BANCA SISTEMA

PRESS RELEASE

BANCA SISTEMA: APPROVED RESULTS AS AT 31 MARCH 2025

- ***Net income (€11.6 million vs. 4.1 million) reported a strong growth propelled also by the contribution of the late-payment interest accrual component tied to exposures subject to judgments rendered by the European Court of Human Rights – ECHR – and was driven by:***

  - ***Sharp acceleration of total income (+60%y/y, or +21% y/y net of the increased late-payment interest accrual tied to ECHR judgments), thanks to the increase in the adjusted net interest income*** *amounting to* ***€33.3 million (+106% y/y, or +42% net of late payment interest accrual tied to ECHR judgments), more than offsetting the decline in fees and commissions that in 1H24 had been particularly sizable.***
    Net fees and commissions *at* ***€5.7 million (-34% y/y)***
  - ***Rising operating costs (+9% y/y)*** *due to the increase in FTEs, the consolidation of the Portuguese business, higher administrative expenses tied to the actions taken following the inspection report of the Bank of Italy (e.g.: preparation of the Capital plan, legal advisory services, etc.).*
  - ***Cost of risk: 57bps (17bps in 2024), due to higher provisions for factoring exposures.***

- ***Business trends:***
  - **Factoring** turnover: **€1,089 million** (PA turnover stable y/y, Corporate turnover -21%, Ecobonus turnover -87% as this type of tax credit has run out); total turnover **-20% y/y**
  - **CQ**: new business amounting to €29 million, -48% y/y, loan stock at **€675 million**, **-16% y/y**
  - **Pawn loans**: **€153 million**, **+25% y/y (+10% y/y net of the acquisition in Portugal)**

- ***Asset quality and capital ratios as at 31/03/25:***
  - ***Gross bad loans: €188 million (€150 million net)***
  - ***Gross Unlikely-to-pay loans: €60 million (€39 million net)***
  - ***Gross past dues: €333 million (€331 million net)***[1]
  - **Net bad loans** ex. conservatorships/total net loans: 0.2%;
  - **Net non performing loans** ex. conservatorships/total net loans:15,0%.
  - ***Phased-in CET1 ratio: 12.4% (13.3% in FY24), phased-in TCR ratio: 14.9% (16.1% in FY24). Ratios include the ineligibility of non-investment gold as***

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[1] As of 31 March 2025, the Bank reclassified past due loans, in compliance with the findings delivered by the Bank of Italy, which assume the full inefficacy of the mitigants used up to then. Following the new classification, calendar provisioning is to be applied. Past due loans as at 31 March 2025 include also pawn loans deemed overdue for more than 90 days.

collateral, as of 1 January 2025, based on the interpretation of the new rules under CRR3, hence the increase in the risk weight from zero to 75%.[2]

- ***Solid liquidity position, retail funding at 75%*:**
    - **LCR and NSFR well above regulatory thresholds**.
    - The **Retail** component accounts for **75% of total funding** (76% al 31.03.2024 and 70% on 31.12.2024

Milan, 09 May 2025

The Board of Directors of Banca Sistema has approved the consolidated financial statements as at 31 March 2025, reporting a **net income** of **€11.6 million**, as compared to €4.1 million in the same period of 2024, +180% y/y (+13% y/y net of the increase in the late-payment interest accrual component tied to exposures subject to ECHR judgments rendered since the beginning of the year).

Business Performance

The **factoring** business line reported a **turnover** of €1,089 million. PA volumes were stable, while corporate volumes declined (-21% y/y).

On 31 March 2025, **outstanding factoring receivables** stood at €1,519 million, down from €1,808 million on 31 March 2024, which included some one-off loans collected in 1H24, and slightly down compared to 31 December 2024 (€1,569 million). Including superbonus tax receivables (classified under other assets), factoring receivables on 31 March 2025 stood at €1,909 million (2,098 million on 31 March 2024)

Non-recourse factoring, accounting for 69% of outstanding receivables under management accounts[3] (79% on 31 March 2024), included tax receivables (accounting for 17% of receivables vs. 11% on 31.03.2024).

[2] As of 1 January 2025, the Group started the adjustments to the rules under the new CRR 3. The most meaningful impact regarded the calculation of the credit risk tied to pawn loans due to the ineligibility of the collateral represented by non-investment gold to reduce the credit risk when calculating RWAs. At individual basis, the rules of the new CRR3 will become effective for Kruso Kapital no sooner than 1 January 2026. The change in RWAs is not correlated to an increase in risk, which remains close to zero.

[3] Amounting to 1,625 million on 31.03.2025, 1,733 million on 31.12.2024 and 1,956 million on 31.03.2024.

As regards the **CQ** product, the Group granted loans for €29 million (financed amount), down by 48% y/y (€56 million on 31.03.2024), exclusively originated by the Direct channel (*QuintoPuoi*). The indirect channel refers to the purchase of the loans only, excluding the customer contracts originated by other financial institutions and not by our bank, while the direct channel refers to loan agreements with final customers originated by the agents of the Bank's sales network.
On 31 March 2025, the CQ loan stock added up to €675 million, -16% y/y and down by -3.7% q/q (€701 million on 31.12.2024) as a result of collections (€55 million), which more than offset the new business (€29 million). No portfolios were sold during the quarter.

On 31 March 2025, **pawn loans** stood at 153 million, up by +25% y/y (+9.6% y/y net of the acquisition in Portugal finalized in 4Q24).

Operating results as at 31 March 2025

Adjusted net interest income (net interest income + superbonus trading) rose y/y (+€17.2 million y/y, equal to +106% 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, €23.2 in 3Q24, €27.3 million in 4Q24 and €33.3 million in 1Q25), driven by the increase in the interest income stream from factoring (+€3.1 million y/y), from CQ loans (+€0.4 million), pawn loans (+€1.4 million), securities (+€8.5 million), ABS (+€1.5 million), which, combined with a lower interest expense (+€3.4 million), more than offset the decline in interest from State guaranteed loans (-€1.9 million) and c/a and banking interest (-€3.2 million y/y). The quarterly contribution of the ecobonus trading came to €8.8 million (€4.4 million in 1Q24)

On 31 March 2025, 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 €10.7 million (€13.3 million on 31 March 2024), of which:

- €7.2 million from current recovery projections (€9.7 million in 1Q24);
- €3.4 million (€3.3 million in 1Q24) resulting from the difference between the collections in the period, amounting to €6.5 million (€4.4 million in 1Q24), and the accruals reported in the prior financial years;
- €0.1 million from the current recovery projections of the 40-euro component of Compensation claims due under art. 6 Lgs. D. 231/02 (€0.3 million in 1Q24).

Total late-payment interest under legal action accrued on 31 March 2025 and relevant to the accrual model amounted to €189 million (€156 million at the end of 1Q24), coming to €248 million when including arrears of municipalities under conservatorship, against which no late-payment interest is accrued, unless a State guarantee is present as a result of judgments rendered by the European Court of Human Rights, while receivables already on the books totaled €95 million. The total amount of interest ex Lgs.D. 231/02 accrued and not recognized through profit and loss came in at €153 million.

Worth noting is that the q/q decline in interest expense continues, and for the first time since 2Q22 it decreased y/y (€33 million vs €36 million in 1Q24). The total cost of funding, at 3.16%, reported a sharp drop both q/q (3.57% on 31.12.2024) and y/y (3,62%), in line with expectations. The cost of the wholesale component stood at 2.90% (3.63% in FY24 and 3.97% in 1Q24), while the retail component came in at 3.27% (3.55% in FY24 and 3.50% in 1Q24).

Net fees and commissions, at €5.7 million, declined by 34% y/y (€8.6 million on 31 March 2024), primarily driven by the factoring component (-€4.8 million y/y), on account of a transaction involving high fees carried out at the end of 2023. Commissions from pawn loans (+€1.5 million y/y) and those tied to the collection activities (+€0.7 million) also performed well, while banking commissions tied to deposits were slightly negative (-€0.3 million y/y) and guaranteed loan commissions were stable.

Total income, amounting to €42.8 million, increased by 60% y/y (+21% y/y net of the greater late-payment interest accruals tied to ECHR judgments), driven by the strong increase in net interest income (+108% y/y, +20% net of the ECHR judgments accruals), more than offsetting the decline in fees and commissions (-34% y/y). The contribution from Treasury activities remained basically stable y/y (€0.9 million vs €1.1 million), while factoring portfolio disposals made a positive contribution of €2.9 million (€0.9 million in 1Q24).

As to the performance of the single activities, total factoring revenues - including the Superbonus - over average loans and receivables reported a significant performance increase to 8.0% (+100bps y/y). For CQ loans, the interest income to average loan ratio stood at 2.9% (+60bps y/y and +30bps q/q), while pawn loans reported a sharp margin increase to 25.9%, or 21.5% net of auction fees (+140bps y/y).

On 31 March 2025, **loan loss provisions** added up to €3.7 million, (€1.4 million on 31 March 2024) As a result, the cost of risk tied to customer loans came in at 57bps (17bps on 31 March 2024).

The Group has increased its staff **headcount** (FTE) by 56 employees to 358 since 1Q24, mainly as a result of the purchase of the business line in Portugal (43 units).

Personnel expenses came in at €8.6 million, up by 6% y/y, driven by the increase in salaries, as a result of the higher number of FTEs, of the rising costs tied to the renewal of the banking labor agreement, as well as the higher costs due to the purchase of the business line in Portugal. Said increases have been partially offset by the fact that no provisions were set aside for the variable wage component, in accordance with the indications of Bank of Italy.

Other administrative expenses (€10.0 million) rose by 16% y/y and comprised advisory expenses (e.g., expenses incurred for the capital plan), the launch of new projects tied to the Strategic Plan including AI investments, loan processing costs (origination, collection, insurance).

The aggregate line-item **total operating costs** increased by +9% y/y.

On 31 March 2025, **net income before tax** added up to €19.0 million, **+172% y/y, or +24% y/y** net of the increase in the late-payment interest accrual component tied to exposures subject to a judgment rendered by the ECHR.

Net income came to €11.6 million, **+180% y/y, or +13% y/y** net of the increase in the late-payment interest accrual component tied to exposures subject to a judgment rendered by the ECHR.

As to the breakdown by division, in 1Q25 Factoring reported a net income of €13.1 million, Pawn loans of €1.9 million (of which 1.4 million pertaining to the Bank), while the Retail Financial Services division reported a net loss of €-2.8 million.

Key balance sheet items as at 31 March 2025

The **securities portfolio**, which includes almost exclusively Italian Government bonds, came in at €1,073 million (€1,178 million on 31 December 2024), of which €1.012 million classified as HTCS (€1,117 million on 31 December 2024), with a duration of around 19.8 months (15.2 months on 31 December 2024). On 31 March 2025, the HTC portfolio came to €61 million, with a duration of 28.9 months (€61 million on 31 December 2024, with a duration of 31 months)

Financial assets measured at amortized cost (€2,763 million) primarily included factoring receivables (€1,519 million), down by 16% y/y, salary- and pension-backed loans, namely CQS and CQP (€675 million), down by 16% y/y, State-guaranteed loans to SMEs (€210 million)[4], down by 21% y/y, and pawn loans, amounting to €153 million, up by 25% y/y. Note that the factoring receivables aggregate does not include Superbonus loans, which at the end of 1Q25 added up to € 390 million (€290 million at the end of 1Q24).

The **gross non-performing loans** stock, at €581 million, went up compared to 31 December 2024 (€333 million), due to the inefficacy of the mitigation measures previously in place, in accordance with the findings of the Supervisory Authority with whom we engage in constant dialogue, and to the increase in pawn loans deemed past due for more than 90 days. More precisely, gross bad loans went from €180 million up to €188 million, unlikely-to-pay loans from €51.7 million to €60.2 million, while past due loans went from €101.1 million to €333.3 million.

On 31.03.2025, **total funding** confirmed its recent trends, with retail funding accounting for 75% of the aggregate amount (76% on 31.03.2024 and 70% on 31.12.2024).

Under the aggregate line-item **Financial liabilities measured at amortized cost (€3,921 million)**, **Due to banks** declined compared to 31 March 2024 (€110 million vs €397 million), due to the full repayment of the TLTRO (last tranche of €262 million paid in 4Q24), and were represented by repos (€51 million) and interbank loans (€59 million). Due to customers went up (€3,640 million vs €3,460 million on 31.03.2024), driven by the increase in repos (€650 million vs €363 million on 31.03.2024 following the disposal of the securities portfolio in 4Q23) and by term deposits, which decreased y/y, while they increased q/q (€2,618 million vs €2,708 million on 31.03.2024 and €2,566 on 31.12.2024). Current accounts remained stable (€285 million vs €267 million on 31.03.2024 and €288 million on 31.12.2024).
Debt securities (€171 million) rose compared to 31.03.2024 (€122 million), driven by a wider use of structured finance transactions as a funding source.

On 31 March 2025, **Total own funds** (Total Capital fully phased) added up to €273 million (€233 million on 31 March 2024 and €262 million on 31 December 2024), and include the full allowance for profit for the period without assuming any distribution. Capital ratios do not include the capital reserve

[4] State-guaranteed loans to SMEs were granted to companies who do factoring business with us, and they add up to 82 positions.

for "Financial assets at fair value through other comprehensive income" (HTCS), in particular for Italian government bonds[5].

Capital ratios[6] declined when compared to like-for-like data on 31 December 2024, driven by the increase in nonperforming exposures following the compliance with the Bank of Italy's indications, as a result of which the corporate mitigants previously used for the purpose of suspending the calculation of past due, disputed during the inspection by Bank of Italy, have been disapplied. Moreover, capital ratios as at 31.03.2025 took into account the ineligibility of the collateral represented by non-investment gold to reduce credit risk when calculating RWAs for pawn loans, following the coming into effect for the Bank of the new rule as of 1 January 2025 (CRR3). For the subsidiary Kruso Kapital, the CRR3 will not come into effect before 1 January 2026.

- **phased-in CET1 ratio: 12.4%**
- **phased-in TIER 1 ratio: 14.9%**
- **phased-in Total Capital ratio: 14.9%**

- **fully phased CET1 ratio: 12.4%**;
- **fully phased TIER 1 ratio: 14.9%**;
- **fully phased Total Capital ratio: 15.0%**

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On 31 March last, the Bank submitted its capital plan, approved by the BoD on 21 March 2025, to the Bank of Italy, together with a report describing the main actions required by the Supervisory Authority defined by the 31st of March, to overcome the findings communicated on 20 December last, inclusive of the evaluations of the Board of Statutory Auditors and the control functions. Among other things, the report included the outcome of the classification to default of certain loans, that had already been communicated to the market on that same day, 21 March 2025, in keeping with the findings

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[5] *The capital reserve for "Financial assets measured at FVTOCI" (HTCS), in particular on Italian government bonds, amounted to 0.6 million (-3.0 million on 31 December 2024).*
[6] *In compliance with EBA's Guidelines on common SREP (Supervisory Review and Evaluation Process), the Bank of Italy required the implementation of the following minimum capital requirements as of 31 December 2023, plus the Syrb reserve as of 31.12.2024:*

- *Common equity Tier 1 ratio (CET1 ratio) of 9.9%;*
- *TIER 1 ratio of 11.4%;*
- *Total Capital ratio of 13.4%.*

communicated by Bank of Italy on 20 December 2024, regarding rules and practices adopted by the Bank that the Bank of Italy deemed non-fully compliant with EBA's guidelines on the application of the Definition of Default.

The *asset quality* and capital ratios data on 31 March 2025, as reported above, have been calculated taking into account the findings of the inspection report notified by the Bank of Italy on 20 December 2024 and the measures implemented by the Bank to reduce the total amount of nonperforming loans. The data will be analysed by the Supervisory Authority for the assessment.

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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 30 April 2025, Banca Sistema S.p.A. held the General Shareholder's Meeting, with the approval of the Annual Report as at 31.12.2024 of Banca Sistema, and the allocation of the entire 2024 net income to the retained earnings reserve. The Bank's new Corporate Governance Plan was also approved, under which an Executive Committee shall be set up, and four new directors and two new standing statutory auditors will be appointed.

No material events took place after the reporting period, that would affect the Bank's and the Group's financial and operating positions and cash flows.

Operating outlook and main risks and uncertainties

The trends observed in the first quarter are expected to entrench in 2025, supported by the lower cost of funding and a robust commercial activity of the three business lines. KK's acquisition in Portugal started to produce the effects expected in the first quarter 2025, while the runoff of the CQ division legacy portfolio continues, to the benefit of new business, which features markedly higher rates.

Risk-management actions to enhance credit risk (SRT) combined with a more active management of factoring receivables portfolios could offset the negative impact from the increase in PA past dues, conducive to an improvement of capital ratios.

Attachments

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

BANCA SISTEMA GROUP: CONSOLIDATED BALANCE SHEET

Figures in thousands of Euro

		31.03.2025 A	31.12.2024 B	31.03.2024	Difference A - B	Difference % A - B
	ASSETS					
10.	Cash and cash equivalents	165,705	93,437	246,124	72,268	77%
30.	Financial assets held to collect and sell (HTCS)	1,035,620	1,147,197	753,574	(111,577)	(10%)
40.	Financial assets held to collect (HTC)	2,763,333	2,873,051	3,091,206	(109,718)	(4%)
	a) Loans and advances to banks	14,043	23,024	1,074	(8,981)	(39%)
	b) Loans and advances to customers	2,749,290	2,850,027	3,090,132	(100,737)	(4%)
	of which: Factoring	*1,518,616*	*1,569,293*	*1,807,782*	*(50,677)*	(3%)
	of which: Salary-/pension-backed loans (CQS/CQP)	*675,440*	*701,494*	*801,469*	*(26,054)*	(4%)
	of which: Collateralised loans	*153,392*	*143,845*	*122,559*	*9,547*	7%
	of which: Securities	*103,335*	*153,116*	*61,101*	*(49,781)*	(33%)
60.	Fair value change of financial assets in hedged portfolios (+/-)	3,081	3,557	2,132	(476)	(13%)
70.	Equity investments	948	984	1,020	(36)	(4%)
90.	Property, plant and equipment	53,740	53,433	40,307	307	1%
100.	Intangible assets	48,700	47,233	35,729	1,467	3%
	- Goodwill	45,075	45,075	33,526	-	-
110.	Tax assets	21,509	13,415	34,922	8,094	60%
120.	Non-current assets and disposal groups classified as held for sale	-	-	69	-	nm
130.	Other assets	422,686	470,591	316,932	(47,905)	(10%)
	Total Asset	**4,515,322**	**4,702,898**	**4,522,015**	**(187,576)**	**(4%)**
	LIABILITIES AND EQUITY					
10.	Financial liabilities at amortised cost	3,920,564	4,109,583	3,978,651	(189,019)	(5%)
	a) Due to banks	109,593	127,257	396,846	(17,664)	(14%)
	b) Due to customers	3,639,539	3,761,395	3,460,170	(121,856)	(3%)
	of which: Term Deposits	*2,617,593*	*2,565,354*	*2,708,052*	52,239	2%
	of which: Currents Accounts	*284,777*	*288,186*	*267,486*	(3,409)	(1%)
	c) Debt securities issued	171,432	220,931	121,635	(49,499)	(22%)
40.	Hedging derivatives	3,076	3,561	2,140	(485)	(14%)
60.	Tax liabilities	35,675	31,809	27,675	3,866	12%
70.	Liabilities associated with non-current assets held for sale and discontinued operations	-	-	42	-	nm
80.	Other liabilities	179,700	196,583	184,400	(16,883)	(9%)
90.	Post-employment benefits	5,240	5,215	4,731	25	0%
100.	Provisions for risks and charges	41,875	41,470	38,932	405	1%
140.	Equity instruments	45,500	45,500	45,500	-	-
120. + 150. + 160. + 170. + 180.	Share capital, share premiums, reserves, valuation reserves and treasury shares	256,942	229,401	222,022	27,541	12%
190.	Minority interests (+/-)	15,142	14,577	13,778	565	4%
200.	Profit (loss) for the period (+/-)	11,608	25,199	4,144	(13,591)	(54%)
	Total Liabilities and Equity	**4,515,322**	**4,702,898**	**4,522,015**	**(187,576)**	**(4%)**

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BANCA SISTEMA GROUP: CONSOLIDATED INCOME STATEMENT

Figures in thousands of Euro

		31.03.2025 A	31.03.2024 B	Difference A - B	Difference % A - B
10.	Interest income	57,538	48,207	9,331	19%
20.	Interest expenses	(32,990)	(36,408)	3,418	(9%)
30.	**Net interest income**	**24,548**	**11,799**	**12,749**	**nm**
40.	Fee and commission income	10,051	14,031	(3,980)	(28%)
50.	Fee and commission expense	(4,372)	(5,419)	1,047	(19%)
60.	**Net fee and commission income**	**5,679**	**8,612**	**(2,933)**	**(34%)**
80.	Net income from trading	8,788	4,810	3,978	83%
90.	Fair value adjustments in hedge accounting	5	(7)	12	nm
100.	Profits (Losses) on disposal or repurchase of:	3,799	1,605	2,194	nm
	a) financial assets measured at amortised cost	2,870	930	1,940	nm
	b) financial assets measured at fair value through other comprehensive income	938	675	263	39%
	c) financial liabilities	(9)	-	(9)	nm
120.	**Operating income**	**42,819**	**26,819**	**16,000**	**60%**
130.	Net impairment losses on loans	(3,681)	(1,379)	(2,302)	nm
140.	Profits (Losses) on changes in contracts without derecognition	-	(2)	2	(100%)
150.	**Net operating income**	**39,138**	**25,438**	**13,700**	**54%**
190. a)	Staff costs	(8,597)	(8,119)	(478)	6%
190. b)	Other administrative expenses	(10,084)	(8,723)	(1,361)	16%
200.	Net allowance for risks and charges	(1,632)	(1,310)	(322)	25%
210. + 220.	Net impairment losses on property and intangible assets	(1,036)	(777)	(259)	33%
230.	Other net operating income/expense	1,282	463	819	nm
240.	**Operating expenses**	**(20,067)**	**(18,466)**	**(1,601)**	**9%**
250.	Profits of equity-accounted investees	(37)	25	(62)	nm
290.	**Pre-tax profit from continuing operations**	**19,034**	**6,997**	**12,037**	**nm**
300.	Tax expenses (income) for the period from continuing operations	(6,861)	(2,615)	(4,246)	nm
310.	**Profit after tax from continuing operations**	**12,173**	**4,382**	**7,791**	**nm**
330.	**Profit (Loss) for the period**	**12,173**	**4,382**	**7,791**	**nm**
340.	Profit (Loss) for the period attributable to the Minority interests	(565)	(238)	(327)	nm
350.	**Profit (Loss) for the period attributable to the shareholders of the Parent**	**11,608**	**4,144**	**7,464**	**nm**

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BANCA SISTEMA GROUP: RESTATED CONSOLIDATED INCOME STATEMENT
Figures in thousands of Euro

		31.03.2025 A	31.03.2024 B	Difference A - B	Difference % A - B
10.	Interest income	57,538	48,207	9,331	19%
20.	Interest expenses	(32,990)	(36,408)	3,418	(9%)
30.	**Net interest income**	**24,548**	**11,799**	**12,749**	**nm**
	Net income from Superbonus trading	8,793	4,351	4,442	nm
	Net interest income adjusted	**33,341**	**16,150**	**17,191**	**nm**
40.	Fee and commission income	10,051	14,031	(3,980)	(28%)
50.	Fee and commission expense	(4,372)	(5,419)	1,047	(19%)
60.	**Net fee and commission income**	**5,679**	**8,612**	**(2,933)**	**(34%)**
80.	Net income from trading	(5)	459	(464)	nm
90.	Fair value adjustments in hedge accounting	5	(7)	12	nm
100.	Profits (Losses) on disposal or repurchase of:	3,799	1,605	2,194	nm
	a) financial assets measured at amortised cost	2,870	930	1,940	nm
	b) financial assets measured at fair value through other comprehensive income	938	675	263	39%
	c) financial liabilities	(9)	-	(9)	nm
120.	**Operating income**	**42,819**	**26,819**	**16,000**	**60%**
130.	Net impairment losses on loans	(3,681)	(1,379)	(2,302)	nm
140.	Profits (Losses) on changes in contracts without derecognition	-	(2)	2	(100%)
150.	**Net operating income**	**39,138**	**25,438**	**13,700**	**54%**
190. a)	Staff costs	(8,597)	(8,119)	(478)	6%
190. b)	Other administrative expenses	(10,084)	(8,723)	(1,361)	16%
200.	Net allowance for risks and charges	(1,632)	(1,310)	(322)	25%
210. + 220.	Net impairment losses on property and intangible assets	(1,036)	(777)	(259)	33%
230.	Other net operating income/expense	1,282	463	819	nm
240.	**Operating expenses**	**(20,067)**	**(18,466)**	**(1,601)**	**9%**
250.	Profits of equity-accounted investees	(37)	25	(62)	nm
290.	**Pre-tax profit from continuing operations**	**19,034**	**6,997**	**12,037**	**nm**
300.	Tax expenses (income) for the period from continuing operations	(6,861)	(2,615)	(4,246)	nm
310.	**Profit after tax from continuing operations**	**12,173**	**4,382**	**7,791**	**nm**
330.	**Profit (Loss) for the period**	**12,173**	**4,382**	**7,791**	**nm**
340.	Profit (Loss) for the period attributable to the Minority interests	(565)	(238)	(327)	nm
350.	**Profit (Loss) for the period attributable to the shareholders of the Parent**	**11,608**	**4,144**	**7,464**	**nm**

BANCA SISTEMA GROUP: ASSET QUALITY

Figures in thousands of Euro

31.03.2025	Gross Exposure	Impairment Losses	Net Exposure
Gross Non Performing Exposures	**581,482**	**61,053**	**520,429**
Bad loans	187,966	37,856	150,110
Unlikely to pay	60,235	20,847	39,388
Past-dues	333,281	2,350	330,931
Performing Exposures	**2,131,609**	**6,083**	**2,125,526**
Total Loans and advances to customers	**2,713,091**	**67,136**	**2,645,955**

31.12.2024	Gross Exposure	Impairment Losses	Net Exposure
Gross Non Performing Exposures	**332,802**	**57,486**	**275,316**
Bad loans	179,957	38,499	141,458
Unlikely to pay	51,716	18,353	33,363
Past-dues	101,129	634	100,495
Performing Exposures	**2,429,261**	**7,666**	**2,421,595**
Total Loans and advances to customers	**2,762,063**	**65,152**	**2,696,911**

Contacts:

Investor Relations

Christian Carrese
Tel. +39 02 80280403
E-mail christian.carrese@bancasistema.it

Press office

Patrizia Sferrazza
Tel. +39 02 80280354
E-mail patrizia.sferrazza@bancasistema.it

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 QuintoPuoi 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, Portugal and Greece. It has over 100,000 customers and employs 358 people in a multi-channel structure.