

**BANCA SISTEMA: APPROVED RESULTS AS AT 30 SEPTEMBER 2024**

- **Business performance: strong growth momentum in factoring and pawn loans continues; new CQ business on the rise y/y, although decelerating compared to the growth rate reported in 1H24**
  - **Factoring** turnover: €4,000 million, **+12% y/y**
  - **CQ loans:** new business **+16% y/y**; loan stock of €747 million, -10% y/y
  - **Pawn loans:** €128 million, **+9% y/y**
- **Operating trends: marked pickup of total income (+19% y/y vs +11% in 1H24) driven by factoring, pawn loans and guaranteed loans, income before tax up by 37% y/y net of provisions for systemic risks (SRF and DGS)**
  - **Adjusted net interest income**<sup>1</sup>: €55.7 million, **+11% y/y** (-9% y/y in 1H24)
  - **Total income:** €85.0 million, **+19% y/y** (+11% y/y in 1H24)
  - **Total operating costs:** €58.9 million, +11% y/y net of provisions for systemic risks (the contribution to the DGS of €5.1 million was brought forward to 2Q compared to the previous years, when it was booked in 4Q)
  - **Loan loss provisions:** €4.8 million (**CoR** of **20bps** vs 18bps in 9M23)
  - **Income before tax:** €21.0 million, **+37% y/y** net of SRF and DGS provisions for systemic risks<sup>2</sup>
  - **Net income:** €12.3 million, **+27% y/y** net of SRF and DGS provisions for systemic risks, net of the tax effect
- **Solid capital position and liquidity: phased-in CET1 ratio ca.+ 350bps above the SREP threshold**
  - **Phased-in CET1 ratio at 12.91%, phased-in Total Capital ratio at 15.86%.**
  - **LCR and NSFR** well above regulatory thresholds
  - The **Retail** component accounts for **69% of total funding** (66% in 9M23 and 72% in 1H24)

<sup>1</sup> Adjusted net interest income includes ecobonus trading revenues that come with a funding cost.

<sup>2</sup> The contribution to the Resolution Fund (SRF) was €1.6 million in 9M23 (zero in 9M24), while the contribution to the Fondo Interbancario di garanzia dei depositi (DGS) was equal to zero in 9M23 (€5.1 million in 9M24).

**Milan, 08 November 2024**

The Board of Directors of Banca Sistema has approved the consolidated financial statements as at 30 September 2024, reporting a **net income** of €12.3 million, as compared to €11.3 million in the same period of 2023, +27% y/y net of SRF and DGS provisions for risks and charges, net of the tax effect (+8% y/y without excluding systemic provisions and the tax effect).

**Business Performance**

The **factoring** business line reported a solid growth, with a turnover of €4,000 million, corresponding to a growth rate of +12% y/y.

On 30 September 2024, outstanding **factoring** receivables stood at €1,606 million, down from €1,729 million on 30 September 2023, and basically flat compared to €1.634 million on 30 June 2024 due to a higher collection.

Non-recourse factoring, accounting for 75% of outstanding receivables under management accounts<sup>3</sup>, included tax receivables (16% of receivables, vs. 17% on 30.09.2023).

As to the **CQ** business line, the Group granted loans for €153 million (financed amount), up by +16% y/y (€132 million on 30.09.2023), almost exclusively originated by the Direct channel (*QuintoPuoi*). New business in the first 9 months reported a growth slowdown when compared to 1H24 (+42% y/y) as in 2H23 volumes had recorded a steep rise compared to 1H23, driven by a lower pricing competition.

Notwithstanding the increase in financed volumes, the loan stock on 30 September 2024 amounted to €747 million, -10% y/y (€834 million) and -6.0% compared to 31 December 2023 (€799 million), due to collections (€166 million), that more than offset new business, and portfolio disposals that in 9M24 added up to €38 million.

On 30 September 2024, **pawn loans** stood at 128 million, up by +9% y/y and on the rise q/q (€124 million).

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<sup>3</sup> Amounting to 1,777 million on 30.09.2024, 2,176 million on 31.12.2023 and 1,796 million on 30.09.2023.

**Operating results as at 30 September 2024**

**Adjusted net interest income** (net interest income + superbond trading) rose y/y (+€5.5 million y/y, equal to +11% y/y); more specifically, worth noting is the linear q/q growth of the aggregate revenues (€16.1 million in 1Q24, 16.3 million in 2Q24 and 23.2 million in 3Q), driven by the increase in the interest income stream from factoring (+€12.1 million y/y), guaranteed loans (+€4.7 million), pawn loans (+€2.7 million y/y), c/a and banks (+€5.0 million y/y), partly offset by the increase in interest expense (-€ 31.5 million y/y), driven by the higher cost of funding as a result of the interest rate hikes implemented by the ECB in 2023. The securities portfolio and CQ loans reported a y/y decline in interest income of €-6.8 million and €-3.4 million, respectively, driven by a reduction in the average size of their related portfolios.

On 30 September 2024, the component tied to late payments under Lgs. D. 231/02 (made up of late-payment interest and compensation claims) under legal action came in at €25.9 million (€26.8 million on 30 September 2023), of which:

- €6.7 million from current recovery projections (€14.5 million on 30 September 2023);
- €5.5 million from the update of recovery estimates and the expected time to recovery (€1.2 million on 30 September 2023). Note that, already on 30 September 2023, €4.2 million had been recorded as a result of the policy rate hikes (ECB) introduced in 2022, which caused the rate tied to "Leg. D. no. 231 of 9 October 2022" (implementing EU regulations on late payments) to increase from 8% to 10.5% from 1.01.2023 to 30.06.2023 and to 12% as of 1.07.2023;
- €11.3 million (€4.9 million on 30 September 2023) resulting from the difference between the collections in the period, amounting to €17.9 million (€7.8 million on 30 September 2023), and the accruals reported in the prior financial years;
- €2.4 million from the current recovery projections of the 40-euro component of Compensation claims due under art. 6 Lgs. D. 231/02 (€1.9 million on 30 September 2023).

Total late-payment interest under legal action accrued on 30 September 2024, and relevant to the accrual model, came in at €132 million (€145 million when including the €40 commission charged per invoice, and coming to €244 million when including arrears of municipalities under conservatorship, against which no late-payment interest is accrued), while receivables already on the books totaled €88.9 million. The amount that was not recognized through profit and loss will be recognized, on an

accrual or cash basis, in the next financial years, based on collection projections, that are still confirmed to hover around 90%.

Worth noting is that, despite the increase in interest expense (+39.7% y/y) driven by the ECB rate hikes, they started to show a q/q decline (-5%). The total cost of funding, at 3.59%, dipped slightly q/q (3.63% in 1H24) and was on the rise compared to 31.12.2023 (2.84%), in line with expectations. The cost of the wholesale component confirmed the improving trend reported in the prior quarter, coming to 3.66% (3.83% in 1H24 and 3.97% in 1Q24), while the retail component stabilized (+2bps q/q). The spread between wholesale and retail funding is narrowing q/q (from 28bps to 10bps).

**Net fees and commissions**, at €21.0 million, increased by 39% y/y (€15.2 million on 30 September 2023), mainly driven by the factoring component (+€6.2 million y/y), which benefitted from the increase in sales of commission-based products. Commission from pawn loans (+€1.4 million y/y) also performed well, while banking commissions tied to deposits (-€2.0 million y/y) and guaranteed loan commissions (-€0.3 million y/y) were detracting components.

**Total income**, amounting to €85.0 million, increased by 19% y/y, driven among other things by treasury gains and loan disposals, amounting to €8.0 million (+€2.3 million y/y).

The adjusted income margin (total revenues from factoring, including the Superbonus, compared to average loans and receivables), reported a significant increase to 8.0% (+167bps y/y). For CQ loans, the adjusted income margin stood at 2.5% (-32bps y/y and -11bps q/q), while the figure for pawn loans showed a sharp increase to 22.1% (+292bps y/y).

On 30 September 2024, **loan loss provisions** added up to €4.8 million, (€3.6 million on 30 September 2023). The cost of risk tied to customer loans came in at 20bps (18bps on 30 September 2023 and 24bps in 1H24).

The Group's **headcount** (FTE) added up to 312 employees, up from 295 on 30.09.2023, with an equal distribution across all the divisions.

**Personnel expenses** came in at €24.9 million, up by 19% y/y, driven by the cost hike following the renewal of the banking national labor contract and by the increase in FTEs.

**Other administrative expenses** (€25.5 million) decreased by 2% y/y, and include the cost for the launch of new projects tied to the Strategic Plan, including AI investments, expenses related to the lending process (origination, collection) and insurance costs for corporate factoring.

The aggregate line-item **total operating costs** increased by +18% y/y, driven among other things by higher charges for systemic risks, totaling +€3.6 million y/y. More specifically, the contributions that were no longer collected by the SRF in 9M24 (€ 1.6 million in 9M23) were more than offset by the recognition of the €5.1 million contribution to the DGS (amounting to zero in 9M23 and to €4.0 million in 4Q23). Hence, in Q4 no provision will be set aside for the DGS. Normalized operating costs net of systemic charges came in at €53.6 million, up +11% y/y.

On 30 September 2024, **net income before tax** added up to €21.0 million, +37% y/y net of systemic provisions (+20% y/y including systemic provisions).

**Net income** came to €12.3 million, from €11.3 million in the same period of 2023, +27% y/y excluding the SRF and DGS provisions for systemic risks net of the tax effect (+8% y/y including systemic provisions and the tax effect).

As to the breakdown by division, Factoring reported a net income of €23.2 million (€17.7 million in 9M23), Pawn loans reported a net income of €2.0 million (€1.8 million in 9M23), while the Retail Financial Services division reported a net loss of €-12.2 million (-€7.3 million in 9M23), in line with expectations.

#### **Key balance sheet items as at 30 September 2024**

The **securities portfolio**, which includes almost exclusively Italian Government bonds, came in at €1,311 million, of which €1,250 million classified as HTCS (duration brought down from 10.5 months in the previous quarter to little more than 4 months) and €61 million as HTC (duration of 35 months). The overall portfolio increased compared to 31.12.2023 (€647 million), whose HTCS sleeve amounted to €586 million and the HTC sleeve to € 61 million.

**Financial assets measured at amortized cost (€2.878 million)** primarily included factoring receivables (€1,606 million), down by 7.1% y/y, salary- and pension-backed loans - CQS and CQP (€747 million), down by 10.4% y/y, State-guaranteed loans to SMEs (€233 million), down by 5.6% y/y, and pawn loans totaling €128 million, up by 9.4% y/y.

The **gross non-performing loans** stock, at €317 million, went up compared to 30 June 2024 (€306 million), mainly driven by the increase in past due loans (from €80 to €90 million), while unlikely-to-pay loans (€49 million) and bad loans (€178 million) were fairly stable compared to 30 June 2024.

At the end of the first 9 months of 2024, **total funding** confirmed its recent trends, with retail funding accounting for 69% of the aggregate amount (78% on 31.12.2023).

Under the aggregate line-item **Financial liabilities measured at amortized cost (€4,211 million)**, **Due to banks** declined compared to 30 September 2023 (€320 million vs €567 million), due to the early repayment of the TLTRO of €278 million (residual amount of €262 million), **Due to customers** went up (€3,797 million vs €3,202 million), driven by the increase in repos (€831 million vs €440 million) and in term deposits (€2,574 million vs €2,124 million), which more than offset the decline in current accounts (€288 million vs €406 million).

**Debt securities (€94 million)** declined compared to 30 September 2023 (€130 million), due to a reduced use of structured finance transactions as a funding source.

On 30 September 2024, **Total own funds** (Total Capital) added up to €244 million (€232 million on 30 June 2024), and in addition to the net income for the period (net of total estimated dividends), it included the equity reserve for "Financial assets at fair value through other comprehensive income" (HTCS), in particular on Italian government bonds<sup>4</sup>.

**Capital ratios<sup>5</sup>** increased versus the comparable data as at 30 June 2024, driven by the income accrued in the periods and the reabsorption of most of the valuation reserve, that more than offset the increase in RWAs (coming in at €1,553 million on 30.09.2024 vs. €1,500 million on 30.06.2024). They break down as follows:

- **phased-in CET1 ratio: 12.91%;**
- **phased-in TIER 1 ratio: 15.84%;**
- **phased-in Total Capital ratio: 15.86%.**

<sup>4</sup>The equity reserve for "Financial assets at fair value through other comprehensive income" (HTCS), in particular on Italian Government bonds, amounted to - 4.0 million (-15.6 million on 30 June 2024).

<sup>5</sup>In compliance with EBA's Guidelines on common SREP (Supervisory Review and Evaluation Process), the Bank of Italy required the compliance with the following minimum capital requirements as of 31 December 2023:

- Common Equity Tier 1 ratio (CET1 ratio) of 9.4%;
- Tier 1 ratio of 10.9%;
- Total capital ratio of 12.9%.

- **fully phased CET1 ratio: 12.74%;**
- **fully phased TIER 1 ratio: 15.67%;**
- **fully phased Total Capital ratio: 15.69%**

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**Statement of the financial reporting officer**

The financial reporting officer, Alexander Muz, in compliance with paragraph two of art. 154 bis of the Consolidated Act for Financial Intermediation, hereby states that the accounting information illustrated in this press release is consistent with documental evidence, accounting books and book-keeping entries.

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**Significant events after the reporting period**

On 7 November last, Kruso Kapital (70.59% owned by Banca Sistema) finalized the acquisition of the pawn loans business unit of Banco Invest S.A in Portugal. The transaction – that was given the green light by the Bank of Italy – started with the spinoff (authorized by the Bank of Portugal) of the pawn loans business unit from Banco Invest to a NewCo – Pignus Credito Economico Popular (CEP) – fully owned by the shareholders of Banco Invest. Then Kruso Kapital acquired 100% of the NewCo's shares against a consideration of €11.55 million euro. The company shall operate under the brand **Credito Economico Popular**, and has 16 branches distributed across the Portuguese territory, 44 employees (vs. 40 employees of the business unit) and pawn loans amounting to roughly 16 million euro. The gross average loan rate is 23%, the LTV is about 60%, while in most cases the collateral is represented by gold.

In keeping with the strategic plan, the Board of Directors has approved today the structuring of an SRT transaction with a pool of CQ loans (salary- and pension-backed loans) as underlying assets. The aim of the transaction, subject to the authorization of the Bank of Italy, is to reduce RWAs by around €100 million.

In the first half of October, the supervisory inspection carried out by the Bank of Italy was completed and the Bank is awaiting the final report.

**Operating outlook and main risks and uncertainties**

On 20 May 2024, the 2024-2026 strategic plan of Gruppo Banca Sistema was approved, hinging on the strategic vision of a bolstered operational and financial model and the consolidation of our role as a «multi-specialist» player, capable of taking up a leadership position in highly specialized and highly profitable market niches.

In 2024 the factoring division is expected to consolidate and improve the results reported in 2023, confirming the current trends in terms of turnover, considering that the contribution from the Super-bonus component of factoring is on the rise in 2H24 over 1H24; the Retail Financial Services division (CQ) is expected to report a decline in the loan stock due to the natural runoff of the legacy portfolio and to targeted loan portfolio disposals; from a profitability standpoint, we expect the Retail Financial Services division to report a greater loss for the year than in 2023, as the legacy portfolio component is still more sizable compared to the overall loan stock, while we expect to see an improvement as of 2025. As to operating trends, having brought forward the DGS contribution from 4Q to 2Q, resources should be freed up in 4Q, that should increase the seasonality of earnings in the fourth quarter. Finally, the cost of funding is expected to remain fairly stable, and to report a decline as of next year.

**Attachments**

- **Consolidated balance sheet**
- **Consolidated income statement**
- **Reclassified consolidated income statement**
- **Asset Quality**



## BANCA SISTEMA GROUP: CONSOLIDATED BALANCE SHEET

Figures in thousands of Euro

	30.09.2024 A	30.06.2024	31.03.2024	31.12.2023 B	Difference A - B	Difference % A - B
<b>ASSETS</b>						
10 Cash and cash equivalents	110,491	269,439	246,124	250,496	(140,005)	-56%
30 Financial assets held to collect and sell (HTCS)	1,269,240	1,099,796	753,574	576,002	693,238	nm
40 Financial assets held to collect (HTC)	2,877,568	2,865,645	3,091,206	3,396,281	(518,713)	-15%
a) Loans and advances to banks	21,904	821	1,074	926	20,978	nm
b) Loans and advances to customers	2,855,664	2,864,824	3,090,132	3,395,355	(539,691)	-16%
of which: Factoring	1,605,916	1,634,239	1,807,782	2,117,279	(511,363)	-24%
of which: Salary-/pension-backed loans (CQS/CQP)	747,112	760,586	801,469	798,695	(51,583)	-6%
of which: Collateralised loans	128,318	123,954	122,559	121,315	7,003	6%
of which: Securities	72,576	61,083	61,101	61,105	17	19%
60 Fair value change of financial assets in hedged portfolios (+/-)	3,706	1,422	2,132	3,651	55	2%
70 Equity investments	967	970	1,020	995	(28)	-3%
90 Property, plant and equipment	39,986	40,008	40,307	40,659	(673)	-2%
100 Intangible assets	35,705	35,800	35,729	35,449	256	1%
of which: goodwill	33,526	33,526	33,526	33,526	-	0%
110 Tax assets	18,215	27,863	34,922	25,211	(6,996)	-28%
120 Non-current assets and disposal groups classified as held for sale	71	70	69	64	7	11%
130 Other assets	422,358	398,797	316,932	243,592	178,766	73%
<b>Total assets</b>	<b>4,778,307</b>	<b>4,739,810</b>	<b>4,522,015</b>	<b>4,572,400</b>	<b>205,907</b>	<b>5%</b>
<b>LIABILITIES AND EQUITY</b>						
10 Financial liabilities at amortised cost	4,211,436	4,171,659	3,978,651	4,042,105	169,331	4%
a) Due to banks	320,435	360,701	396,846	644,263	(323,828)	-50%
b) Due to customers	3,797,416	3,702,260	3,460,170	3,232,767	564,649	17%
of which: Term Deposits	2,573,576	2,705,412	2,708,052	2,402,002	171,574	7%
of which: Currents Accounts	288,356	264,550	267,486	704,579	(416,223)	-59%
c) Debt securities issued	93,585	108,698	121,635	165,075	(71,490)	-43%
40 Hedging derivatives	3,712	1,428	2,140	3,646	66	2%
60 Tax liabilities	28,242	28,103	27,675	24,816	3,426	14%
70 Liabilities associated with non-current assets held for sale and discontinued operations	44	42	42	37	7	19%
80 Other liabilities	194,424	215,057	184,400	181,902	12,522	7%
90 Post-employment benefits	5,048	4,907	4,731	4,709	339	7%
100 Provisions for risks and charges:	39,995	37,581	38,932	37,836	2,159	6%
140 Equity instruments	45,500	45,500	45,500	45,500	-	0%
120 + 150 + 160 + 170 + 180 Share capital, share premiums, reserves, valuation reserves and treasury shares	223,002	215,254	222,022	204,710	18,292	9%
190 Minority interests	14,595	14,319	13,778	10,633	3,962	37%
200 Profit for the period	12,309	5,960	4,144	16,506	(4,197)	-25%
<b>Total liabilities and equity</b>	<b>4,778,307</b>	<b>4,739,810</b>	<b>4,522,015</b>	<b>4,572,400</b>	<b>205,907</b>	<b>5%</b>

## BANCA SISTEMA GROUP: CONSOLIDATED INCOME STATEMENT

Figures in thousands of Euro

		30.09.2024 A	1Q 2024	2Q 2024	3Q 2024	30.09.2023 B	1Q 2023	2Q 2023	3Q 2023	Difference A - B	Difference % A - B
10	Interest income	143,555	48,207	47,577	47,771	129,554	40,103	43,284	46,167	14,001	11%
20	Interest expenses	(110,931)	(36,408)	(38,352)	(36,171)	(79,395)	(19,460)	(28,084)	(31,851)	(31,536)	40%
<b>30</b>	<b>Net interest income</b>	<b>32,624</b>	<b>11,799</b>	<b>9,225</b>	<b>11,600</b>	<b>50,159</b>	<b>20,643</b>	<b>15,200</b>	<b>14,316</b>	<b>(17,535)</b>	<b>-35%</b>
40	Fee and commission income	36,422	14,031	12,706	9,685	26,855	7,675	9,188	9,992	9,567	36%
50	Fee and commission expense	(15,380)	(5,419)	(5,376)	(4,585)	(11,696)	(3,088)	(3,696)	(4,912)	(3,684)	31%
<b>60</b>	<b>Net fee and commission income</b>	<b>21,042</b>	<b>8,612</b>	<b>7,330</b>	<b>5,100</b>	<b>15,159</b>	<b>4,587</b>	<b>5,492</b>	<b>5,080</b>	<b>5,883</b>	<b>39%</b>
70.	Dividends and similar income	227	-	227	-	227	-	227	-	-	0%
80	Net income from trading	23,948	4,810	7,632	11,506	(145)	(250)	216	(111)	24,093	nm
90	Fair value adjustments in hedge accounting	(7)	(7)	1	(1)	1	7	23	(29)	(8)	nm
100	Profits (Losses) on disposal or repurchase of:	7,116	1,605	3,556	1,955	5,886	323	2,966	2,597	1,230	21%
	a) financial assets measured at amortised cost	4,622	930	2,789	903	5,082	200	2,546	2,336	(460)	-9%
	b) financial assets measured at fair value through other comprehensive income	2,494	675	767	1,052	804	123	420	261	1,690	nm
<b>120</b>	<b>Operating income</b>	<b>84,950</b>	<b>26,819</b>	<b>27,971</b>	<b>30,160</b>	<b>71,287</b>	<b>25,310</b>	<b>24,124</b>	<b>21,853</b>	<b>13,663</b>	<b>19%</b>
130	Net impairment losses on loans	(4,842)	(1,379)	(2,487)	(976)	(3,623)	(1,046)	(1,791)	(786)	(1,219)	34%
140	Profits (Losses) on changes in contracts without derecognition	(102)	(2)	-	(100)	(1)	-	(1)	-	(101)	nm
<b>150</b>	<b>Net operating income</b>	<b>80,006</b>	<b>25,438</b>	<b>25,484</b>	<b>29,084</b>	<b>67,663</b>	<b>24,264</b>	<b>22,332</b>	<b>21,067</b>	<b>12,343</b>	<b>18%</b>
190 a)	Staff costs	(24,862)	(8,119)	(8,277)	(8,466)	(20,855)	(7,492)	(7,246)	(6,117)	(4,007)	19%
190 b)	Other administrative expenses	(25,502)	(8,723)	(8,237)	(8,542)	(25,956)	(9,030)	(8,659)	(8,267)	454	-2%
200	Net allowance for risks and charges	(2,806)	(1,310)	(81)	(1,415)	(2,446)	(1,494)	(703)	(249)	(360)	15%
210 + 220	Net impairment losses on property and intangible assets	(2,351)	(777)	(787)	(787)	(2,332)	(763)	(816)	(753)	(19)	1%
230	Other net operating income/expense	(3,413)	463	(4,489)	613	1,516	399	833	284	(4,929)	nm
<b>240</b>	<b>Operating expenses</b>	<b>(58,934)</b>	<b>(18,466)</b>	<b>(21,871)</b>	<b>(18,597)</b>	<b>(50,073)</b>	<b>(18,380)</b>	<b>(16,591)</b>	<b>(15,102)</b>	<b>(8,861)</b>	<b>18%</b>
250	Profits of equity-accounted investees	(28)	25	(50)	(3)	8	(10)	(6)	24	(36)	nm
<b>290</b>	<b>Pre-tax profit from continuing operations</b>	<b>21,044</b>	<b>6,997</b>	<b>3,563</b>	<b>10,484</b>	<b>17,598</b>	<b>5,874</b>	<b>5,735</b>	<b>5,989</b>	<b>3,446</b>	<b>20%</b>
300	Tax expenses (income) for the period from continuing operations	(7,897)	(2,615)	(1,424)	(3,858)	(5,666)	(2,041)	(1,874)	(1,751)	(2,231)	39%
<b>310</b>	<b>Profit after tax from continuing operations</b>	<b>13,147</b>	<b>4,382</b>	<b>2,139</b>	<b>6,626</b>	<b>11,932</b>	<b>3,833</b>	<b>3,861</b>	<b>4,238</b>	<b>1,215</b>	<b>10%</b>
<b>330</b>	<b>Profit for the period</b>	<b>13,147</b>	<b>4,382</b>	<b>2,139</b>	<b>6,626</b>	<b>11,932</b>	<b>3,833</b>	<b>3,861</b>	<b>4,238</b>	<b>1,215</b>	<b>10%</b>
<b>340</b>	<b>Profit for the period attributable to the Minority interests</b>	<b>(838)</b>	<b>(238)</b>	<b>(323)</b>	<b>(277)</b>	<b>(586)</b>	<b>(114)</b>	<b>(125)</b>	<b>(347)</b>	<b>(252)</b>	<b>43%</b>
<b>350</b>	<b>Profit for the period attributable to the shareholders of the Parent</b>	<b>12,309</b>	<b>4,144</b>	<b>1,816</b>	<b>6,349</b>	<b>11,346</b>	<b>3,719</b>	<b>3,736</b>	<b>3,891</b>	<b>963</b>	<b>8%</b>

## BANCA SISTEMA GROUP: RESTATED CONSOLIDATED INCOME STATEMENT

Figures in thousands of Euro

		30.09.2024 A	1Q 2024	2Q 2024	3Q 2024	30.09.2023 B	1Q 2023	2Q 2023	3Q 2023	Difference A - B	Difference % A - B
10	Interest income	143,555	48,207	47,577	47,771	129,554	40,103	43,284	46,167	14,001	11%
20	Interest expenses	(110,931)	(36,408)	(38,352)	(36,171)	(79,395)	(19,460)	(28,084)	(31,851)	(31,536)	40%
<b>30</b>	<b>Net interest income</b>	<b>32,624</b>	<b>11,799</b>	<b>9,225</b>	<b>11,600</b>	<b>50,159</b>	<b>20,643</b>	<b>15,200</b>	<b>14,316</b>	<b>(17,535)</b>	<b>-35%</b>
	Net income from Superbonus trading	23,042	4,351	7,115	11,576	-	-	-	-	23,042	nm
	<b>Net interest income adjusted</b>	<b>55,666</b>	<b>16,150</b>	<b>16,340</b>	<b>23,176</b>	<b>50,159</b>	<b>20,643</b>	<b>15,200</b>	<b>14,316</b>	<b>5,507</b>	<b>11%</b>
40	Fee and commission income	36,422	14,031	12,706	9,685	26,855	7,675	9,188	9,992	9,567	36%
50	Fee and commission expense	(15,380)	(5,419)	(5,376)	(4,585)	(11,696)	(3,088)	(3,696)	(4,912)	(3,684)	31%
<b>60</b>	<b>Net fee and commission income</b>	<b>21,042</b>	<b>8,612</b>	<b>7,330</b>	<b>5,100</b>	<b>15,159</b>	<b>4,587</b>	<b>5,492</b>	<b>5,080</b>	<b>5,883</b>	<b>39%</b>
70.	Dividends and similar income	227	-	227	-	227	-	227	-	-	0%
80	Net income from trading	906	459	517	(70)	(145)	(250)	216	(111)	24,093	nm
90	Fair value adjustments in hedge accounting	(7)	(7)	1	(1)	1	7	23	(29)	(8)	nm
100	Profits (Losses) on disposal or repurchase of:	7,116	1,605	3,556	1,955	5,886	323	2,966	2,597	1,230	21%
	a) financial assets measured at amortised cost	4,622	930	2,789	903	5,082	200	2,546	2,336	(460)	-9%
	b) financial assets measured at fair value through other comprehensive income	2,494	675	767	1,052	804	123	420	261	1,690	nm
<b>120</b>	<b>Operating income</b>	<b>84,950</b>	<b>26,819</b>	<b>27,971</b>	<b>30,160</b>	<b>71,287</b>	<b>25,310</b>	<b>24,124</b>	<b>21,853</b>	<b>13,663</b>	<b>19%</b>
130	Net impairment losses on loans	(4,842)	(1,379)	(2,487)	(976)	(3,623)	(1,046)	(1,791)	(786)	(1,219)	34%
140	Profits (Losses) on changes in contracts without derecognition	(102)	(2)	-	(100)	(1)	-	(1)	-	(101)	nm
<b>150</b>	<b>Net operating income</b>	<b>80,006</b>	<b>25,438</b>	<b>25,484</b>	<b>29,084</b>	<b>67,663</b>	<b>24,264</b>	<b>22,332</b>	<b>21,067</b>	<b>12,343</b>	<b>18%</b>
190 a)	Staff costs	(24,862)	(8,119)	(8,277)	(8,466)	(20,855)	(7,492)	(7,246)	(6,117)	(4,007)	19%
190 b)	Other administrative expenses	(25,502)	(8,723)	(8,237)	(8,542)	(25,956)	(9,030)	(8,659)	(8,267)	454	-2%
200	Net allowance for risks and charges	(2,806)	(1,310)	(81)	(1,415)	(2,446)	(1,494)	(703)	(249)	(360)	15%
210 + 220	Net impairment losses on property and intangible assets	(2,351)	(777)	(787)	(787)	(2,332)	(763)	(816)	(753)	(19)	1%
230	Other net operating income/expense	(3,413)	463	(4,489)	613	1,516	399	833	284	(4,929)	nm
<b>240</b>	<b>Operating expenses</b>	<b>(58,934)</b>	<b>(18,466)</b>	<b>(21,871)</b>	<b>(18,597)</b>	<b>(50,073)</b>	<b>(18,380)</b>	<b>(16,591)</b>	<b>(15,102)</b>	<b>(8,861)</b>	<b>18%</b>
250	Profits of equity-accounted investees	(28)	25	(50)	(3)	8	(10)	(6)	24	(36)	nm
<b>290</b>	<b>Pre-tax profit from continuing operations</b>	<b>21,044</b>	<b>6,997</b>	<b>3,563</b>	<b>10,484</b>	<b>17,598</b>	<b>5,874</b>	<b>5,735</b>	<b>5,989</b>	<b>3,446</b>	<b>20%</b>
300	Tax expenses (income) for the period from continuing operations	(7,897)	(2,615)	(1,424)	(3,858)	(5,666)	(2,041)	(1,874)	(1,751)	(2,231)	39%
<b>310</b>	<b>Profit after tax from continuing operations</b>	<b>13,147</b>	<b>4,382</b>	<b>2,139</b>	<b>6,626</b>	<b>11,932</b>	<b>3,833</b>	<b>3,861</b>	<b>4,238</b>	<b>1,215</b>	<b>10%</b>
<b>330</b>	<b>Profit for the period</b>	<b>13,147</b>	<b>4,382</b>	<b>2,139</b>	<b>6,626</b>	<b>11,932</b>	<b>3,833</b>	<b>3,861</b>	<b>4,238</b>	<b>1,215</b>	<b>10%</b>
<b>340</b>	<b>Profit for the period attributable to the Minority interests</b>	<b>(838)</b>	<b>(238)</b>	<b>(323)</b>	<b>(277)</b>	<b>(586)</b>	<b>(114)</b>	<b>(125)</b>	<b>(347)</b>	<b>(252)</b>	<b>43%</b>
<b>350</b>	<b>Profit for the period attributable to the shareholders of the Parent</b>	<b>12,309</b>	<b>4,144</b>	<b>1,816</b>	<b>6,349</b>	<b>11,346</b>	<b>3,719</b>	<b>3,736</b>	<b>3,891</b>	<b>963</b>	<b>8%</b>

## BANCA SISTEMA GROUP: ASSET QUALITY

Figures in thousands of Euro

30.09.2024	Gross exposure	Impairment losses	Net exposure
<b>Gross Non Performing Exposures</b>	<b>317,146</b>	<b>61,697</b>	<b>255,448</b>
<i>Bad loans</i>	177,997	43,341	134,656
<i>Unlikely to pay</i>	49,362	17,395	31,966
<i>Past-dues</i>	89,787	961	88,826
<b>Performing Exposures</b>	<b>2,534,254</b>	<b>6,616</b>	<b>2,527,639</b>
<b>Total Loans and advances to customers</b>	<b>2,851,400</b>	<b>68,313</b>	<b>2,783,087</b>

30.06.2024	Gross exposure	Impairment losses	Net exposure
<b>Gross Non Performing Exposures</b>	<b>305,968</b>	<b>60,941</b>	<b>245,027</b>
<i>Bad loans</i>	177,112	43,502	133,610
<i>Unlikely to pay</i>	49,315	16,293	33,022
<i>Past-dues</i>	79,541	1,146	78,395
<b>Performing Exposures</b>	<b>2,565,119</b>	<b>6,405</b>	<b>2,558,714</b>
<b>Total Loans and advances to customers</b>	<b>2,871,087</b>	<b>67,346</b>	<b>2,803,741</b>

31.12.2023	Gross exposure	Impairment losses	Net exposure
<b>Gross Non Performing Exposures</b>	<b>297,115</b>	<b>65,359</b>	<b>231,756</b>
<i>Bad loans</i>	173,767	49,119	124,648
<i>Unlikely to pay</i>	59,172	15,080	44,092
<i>Past-dues</i>	64,176	1,160	63,016
<b>Performing Exposures</b>	<b>3,108,776</b>	<b>6,282</b>	<b>3,102,494</b>
<b>Total Loans and advances to customers</b>	<b>3,405,891</b>	<b>71,641</b>	<b>3,334,250</b>

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## Banca Sistema Group

Founded in 2011 and listed on the Euronext Star Milan segment of the Italian Stock Exchange since 2015, Banca Sistema is a financial company specialising in the purchase of trade receivables from the PA and tax credits. The Bank is active in the assignment of one fifth of salaries and pensions, both through the purchase of credit portfolios and the direct origination of the QuintoPuoì product. The Bank is also active in financing products, including current accounts, deposit accounts and securities accounts, and offers other types of services such as securitisation servicing, credit management and recovery, guarantees and sureties, certification of PA credits and electronic invoicing. Kruso Kapital S.p.A., listed on Euronext EGM and part of the Banca Sistema Group, is the first operator of a banking group operating both in the pawnbroking sector, through the ProntoPegno brand, and in the market of auction houses for precious metals, art objects and other collectables, through Art-Rite. With offices in Milan and Rome, the Banca Sistema Group is now also present in Bologna, Pisa, Naples, Palermo, Asti, Brescia, Civitavecchia, Florence, Livorno, Mestre, Parma, Rimini, Sanremo and Turin in Italy, as well as in Spain and Greece. It has over 100,000 customers and employs 312 people in a multi-channel structure.