at amortised cost (Item 40)	50,245	2,765,160	4,721,050	7,536,456



## ESG risks (Environmental, Social and Governance)

The Bank has incorporated ESG (Environmental, Social and Governance) risks into its risk management systems and processes as determining factors of existing risk categories (credit, market, operational, etc.). The impact of ESG factors can occur at any time and trigger effects over very different time periods; they can generate negative financial consequences through a variety of risk drivers and transmission mechanisms.

The European Financial System Supervisory Authorities have been pioneers in encouraging the adoption of best practices for the management and governance of ESG risk cases, especially with regard to risks related to climate change and environmental degradation, issues for which the market had already begun to itself adopt tools to concretely assess the scope and relevance of the associated risk profiles. In response to the expectations set out in the ECB Guide on climate and environmental risks (November 2020) and in light of leading practices identified in the market, at the end of 2023 the Bank developed and shared with its Supervisor a wide-ranging plan of activities aimed at generally strengthening the integration of climate and environmental risk assessments into key business processes. To this day, continuous monitoring and reporting on the progress of the various sites in the programme of initiatives is carried out. There is also a constant focus on market practices and the regulatory framework, the latter recently enhanced by new guidelines on ESG risk management issued by the European Banking Authority (EBA) in January 2025.

In relation to the aforementioned action plan, a large part of the initiatives listed therein - in the nature of remedying weaknesses and/or the need to refine the methodologies and processes used for the overall management of ESG risks - have now become part of the activities regularly implemented within the ordinary internal operational processes as well as policy-making at the strategic level. For example, the annual update of the identification, mapping and determination of the relevance of climate and environmental (C&E) risk factors in the short, medium and long term along the institution's entire value chain is hugely important; risk analyses that are also consistent with the assessments required to identify material environmental issues subject to sustainability reporting to the public through the "dual materiality" exercise conducted pursuant to the CSRD Directive (Directive (EU) 2022/2464 - Corporate Sustainability Reporting Directive).

The results of these assessments, in terms of survey clusters (e.g. economic sectors, geographic areas) potentially exposed to C&E risk factors over different time intervals, make it possible to identify the areas of operations subject to the highest incidence of physical risk drivers and green transition, on which to focus financial materialisation studies. In this regard, dedicated simulations of the impact of C&E risks on the Bank's overall risk profile were enhanced as part of the capital adequacy (ICAAP) and liquidity (ILAAP) review processes. With regard to the ICAAP exercise, this year, in addition to quantifying the prospective impacts of environmental and climate change-related factors on representative metrics of Pillar I banking risks (credit, market and operational), specific simulations were introduced in relation to possible manifestations of transition effects on reputational risks and strategic/business risks.

The results obtained from the periodic materiality analyses of C&E factors also condition the strategic risk appetite guidelines, determining the updating of the Risk Appetite Framework schemes with specific indicators, limits and alert thresholds aimed at measuring the Bank's exposure to the ESG risk factors that are most likely to affect the main "traditional" risks. During the first half of the year, work was carried out to fine-tune the framework of metrics for monitoring ESG factors, which involved a number of initiatives to update and recalibrate the parameters in use.

As for the assessment of the ESG risk associated with the credit portfolio, for the corporate and retail segments, it should be noted that over the years the Bank has refined its internal methodology for classifying customers through a dedicated ESG scoring attribution process, which assigns a level of ESG risk to each borrower counterparty. Using a statistical approach, the metric factors in the ESG risk elements related to both the client counterparties (e.g. a company's vulnerability to rising energy commodity prices, sensitivity to social issues and good governance) and the property securing the credit exposure, if any. This is combined with a score assigned thanks to the processing of precise information gathered from individual counterparty companies as part of the ESG Due Diligence activities, which continued in the last



six months through the administration of dedicated qualitative questionnaires aimed in particular at the debtors considered most strategic.

The ESG Score plays a valuable role in the overall environmental, social and governance risk governance and mitigation framework. It is integrated in the analyses carried out during the preliminary stage of a credit proposal, also activating screening systems and in-depth checks where counterparties prove to be highly sensitive to ESG risks; it affects credit policy schemes and sector attractiveness guidelines in the granting of credit, the framework for defining the company's risk propensity by means of specific indicators, and the determination of the bodies empowered to make credit decisions; it is included among the variables forming the rate conditions applicable to lending transactions with customers and impacts, through specific quantification, on the Expected Credit Loss (ECL) value used to calculate accounting provisions with the IFRS 9 collective impairment model.

Above all, the "ESG Credit Policy" dictates specific general, sectorial and operation criteria to be adopted in ordinary credit disbursement and monitoring procedures in order to orient them towards sustainability standards, helping to tighten the relationship between credit risk control and the assessment of compliance with environmental, social and good corporate governance values.

This period also saw the continuation of the path undertaken in 2023 by the subsidiaries with the support of Banca Popolare di Sondrio, aimed at the integration of ESG assessment elements within the strategic visions and neuralgic corporate processes, including those of risk management.

Below is a summary overview of the main initiatives underway and planned at each subsidiary.

#### *Factorit*

In line with the provisions of Factorit's multi-year (2023-2025) action plan for the management of climate and environmental risks, transmitted to the Bank of Italy in March 2023, the activities planned for the "Governance & HR", "Credit", "Risks and Methodologies", "Reporting", "IT and Data" and "Suppliers" sites were completed during this period.

Of particular note are the following activities:

- the integration of ESG risk factors into the granting, decision-making, pricing and credit policy-making processes;
- the updating of the materiality analysis of climate and environmental risks and the integration of additional RAF indicators and ESG risk reporting;
- the implementation of the IT architecture for receiving and storing the new ESG data streams and the related Data Quality facility;
- the transposition of methodologies and operating methods for the evaluation and monitoring of suppliers from an ESG perspective.

The next six months will see the completion of the remaining activities related to the "Climate Strategy" site in order to reach the conclusion of the overall Action Plan.

#### *Banca della Nuova Terra*

In the last quarter of 2023, a Multi-Year (2024-2025) Action Plan was also outlined for the subsidiary Banca della Nuova Terra, in relation to areas where climate and environmental risks were found to be particularly important. Over the course of the period, the activities planned for the "Risks and Methodologies" and "Reporting" areas were completed as planned, with the main initiatives being the updating of the materiality analysis of climate and environmental risks and the integration of additional RAF indicators as well as ESG risk reporting.

The overall plan will be completed during the next six months, finalising the activities, currently underway, to support the integration of the ESG assessment process on the Bank's suppliers.

#### *BPS Suisse*

Following the entry into the Bank's workforce of a Corporate Social Responsibility Manager with excellent ESG skills, the cross-functional activities relating to this issue have been centralised with this new individual, who has the task of identifying and implementing sustainability strategies and projects, as well as



contributing to their development, in compliance with Swiss regulatory provisions and in coordination with Banca Popolare di Sondrio.

In addition to the regular activity of contributing preparatory data to the consolidated sustainability reporting (CSRD- Corporate Sustainability Reporting Directive), during the period the subsidiary launched specific project activities aimed at defining its strategic direction in relation to climate-environmental, social and governance risks, actively analysing the regulatory provisions issued by the Swiss Federal Financial Market Supervisory Authority (FINMA), through dedicated internal working groups. The aim is to progressively incorporate ESG risk assessment in the formulation and implementation of its credit, financial and investment policies as well as in the provision of services to clients.

Furthermore, within the Risk Appetite framework, new indicators were introduced to monitor ESG risks in the areas of sector concentration risk and market risk, which are instrumental in ensuring capital integrity and business continuity over the long term and contribute to an orderly transition to a sustainable economy.





## Information on consolidated equity

### Consolidated equity

#### QUALITATIVE INFORMATION

The asset size is constantly monitored and periodically brought to the attention of the Directors and Supervisory Bodies.

The Bank has always made every effort to have an adequate and suitable level of capital to enable its operations to grow steadily and to protect against risk in accordance with the requirements of the supervisory regulations. In line with its status as a cooperative bank, the capitalisation policy of Banca Popolare di Sondrio has been identified as the instrument that, by creating the role of shareholder/customer, has made it possible to pursue the strategy of autonomous growth decided by management.

By resolution of the shareholders' meeting of 29 December 2021, the Bank, in accordance with the provisions of Law No. 33 of 24 March 2015, converted from a cooperative company limited by shares to a joint-stock company. The transformation into a joint-stock company has not undermined the founding principles that underpin the Bank's activities.

This is why the history of Banca Popolare di Sondrio features periodic increases in capital, carried out in ways that are technically straightforward and transparent, so that the shareholders can immediately understand the terms of the operation. Based on this premise, we have never issued innovative capital instruments and the repeated increases have always been taken up en masse.

The financial resources raised by such operations, together with the reserves built up in accordance with the articles of association, have enabled to expand the activities harmoniously and to look forward to future challenges with a certain peace of mind.

The Ordinary Shareholders' Meeting of 30 April 2025, called to approve the 2024 financial statements and the appropriation of profit, resolved to pay a total dividend of 362.709 million euro.



## QUANTITATIVE INFORMATION

### Analysis of consolidated equity by type of company

Items/Amounts	Prudential consolidation	Insurance companies	Other companies	Eliminations and adjustments from consolidation	Total
<b>1. Share capital</b>	<b>1,360,161</b>	-	<b>10</b>	-	<b>1,360,171</b>
<b>2. Share premiums</b>	<b>79,037</b>		-	-	<b>79,037</b>
<b>3. Reserves</b>	<b>2,206,883</b>		<b>834</b>	<b>194,372</b>	<b>2,402,089</b>
<b>4. Equity instruments</b>					-
<b>5. Treasury shares</b>	<b>(25,048)</b>		-	-	<b>(25,048)</b>
<b>6. Valuation reserves:</b>	<b>172,688</b>	-	<b>287</b>	<b>3,562</b>	<b>176,537</b>
- Equity securities measured at fair value through other comprehensive income	68,714	-	-	-	68,714
- Hedges of equity securities measured at fair value through other comprehensive income					-
- Financial assets (other than equity securities) measured at fair value through other comprehensive income	1,047	-	-	-	1,047
- Property, equipment and investment property	173,019	-	88	-	173,107
- Intangible assets					-
- Hedges of foreign investments					-
- Cash-flow hedges					-
- Hedging instruments (non-designated elements)					-
- Exchange rate differences	-	-	-	112	112
- Non-current assets and groups of assets held for sale					-
- Financial liabilities measured at fair value through profit or loss (changes in own creditworthiness)					-
- Actuarial profits (losses) related to defined-benefit pension plans	(70,092)	-	7	-	(70,085)
- Portions of valuation reserves related to subsidiaries carried at equity	-	-	-	3,450	3,450
- Financial revenues or costs relating to insurance contracts issued					-
- Financial revenues or costs relating to outward reinsurance					-
- Special revaluation laws	-	-	192	-	192
<b>7. Profit (Loss) for the year</b>	<b>354,361</b>	-	<b>(560)</b>	<b>(17,592)</b>	<b>336,209</b>
<b>Total</b>	<b>4,148,082</b>	-	<b>571</b>	<b>180,342</b>	<b>4,328,995</b>



## Valuation reserve of financial assets measured at fair value through other comprehensive income: breakdown

Assets/Amounts	Prudential consolidation		Insurance companies		Other companies		Eliminations and adjustments from consolidation		Total	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	5,170	(7,145)	-	-	-	-	-	-	5,170	(7,145)
2. Equity securities	73,192	(4,478)	-	-	-	-	-	-	73,192	(4,478)
3. Loans	3,022	-	-	-	-	-	-	-	3,022	-
<b>30/06/2025</b>	<b>81,384</b>	<b>(11,623)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,384</b>	<b>(11,623)</b>
<b>31/12/2024</b>	<b>77,326</b>	<b>(18,213)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,326</b>	<b>(18,213)</b>

## Valuation reserves of financial assets measured at fair value through other comprehensive income: changes in the year

	Debt securities	Equity securities	Loans
<b>1. Opening balance</b>	<b>(8,539)</b>	<b>64,443</b>	<b>3,209</b>
<b>2. Positive changes</b>	<b>10,483</b>	<b>5,219</b>	<b>-</b>
2.1 Increases in fair value	9,666	5,219	-
2.2 Value adjustments for credit risk	-	-	-
2.3 Transfer to income statement of negative reserves from disposals	817	-	-
2.4 Transfer to other components of equity (equity securities)	-	-	-
2.5 Other changes	-	-	-
<b>3. Negative changes</b>	<b>(3,919)</b>	<b>(948)</b>	<b>(187)</b>
3.1 Reductions in fair value	(294)	(948)	(187)
3.2 Write-backs for credit risk	(144)	-	-
3.3 Transfer to income statement from positive reserves: from disposal	(3,481)	-	-
3.4 Transfer to other components of equity (equity securities)	-	-	-
3.5 Other changes	-	-	-
<b>4. Closing balance</b>	<b>(1,975)</b>	<b>68,714</b>	<b>3,022</b>

## Valuation reserves relating to defined-benefit plans: changes in the year

The valuation reserve relating to the defined-benefit plans is negative by 70.085 million euro. This amount derives from the recognition of the related actuarial gains and losses and the associated taxation.

## Capital and capital adequacy ratios

The disclosure on own funds and capital adequacy is represented in the document "Disclosure to the Public - Pillar 3 at 30 June 2025" prepared on the basis of the regulatory provisions established by Circular No. 285 of 17 December 2013 and subsequent updates, issued by the Bank of Italy, and by Regulation (EU) No. 575/2013 of the European Parliament and Council of 26 June 2013 (CRR), as amended. The document contains consolidated information and will be made available in the "Investor Relations" section of the institutional website [www.popso.it](http://www.popso.it).



## Transactions with related parties

### Related-party disclosures

In accordance with Consob Resolution No. 17221 of 12.3.2010 and subsequent amendments, by resolution of the Board of Directors on 11 November 2010, the Bank adopted its own Internal Regulation on transaction with related parties.

This regulation was last updated by resolution of the Board of Directors on 7 May 2024 and is published on the company website at [www.institutional.popso.it](http://www.institutional.popso.it).

A related party is understood as being a person in a certain position who could exercise an influence over the Bank such as to condition, directly or indirectly, the way that it operated to favour their own personal interests.

Related parties have been identified in accordance with IAS 24 and with the above mentioned Consob Regulation. Related parties are:

1. Subsidiaries, parent companies and companies under joint control.
2. Companies that can exercise significant influence over the reporting bank.
3. Associates and their subsidiaries.
4. Joint ventures in which the reporting bank holds an investment.
5. Managers with strategic responsibilities within the bank or its parent company.
6. Close family members of the parties listed in point 5.
7. Subsidiaries, companies under joint control by one of the parties listed in points 5 and 6.
8. Pension funds of employees and any other entity related to them.

Close family members are defined as follows: the spouse (not legally separated) or companion of the person concerned; the children and dependant relatives of the person concerned, of the spouse (not legally separated) and of the companion; the parents, second degree relatives and others living with the person concerned.

A situation of significant influence is presumed to exist if one holds, directly or indirectly, 20% or more of the votes exercisable at the shareholders' meeting of the investee, or 10% in the case of companies with shares listed on regulated markets, unless the contrary can be clearly demonstrated.

Relations with companies in which investments are held are conducted as part of normal operations and mainly relate to current accounts, deposit accounts and loans. These relations are regulated from a Group perspective and are normally in line with the conditions applied to the Parent Company in the reference markets and may differ from those that the subsidiary could see applied to it acting autonomously.

Other relations with other related parties, excluding the above companies, are also settled on the market terms applying to the individual transactions, or on terms in line with those applied to employees, if applicable.

Related parties with administration, management and control functions, are applied a special approval procedure for the granting of bank credit laid down in Art. 136 of the CBA. This makes the transaction subject to the unanimous approval of the Board of Directors.

With reference to the most significant transactions with related parties resolved upon by the competent bodies of the bank during the period from 1 January to 30 June 2025, in compliance with the disclosure requirements set forth in Art. 5 of the aforementioned Consob Regulation, please refer to the chapter "Transactions with related parties" of the Directors' Report.

During the current period, no positions or transactions deriving from atypical or unusual operations have arisen. According to Consob Circular DEM/1025564 of 6 April 2001, atypical and/or unusual transactions are those - not arising in the ordinary course of business - that may raise doubts about the completeness of the disclosures in the financial statements, conflicts of interests, the protection of the corporate assets or the safeguarding of the shareholders, by virtue of their magnitude, the nature of the counterparties, the methods for determining the transfer price or the timing of the transaction.



The balance sheet and income statement figures as at 30 June 2025 are shown below for related parties as defined above on the basis of IAS 24:

(thousands of euro)	Assets	Liabilities	Income	Charges	Guarantees given and commitments	Guarantees received
Directors	391	10,450	4	128	105	740
Statutory auditors	546	283	5	2	344	2,907
Management	0	1,791	0	18	540	0
Family members	1,278	3,029	28	26	151	6,690
Associates	513,942	120,605	4,222	959	263,456	612
Other	119,619	67,958	2,310	457	1,711	352
<b>Totals</b>	<b>635,777</b>	<b>204,117</b>	<b>6,569</b>	<b>1,592</b>	<b>266,307</b>	<b>11,300</b>

The figures shown in the table do not include remuneration paid to Directors, Statutory Auditors and managers with strategic responsibilities.

The item "Other" includes positions with Unipol Group, which, as at 30 June 2025, exercises significant influence over the bank.

Assets and liabilities mainly refer to item 40 "Financial assets measured at amortised cost - b) loans and receivables with customers" and item 10 "Financial liabilities measured at amortised cost - b) due to customers" and have a percentage incidence of 1.41% and 0.52%, respectively. Income and expenses mainly relate to interest and commission items and account for 0.57% and 0.44%, respectively.

The exposure to associates is attributable for 137 million euro to Arca Holding spa and 250 million euro to Alba Leasing spa.



## Share-based payment agreements

On 30 April 2025, the Shareholders' Meeting, following the resolution of the Board of Directors of 20 March 2025, approved the Remuneration Policies for the financial year 2025 containing indications on the use of Remuneration Plans based on equity (financial) instruments.

Circular No. 285/2013 in order to ensure that remuneration and incentive systems meet the fundamental objectives of regulation: linkage with risks, compatibility with capital and liquidity levels, medium- to long-term orientation, and compliance with rules, provides for a series of criteria that the variable remuneration component must meet. In particular, the variable component must be balanced, i.e., at least 50% of the variable remuneration paid to the "Key Personnel" must be allocated through the assignment of shares or financial instruments linked to them (pursuant to Art. 114-*bis* of Legislative Decree No. 58 of 24 February 1998) and paid by means of spot payment systems ("up-front") or deferred for a period of not less than 4-5 years so as to take into account the trend over time of the risks assumed by the bank (so-called *malus* mechanisms). In compliance with the aforementioned regulatory provisions, Banca Popolare di Sondrio has provided for:

- **Short-term remuneration plan on an annual basis - 2025:** the Plan identifies the recipients, the reasons for adopting the plan and the approval process and timeframe for awarding the instruments. The 2025 Plan, provided for in the Group's Remuneration Policies, was approved by the Board of Directors on 20 March 2025. As to the characteristics of the instruments granted, the Plan provides for the possible free assignment of ordinary shares of Banca Popolare di Sondrio upon the occurrence of certain predefined conditions. The implementation period of the 2024 Plan is between the period of the final results for the financial year 2024 and the year of the possible award of the last tranche of shares. Considering the 5-year deferral period established by the Remuneration Policies, the 2024 Plan can be concluded in 2030. The Plan provides for a one-year action retention period for possible beneficiaries.
- **2025-2027 Long-Term Remuneration Plan:** the Plan identifies the recipients, the reasons for adopting the plan and the approval process and timeframe for awarding the instruments. As to the characteristics of the instruments granted, the Plan provides for the possible free assignment of ordinary shares of Banca Popolare di Sondrio upon the occurrence of certain predefined conditions. The implementation period of the Plan linked to the 2023 - 2025 Long-Term Bonus System is between the period of the final results for the financial year 2025 and the year of the possible award of the last tranche of shares (2031). Considering the 5-year deferral period established by the Remuneration Policies, the Plan linked to the Long-Term Bonus System, measured at the end of the validity period of the business plan (2025) can be concluded in 2031. The Plan provides for a one-year action retention period for possible beneficiaries.

### QUANTITATIVE INFORMATION

For both plans (short-term and long-term), the allocation of the financial instruments is conditional on the authorisation by the Shareholders' Meeting to the bank's Board of Directors for the use of the treasury shares already held. The 2025 Incentive Plan and the Plan linked to the (2025-2027) Long-Term Bonus System, provided for by the Group's Remuneration Policies, were approved by the Board of Directors on 20 March 2025. On 20 March 2025, the market price of the Banca Popolare di Sondrio share, traded on the Euronext Milan Market, was 11.47 euro.

#### 1. Changes in the year

The determination of the short-term variable remuneration referred to 2024 entailed the assignment, in 2025, of 31,959 Banca Popolare di Sondrio S.p.A. shares. Taking into account the previous stock of treasury shares in addition to the deliveries of shares made during 2025 as part of the implementation of



the remuneration and incentive policies, as at 30 June 2025 Banca Popolare di Sondrio held 3,565,256 treasury shares.

With reference to the Short-Term Remuneration Plan on an annual basis - 2025, the variable remuneration will be resolved and paid in 2026; when presenting the financial statements as at 30 June 2025, an estimate of the disbursement was made by recording a provision in the income statement with a balancing entry in equity for the portion attributable in shares in the amount of 0.45 million euro.

With reference to the 2025-2027 Long-Term Remuneration Plan, the exact identification of the shares to be granted is subject to the achievement of the expected results and the determinations of the Board of Directors. For the year 2025, the cost share for the year was estimated by recording a provision of 0.2 million euro in the income statement as at 30 June with a contra-entry in equity.

## 2. Other information

For detailed information on the contents of the Short-Term Remuneration Plan on an annual basis - 2025 and the 2025-2027 Long-Term Remuneration Plan, please refer to the Information Documents drafted pursuant to Art. 84-*bis* of the Issuers' Regulation and Art. 114-*bis* of the Consolidated Finance Act, available to the public at the Bank's registered office, on the Bank's website [www.popso.it](http://www.popso.it) - Institutional website > Investor relations > 2025 Shareholders' Meeting.



## Segment reporting

The segment reporting was prepared in accordance with IFRS 8 - Operating segments. Each segment is identified in consideration of the nature of the products and services offered and the type of reference customer, so as to present internally adequately homogeneous characteristics in terms of risk and profitability.

Even though this classification reflects the lines of business envisaged under the Standardised Approach for calculating the minimum capital requirement for operational risk, it is based substantially on internal practice for the subdivision of activities used to apply corporate policies and to evaluate their results.

Geographical distribution is based on the distribution of branches throughout Italy and Switzerland.

### Distribution by business segments

#### Distribution by business segments: economic data

The following segments are discussed:

- *Corporate*: these comprise "non-financial companies" and "family"; the figures shown here relate to credit and loans, deposits, leasing and payment services. Revenues from currency transactions with resident and non-resident customers are also significant to this segment.
- *Individuals and other customers*: these comprise "consumer households", "public administrations", "finance companies" and "non-profit organisations"; the results reported derive from routine transactions with these customers, including the taking of deposits, intermediation in savings transactions, the granting of long-term loans and consumer credit, the provision of collection and payment services, the issue of credit and debit cards and other ancillary functions.
- *Securities*: this comprises the results of transactions with customers involving direct trading in, the acceptance of instructions, the placement of financial instruments, insurance and pension productions, and the management of portfolios.
- *Central functions*: this reports the results deriving from the management of portfolio of own securities and equity investments, currency transactions on own account, and treasury management activities. In addition, it aggregates certain residual activities that were not allocated to the previous segments because, in view of the amount of revenues generated, they remain below the materiality limits provided for by the relevant regulations.

The following tables show the pre-tax results of each individual segment for 2025 and 2024. Interest income and expense include a notional element to reflect the contribution to the financial margin made by each segment. This aspect is managed by using a multiple internal transfer rate ("treasury pool"), considering both currency and duration, which keeps assets and liabilities in balance and which is settled within the "central functions" segment.

Administrative expenses are allocated directly to the various segments, wherever possible; in other cases, they are allocated using suitable drivers that essentially reflect the scale of the activities concerned.

The "reconciliation" column is used for the tie-in to the financial statements.





Items	Corporate	Individuals and other customers	Securities	Central functions	Total	Reconciliation	30/06/2025
Interest income	514,528	571,284	-	651,994	1,737,806	-832,099	905,707
Interest expense	-315,754	-454,191	-	-412,133	-1,182,078	832,099	-349,979
<b>Net interest income</b>	<b>198,774</b>	<b>117,093</b>	<b>-</b>	<b>239,861</b>	<b>555,728</b>	<b>-</b>	<b>555,728</b>
Fee and commission income	107,234	43,837	75,532	11,916	238,519	174	238,693
Fee and commission expense	-3,588	-4,702	-3,415	720	-10,985	-255	-11,240
Dividends and similar income	-	-	-	5,913	5,913	-	5,913
Net trading income	-	-2,621	-	43,709	41,088	-	41,088
Net hedging gain (loss)	-	-	-	-92	-92	-	-92
Gains/losses from sales or repurchases	-497	256	-	21,300	21,059	-	21,059
Net gains/losses on financial assets and liabilities measured at fair value	13,222	-554	-	-9,742	2,926	-	2,926
<b>Total income</b>	<b>315,145</b>	<b>153,309</b>	<b>72,117</b>	<b>313,585</b>	<b>854,156</b>	<b>-81</b>	<b>854,075</b>
Net value adjustments to financial assets	-36,357	2,057	-	-2,527	-36,827	-	-36,827
<b>Net financial income</b>	<b>278,788</b>	<b>155,366</b>	<b>72,117</b>	<b>311,058</b>	<b>817,329</b>	<b>-81</b>	<b>817,248</b>
Administrative expenses	-75,375	-111,310	-36,215	-79,971	-302,871	-38,733	-341,604
Net accruals to provisions for risks and charges	3,707	-5,481	-	-1,297	-3,071	-	-3,071
Net value adjustments to property, equipment and investment property	-5,272	-8,123	-2,686	-9,127	-25,208	-	-25,208
Net value adjustments to intangible assets	-2,281	-3,570	-1,186	-2,217	-9,254	-	-9,254
Other operating income/expense	1,796	1,539	15	8,983	12,333	38,814	51,147
Gains (losses) on equity investments	-	-	-	19,965	19,965	-	19,965
Net result of fair value measurement of property, equipment and investment property and intangible assets	-	-	-	-17,237	-17,237	-	-17,237
Goodwill value adjustments	-	-	-	-	-	-	-
Gains/losses on sale of investments	-	-	-	325	325	-	325
<b>Gross result</b>	<b>201,363</b>	<b>28,421</b>	<b>32,045</b>	<b>230,482</b>	<b>492,311</b>	<b>-</b>	<b>492,311</b>



Items	Corporate	Individuals and other customers	Securities	Central functions	Total	Reconciliation	30/06/2024
Interest income	594,061	682,692	-	861,606	2,138,359	-1,051,312	1,087,047
Interest expense	-428,849	-585,403	-	-586,049	-1,600,301	1,051,312	-548,989
<b>Net interest income</b>	<b>165,212</b>	<b>97,289</b>	<b>-</b>	<b>275,557</b>	<b>538,058</b>	<b>-</b>	<b>538,058</b>
Fee and commission income	100,732	43,261	65,934	13,711	223,638	57	223,695
Fee and commission expense	-3,394	-4,918	-3,125	634	-10,803	-228	-11,031
Dividends and similar income	38	-	-	3,184	3,222	-	3,222
Net trading income	-	-3,208	-	59,692	56,484	-	56,484
Net hedging gain (loss)	-	-	-	2	2	-	2
Gains/losses from sales or repurchases	2,531	-	-	9,825	12,356	-	12,356
Net gains/losses on financial assets and liabilities measured at fair value	-6,353	-427	-	-609	-7,389	-	-7,389
<b>Total income</b>	<b>258,766</b>	<b>131,997</b>	<b>62,809</b>	<b>361,996</b>	<b>815,568</b>	<b>-171</b>	<b>815,397</b>
Net value adjustments to financial assets	-88,679	-21,282	-	-3,962	-113,923	-	-113,923
<b>Net financial income</b>	<b>170,087</b>	<b>110,715</b>	<b>62,809</b>	<b>358,034</b>	<b>701,645</b>	<b>-171</b>	<b>701,474</b>
Administrative expenses	-68,464	-98,725	-32,106	-91,248	-290,543	-36,101	-326,644
Net accruals to provisions for risks and charges	5,390	-19,505	-	-334	-14,449	-	-14,449
Net value adjustments to property, equipment and investment property	-5,285	-7,948	-2,644	-10,610	-26,487	-	-26,487
Net value adjustments to intangible assets	-1,948	-2,938	-979	-2,072	-7,937	-	-7,937
Other operating income/expense	1,946	-3,473	-33	9,733	8,173	36,272	44,445
Gains (losses) on equity investments	-	-	-	18,257	18,257	-	18,257
Net result of fair value measurement of property, equipment and investment property and intangible assets	-	-	-	-1,640	-1,640	-	-1,640
Gains/losses on sale of investments	-	-	-	133	133	-	133
<b>Gross result</b>	<b>101,726</b>	<b>-21,874</b>	<b>27,047</b>	<b>280,253</b>	<b>387,152</b>	<b>-</b>	<b>387,152</b>

Below is a breakdown of commission income by services rendered, defined from a management perspective, and by IFRS 8 operating segment, in line with the disclosure requirements introduced by IFRS 15.



Type of services	Corporate	Individuals and other customers	Securities	Central functions	Reconciliation	30/06/2025	30/06/2024
<b>FEE AND COMMISSION INCOME</b>	<b>106,482</b>	<b>44,588</b>	<b>75,532</b>	<b>11,917</b>	<b>174</b>	<b>238,693</b>	<b>223,695</b>
<b>Guarantees given</b>	<b>18,716</b>	<b>3,828</b>	<b>-</b>	<b>-</b>		<b>22,544</b>	<b>20,603</b>
<b>Management, Brokerage and Consulting</b>	<b>-</b>	<b>-</b>	<b>75,532</b>	<b>-</b>		<b>75,532</b>	<b>65,934</b>
<i>of which assets under administration</i>	<i>-</i>	<i>-</i>	<i>23,429</i>	<i>-</i>		<i>23,429</i>	<i>21,562</i>
<i>of which assets under management</i>	<i>-</i>	<i>-</i>	<i>36,489</i>	<i>-</i>		<i>36,489</i>	<i>30,096</i>
<i>of which insurance funding</i>	<i>-</i>	<i>-</i>	<i>15,614</i>	<i>-</i>		<i>15,614</i>	<i>14,276</i>
<b>Collection and payment services</b>	<b>24,462</b>	<b>16,916</b>	<b>-</b>	<b>10,034</b>		<b>51,412</b>	<b>52,970</b>
<b>Keeping and management of current accounts</b>	<b>18,737</b>	<b>6,372</b>	<b>-</b>	<b>-</b>		<b>25,109</b>	<b>24,261</b>
<b>Other fees and commissions</b>	<b>44,567</b>	<b>17,472</b>	<b>-</b>	<b>1,883</b>	<b>174</b>	<b>64,096</b>	<b>59,927</b>
<i>of which loans</i>	<i>39,767</i>	<i>13,682</i>	<i>-</i>	<i>-</i>		<i>53,449</i>	<i>48,655</i>
<i>of which third-party products</i>	<i>1,787</i>	<i>1,076</i>	<i>-</i>	<i>-</i>		<i>2,863</i>	<i>3,379</i>
<i>of which other</i>	<i>3,013</i>	<i>2,714</i>	<i>-</i>	<i>1,883</i>	<i>174</i>	<i>7,784</i>	<i>7,893</i>
<b>FEE AND COMMISSION EXPENSE</b>	<b>(3,581)</b>	<b>(4,709)</b>	<b>(3,415)</b>	<b>720</b>	<b>(255)</b>	<b>(11,240)</b>	<b>(11,031)</b>
<b>NET FEE AND COMMISSION INCOME</b>	<b>102,901</b>	<b>39,879</b>	<b>72,117</b>	<b>12,637</b>	<b>(81)</b>	<b>227,453</b>	<b>212,664</b>

It should be noted that the breakdown by services is made according to management logic and therefore, the breakdown differs from the individual items of the financial statements required by Schedule 262/2005 for the breakdown of commission income.



## Distribution by business segment: financial data

Items	Corporate	Individuals and other customers	Securities	Central functions	30/06/2025
Financial assets	21,698,221	18,255,482	-	11,185,009	51,138,712
Other assets	-	-	-	4,525,633	4,525,633
Property, equipment and investment property	158,053	242,216	79,929	390,461	870,659
Intangible assets	6,432	10,307	3,451	19,144	39,334
Financial liabilities	12,056,938	33,032,527	-	4,517,431	49,606,896
Other liabilities	19,373	10,011	-	2,198,748	2,228,132
Provisions	164,959	146,229	24,224	74,903	410,315
Guarantees given	4,615,554	484,226	-	474,258	5,574,038
Commitments	16,881,185	4,135,614	49,299	593,137	21,659,235

Items	Corporate	Individuals and other customers	Securities	Central functions	31/12/2024
Financial assets	20,802,244	18,295,358	-	10,162,841	49,260,443
Other assets	-	-	-	6,668,726	6,668,726
Property, equipment and investment property	114,947	167,574	54,537	326,519	663,577
Intangible assets	5,575	8,843	2,936	18,482	35,836
Financial liabilities	12,309,431	32,244,988	-	6,193,609	50,748,028
Other liabilities	28,869	14,870	-	1,257,332	1,301,071
Provisions	174,111	147,774	26,112	75,147	423,144
Guarantees given	4,694,800	474,761	-	289,031	5,458,592
Commitments	17,542,283	4,899,905	49,466	727,232	23,218,886

## Distribution by geographical areas

The geographical distribution was made on the basis of the location of the branches; the representation according to the alternative criterion, based on the residence of the counterparties, does not lead to significant differences.

For Banca Popolare di Sondrio, branches are aggregated into two geographical areas, "Northern Italy" and "Central Italy", since there is a significance difference in the respective customer profiles, while products, services, commercial and management policies are all the same.

In fact, in terms of intermediated volumes, in Northern Italy the most significant market shares pertain to "non-financial companies" and "consumer and producer households" while in Central Italy the "public administration" sector assumes particular importance.

The differences between Banca Popolare di Sondrio and the Swiss subsidiary regarding the types of customer served, the products and services provided, and commercial and management policies adopted make the separate representation of the "Swiss" operations area significant.



## Distribution by geographical areas: economic data

Items	Northern Italy	Central- Southern Italy	Switzerland	Total	Reconciliation	30/06/2025
Interest income	1,497,149	159,678	64,556	1,721,383	-815,676	905,707
Interest expense	-1,003,114	-114,020	-49,299	-1,166,433	816,454	-349,979
<b>Net interest income</b>	<b>494,036</b>	<b>45,657</b>	<b>15,257</b>	<b>554,950</b>	<b>778</b>	<b>555,728</b>
Fee and commission income	193,807	32,016	15,248	241,071	-2,378	238,693
Fee and commission expense	-9,864	-1,625	-1,354	-12,843	1,603	-11,240
Dividends and similar income	74,011	-	164	74,175	-68,262	5,913
Net trading income	2,948	-	38,141	41,089	-1	41,088
Net hedging gain (loss)	-97	-	7	-90	-2	-92
Gains/losses from sales or repurchases	19,869	1,190	-	21,059	-	21,059
Net gains/losses on financial assets and liabilities measured at fair value	1,574	356	996	2,926	-	2,926
<b>Total income</b>	<b>776,284</b>	<b>77,594</b>	<b>68,459</b>	<b>922,337</b>	<b>-68,262</b>	<b>854,075</b>
Net value adjustments to financial assets	-27,914	-6,391	-2,672	-36,977	150	-36,827
<b>Net financial income</b>	<b>748,369</b>	<b>71,204</b>	<b>65,787</b>	<b>885,360</b>	<b>-68,112</b>	<b>817,248</b>
Administrative expenses	-239,001	-23,382	-41,772	-304,155	-37,449	-341,604
Net accruals to provisions for risks and charges	-6,013	3,553	-15	-2,475	-596	-3,071
Net value adjustments to property, equipment and investment property	-22,488	-1,531	-3,155	-27,174	1,966	-25,208
Net value adjustments to intangible assets	-7,064	-659	-1,531	-9,254	-	-9,254
Other operating income/expense	15,243	638	36	15,917	35,230	51,147
Gains (losses) on equity investments	-848	-	-	-848	20,813	19,965
Net result of fair value measurement of property, equipment and investment property and intangible assets	-17,237	-	-	-17,237	-	-17,237
Goodwill value adjustments	-	-	-	-	-	-
Gains/losses on sale of investments	325	-	-	325	-	325
<b>Gross result</b>	<b>471,287</b>	<b>49,822</b>	<b>19,350</b>	<b>540,459</b>	<b>-48,148</b>	<b>492,311</b>



Items	Northern Italy	Central-Southern Italy	Switzerland	Total	Reconciliation	30/06/2024
Interest income	1,870,060	193,622	78,383	2,142,065	-1,055,018	1,087,047
Interest expense	-1,378,763	-160,292	-65,880	-1,604,935	1,055,946	-548,989
<b>Net interest income</b>	<b>491,297</b>	<b>33,330</b>	<b>12,503</b>	<b>537,130</b>	<b>928</b>	<b>538,058</b>
Fee and commission income	181,456	30,106	14,702	226,264	-2,569	223,695
Fee and commission expense	-9,875	-1,373	-1,362	-12,610	1,579	-11,031
Dividends and similar income	58,379	-	136	58,515	-55,293	3,222
Net trading income	20,823	-	35,656	56,479	5	56,484
Net hedging gain (loss)	-5	-	9	4	-2	2
Gains/losses from sales or repurchases	13,393	-1,037	-	12,356	-	12,356
Net gains/losses on financial assets and liabilities measured at fair value	-9,116	-695	2,422	-7,389	-	-7,389
<b>Total income</b>	<b>746,352</b>	<b>60,331</b>	<b>64,066</b>	<b>870,749</b>	<b>-55,352</b>	<b>815,397</b>
Net value adjustments to financial assets	-103,400	-9,167	-2,435	-115,002	1,079	-113,923
<b>Net financial income</b>	<b>642,953</b>	<b>51,163</b>	<b>61,631</b>	<b>755,747</b>	<b>-54,273</b>	<b>701,474</b>
Administrative expenses	-232,017	-21,820	-37,962	-291,799	-34,845	-326,644
Net accruals to provisions for risks and charges	-16,524	1,553	-38	-15,009	560	-14,449
Net value adjustments to property, equipment and investment property	-23,480	-1,512	-3,412	-28,404	1,917	-26,487
Net value adjustments to intangible assets	-5,844	-557	-1,286	-7,687	-250	-7,937
Other operating income/expense	11,115	546	205	11,866	32,579	44,445
Gains (losses) on equity investments	-241	-	-	-241	18,498	18,257
Net result of fair value measurement of property, equipment and investment property and intangible assets	-1,640	-	-	-1,640	-	-1,640
Gains/losses on sale of investments	133	-	-	133	-	133
<b>Gross result</b>	<b>374,454</b>	<b>29,374</b>	<b>19,138</b>	<b>422,966</b>	<b>-35,814</b>	<b>387,152</b>



## Distribution by geographical area: financial data

Items	Central-Southern		Switzerland	30/06/2025
	Northern Italy	Italy		
Financial assets	40,825,933	4,137,824	6,174,955	51,138,712
Other assets	3,376,274	-	1,149,359	4,525,633
Property, equipment and investment property	733,924	45,985	90,750	870,659
Intangible assets	32,477	1,843	5,014	39,334
Financial liabilities	34,242,793	8,569,802	6,794,301	49,606,896
Other liabilities	2,162,088	7,839	58,205	2,228,132
Provisions	343,035	39,120	28,160	410,315
Guarantees given	4,386,992	902,156	284,890	5,574,038
Commitments	17,949,929	3,430,673	278,633	21,659,235

Items	Central-Southern		Switzerland	31/12/2024
	Northern Italy	Italy		
Financial assets	39,249,808	3,919,373	6,091,262	49,260,443
Other assets	5,662,126	-	1,006,600	6,668,726
Property, equipment and investment property	573,104	33,157	57,316	663,577
Intangible assets	29,166	1,549	5,121	35,836
Financial liabilities	34,579,986	9,586,937	6,581,105	50,748,028
Other liabilities	1,237,945	10,165	52,961	1,301,071
Provisions	352,587	44,194	26,363	423,144
Guarantees given	4,325,576	891,818	241,198	5,458,592
Commitments	19,332,337	3,620,700	265,849	23,218,886



## Certification of the Condensed Consolidated Half-Year Financial Statements as at 30 June 2025 pursuant to Article 81-ter of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and additions.

1. The undersigned Mario Alberto Pedranzini in his capacity as Managing Director and Simona Orietti in her capacity as Manager responsible for preparing the accounting documents of Banca Popolare di Sondrio S.p.A., attest, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998:
  - the adequacy, in relation to the characteristics of the enterprise,
  - the effective application of the administrative and accounting procedures for the formation of the consolidated financial statements for the period 1 January 2025 to 30 June 2025.
2. The evaluation of the adequacy and effective application of the administrative and accounting procedures for the formation of the condensed consolidated half-year financial statements as at 30 June 2025 are based on a model, defined by Banca Popolare di Sondrio S.p.A. (joint-stock company), which makes reference to the principles of the "Internal Control - Integrated Framework (CoSO)", issued by the Committee of Sponsoring Organizations of the Treadway Commission and, for the IT component, to those defined in the "Control Objective for IT and Related Technologies (Cobit)", which acts as reference frameworks for the internal control and financial reporting system that is generally accepted internationally.
3. It is also certified that
  - 3.1 The condensed consolidated half-year financial statements as at 30 June 2025:
    - a) have been prepared in compliance with the international financial reporting standards recognised by the European Community pursuant to Regulation (CE) 1606/2002 of the European Parliament and by the Council on 19 July 2002;
    - b) agree with the balances on the books of account and the accounting entries;
    - c) provide a true and fair view of the equity, economic and financial situation of the Issuer and the whole of the companies included in the scope of consolidation.
  - 3.2 The interim management report includes a reliable analysis of references to important events that occurred in the first six months of the financial year and their impact on the condensed consolidated half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The interim management report also includes a reliable analysis of information on material transactions with related parties.

Sondrio, 5 August 2025

The Managing Director

The Manager responsible for preparing the  
Company's accounting documents

Mario Alberto Pedranzini

Simona Orietti





## INDEPENDENT AUDITORS' REPORT



# Banca Popolare di Sondrio S.p.A.

Review report on the interim condensed consolidated financial statements

(Translation from the original Italian text)



EY S.p.A.  
Via Meravigli, 12  
20123 Milano

Tel: +39 02 722121  
Fax: +39 02 722122037  
ey.com



## Review report on the interim condensed consolidated financial statements

(Translation from the original Italian text)

To the Shareholders of  
Banca Popolare di Sondrio S.p.A.

### Introduction

We have reviewed the half-yearly condensed consolidated financial statements, comprising the balance sheet, the income statement, the statement of other comprehensive income, the statement of changes in equity, the cash flow statement and the related explanatory notes of Banca Popolare di Sondrio S.p.A. and its subsidiaries ("Banca Popolare di Sondrio Group") as at June 30, 2025. The Directors are responsible for the preparation of the interim condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the half-yearly condensed consolidated financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-yearly condensed consolidated financial statements of the Banca Popolare di Sondrio Group as at June 30, 2025 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Milan, August 11th, 2025

EY S.p.A.  
Signed by: Mauro Iacobucci, Auditor

*This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*

EY S.p.A.  
Sede Legale: Via Meravigli, 12 – 20123 Milano  
Sede Secondaria: Via Lombardia, 31 – 00187 Roma  
Capitale Sociale Euro 2.975.000 i.v.  
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi  
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003  
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998



## Annex 1

### **FINANCIAL STATEMENTS OF BANCA POPOLARE DI SONDRIO AS AT 30 JUNE 2025**



## BALANCE SHEET

(in euro)

ASSET ITEMS		30/06/2025	31/12/2024
10.	<b>Cash and cash equivalents</b>	<b>907,441,114</b>	<b>2,762,940,627</b>
20.	<b>Financial assets measured at fair value through profit or loss</b>	<b>845,967,271</b>	<b>725,154,139</b>
	a) financial assets held for trading	274,446,688	155,552,780
	c) other financial assets mandatorily measured at fair value	571,520,583	569,601,359
30.	<b>Financial assets measured at fair value through other comprehensive income</b>	<b>2,925,349,237</b>	<b>2,646,624,665</b>
40.	<b>Financial assets measured at amortised cost</b>	<b>41,975,878,529</b>	<b>40,586,507,987</b>
	a) Loans and receivables with banks	4,207,525,491	4,362,880,258
	b) Loans and receivables with customers	37,768,353,038	36,223,627,729
60.	<b>Change in value of macro-hedged financial assets (+/-)</b>	<b>1,575,329</b>	<b>2,139,437</b>
70.	<b>Equity investments</b>	<b>749,493,460</b>	<b>744,484,391</b>
80.	<b>Property, equipment and investment property</b>	<b>535,588,850</b>	<b>381,185,443</b>
90.	<b>Intangible assets</b>	<b>21,465,119</b>	<b>17,805,997</b>
100.	<b>Tax assets</b>	<b>161,974,888</b>	<b>160,722,326</b>
	a) current	-	-
	b) deferred	161,974,888	160,722,326
110.	<b>Non-current assets and groups of assets held for sale</b>	<b>-</b>	<b>108,592,679</b>
120.	<b>Other assets</b>	<b>2,249,947,525</b>	<b>2,561,568,064</b>
<b>TOTAL ASSETS</b>		<b>50,374,681,322</b>	<b>50,697,725,755</b>



LIABILITIES AND EQUITY ITEMS		30/06/2025	31/12/2024
10.	<b>Financial liabilities measured at amortised cost</b>	<b>44,346,150,828</b>	<b>45,690,745,755</b>
	a) Due to banks	3,117,649,249	4,837,060,015
	b) Due to customers	35,669,334,776	35,797,205,286
	c) Securities issued	5,559,166,803	5,056,480,454
20.	<b>Financial liabilities held for trading</b>	<b>28,464,705</b>	<b>15,832,393</b>
40.	<b>Hedging derivatives</b>	<b>1,794,732</b>	<b>2,220,214</b>
60.	<b>Tax liabilities</b>	<b>121,570,517</b>	<b>57,504,836</b>
	a) current	46,502,374	37,896,729
	b) deferred	75,068,143	19,608,107
70.	<b>Liabilities associated with assets held for sale</b>	-	<b>2,871</b>
80.	<b>Other liabilities</b>	<b>1,927,818,601</b>	<b>1,074,340,080</b>
90.	<b>Provision for employee severance pay</b>	<b>28,633,765</b>	<b>30,189,152</b>
100.	<b>Provisions for risks and charges</b>	<b>350,624,043</b>	<b>362,569,000</b>
	a) commitments and guarantees given	84,534,599	89,826,554
	b) pension and similar obligations	160,434,970	164,175,315
	c) other provisions for risks and charges	105,654,474	108,567,131
110.	<b>Valuation reserves</b>	<b>156,879,192</b>	<b>34,031,038</b>
140.	<b>Reserves</b>	<b>1,656,055,608</b>	<b>1,505,637,959</b>
150.	<b>Share premiums</b>	<b>79,036,950</b>	<b>78,933,564</b>
160.	<b>Share capital</b>	<b>1,360,157,331</b>	<b>1,360,157,331</b>
170.	<b>Treasury shares (-)</b>	<b>(24,733,645)</b>	<b>(24,955,358)</b>
180.	<b>Profit (loss) for the period (+/-)</b>	<b>342,228,695</b>	<b>510,516,920</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>50,374,681,322</b>	<b>50,697,725,755</b>



## INCOME STATEMENT

(in euro)

ITEMS	30/06/2025	30/06/2024
10. INTEREST AND SIMILAR INCOME	832,053,340	1,011,322,166
<i>of which: interest income calculated using the effective interest method</i>	<i>792,070,583</i>	<i>992,442,334</i>
20. INTEREST AND SIMILAR EXPENSE	(324,386,551)	(513,027,865)
30. <b>NET INTEREST INCOME</b>	<b>507,666,789</b>	<b>498,294,301</b>
40. FEE AND COMMISSION INCOME	202,002,657	189,809,965
50. FEE AND COMMISSION EXPENSE	(8,651,592)	(8,555,601)
60. <b>NET FEE AND COMMISSION INCOME</b>	<b>193,351,065</b>	<b>181,254,364</b>
70. DIVIDENDS AND SIMILAR INCOME	73,967,589	58,342,305
80. NET TRADING INCOME	3,294,875	20,769,500
90. NET HEDGING GAIN (LOSS)	(97,301)	(4,581)
100. GAINS (LOSSES) FROM SALES OR REPURCHASES OF:	21,058,672	12,355,231
a) financial assets measured at amortised cost	12,384,839	7,667,544
b) financial assets measured at fair value through other comprehensive income	8,672,725	4,011,602
c) financial liabilities	1,108	676,085
110. NET GAINS/LOSSES ON OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	1,930,489	(9,811,237)
b) other financial assets mandatorily measured at fair value	1,930,489	(9,811,237)
120. <b>TOTAL INCOME</b>	<b>801,172,178</b>	<b>761,199,883</b>
130. NET ADJUSTMENTS/WRITE-BACKS FOR CREDIT RISK RELATED TO:	(28,213,197)	(110,835,830)
a) financial assets measured at amortised cost	(28,356,764)	(110,719,946)
b) financial assets measured at fair value through other comprehensive income	143,567	(115,884)
140. GAINS/LOSSES FROM CONTRACTUAL AMENDMENTS WITHOUT DERECOGNITION	(3,054,892)	(1,974,013)
150. <b>NET FINANCIAL INCOME</b>	<b>769,904,089</b>	<b>648,390,040</b>
160. ADMINISTRATIVE EXPENSES:	(284,368,157)	(273,569,231)
a) personnel expenses	(126,705,327)	(120,454,419)
b) other administrative expenses	(157,662,830)	(153,114,812)
170. NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES	(2,305,427)	(14,373,630)
a) commitments for guarantees given	5,291,956	7,413,616
b) other net provisions	(7,597,383)	(21,787,246)
180. NET VALUE ADJUSTMENTS/WRITE-BACKS TO PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY	(17,832,343)	(17,287,398)
190. NET VALUE ADJUSTMENTS/WRITE-BACKS TO INTANGIBLE ASSETS	(7,669,847)	(6,361,970)
200. OTHER OPERATING INCOME/EXPENSE	42,512,261	38,752,537
210. <b>OPERATING COSTS</b>	<b>(269,663,513)</b>	<b>(272,839,692)</b>
220. GAINS (LOSSES) ON EQUITY INVESTMENTS	(756,181)	-
230. NET RESULT OF FAIR VALUE MEASUREMENT OF PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY AND INTANGIBLE ASSETS	(16,354,589)	-
250. GAINS (LOSSES) ON SALES OF INVESTMENTS	2,878	22,826
260. <b>PRE-TAX PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>483,132,684</b>	<b>375,573,174</b>
270. INCOME TAXES FOR THE YEAR FROM CONTINUING OPERATIONS	(140,903,989)	(110,233,525)
280. <b>POST-TAX PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>342,228,695</b>	<b>265,339,649</b>
300. <b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>342,228,695</b>	<b>265,339,649</b>

