

BANCA **SISTEMA**

9M 2025 RESULTS

Nov. 7th, 2025

POSITIVE OPERATING TRENDS

Adjusted interest income: +28% y/y thanks to lower cost of funding and resilient asset spread
Total income: +25% y/y, fees and trading superbond flat y/y, positive financial portfolio performance
Total costs: +7% y/y despite higher FTE and non recurrent administrative costs
Cost of risk: 42bps (20bps in 9M24)
Net profit: +71% y/y equivalent to €21m (€12.3m as of 9M24)

STRENGTHENING THE BALANCE SHEET

CET1 and Total capital ratios increased ytd by +57bps and +53bps despite the +53% increase in gross NPEs due to Bank of Italy compliance findings on the application of DoD* rules (1Q25).
Bad loans coverage ratio: +3.6% ytd / UTP coverage ratio: +7% ytd / Past due coverage ratio: stable at 0.6%
Credit risk unchanged: 89% of past due loans refer to Public administration
LCR and NSFR: well above minimum requirements

FUNDING

Retail funding represents 74% of total funding (70% as of YE24) / term deposits -5% ytd due to lower loans /
The reduction in cost of funding is gaining momentum: 3.57% as of 4Q24, 3.07% as of 1H25, 3.01% as of 9M25

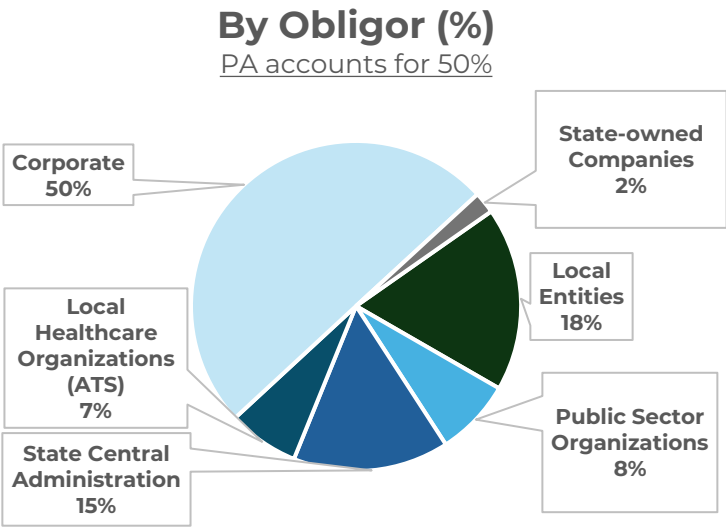
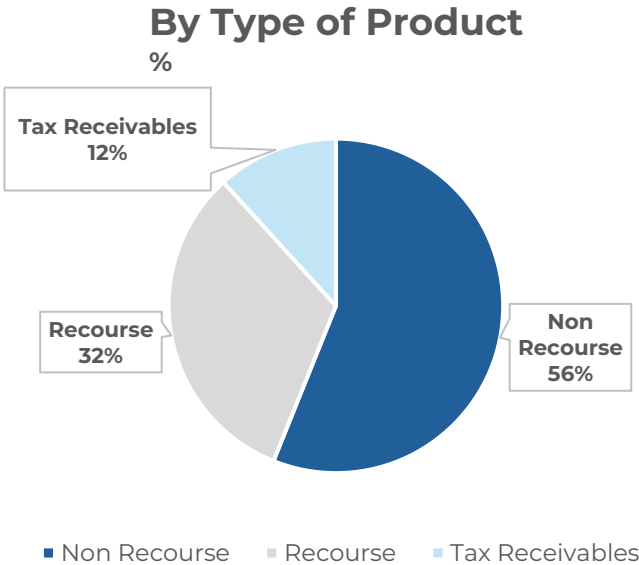
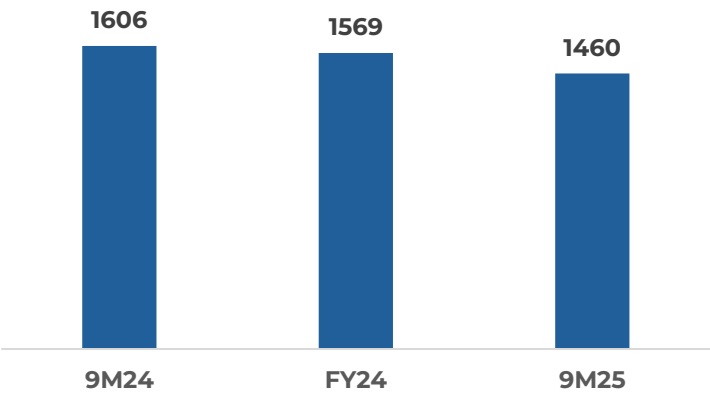
COMMERCIAL PERFORMANCE

9M25 Factoring turnover -17% y/y due to lower receivables related to Superbonus and PA (mainly pharma)
9M25 CQ new loans: -34% y/y, 9M25 CQ Outstanding: -17% y/y due to more selective approach which led to adjusted income margin improvement
9M25 pawn loans: +21% y/y due also to Portuguese and Italian portfolio's acquisition, further widening in spread

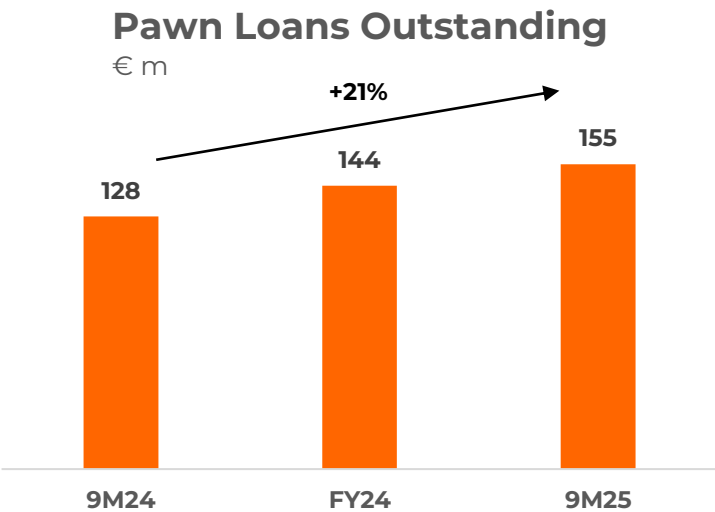
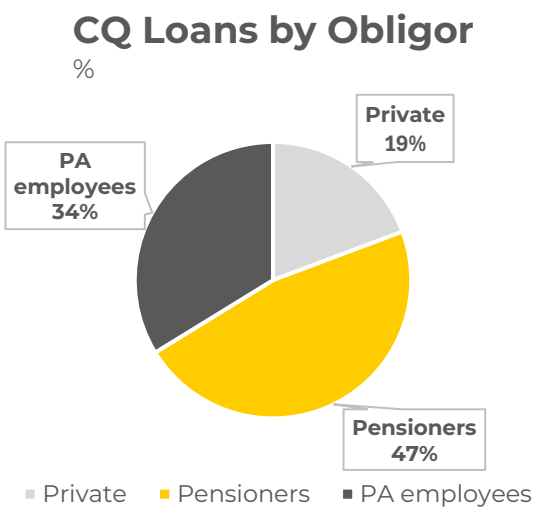
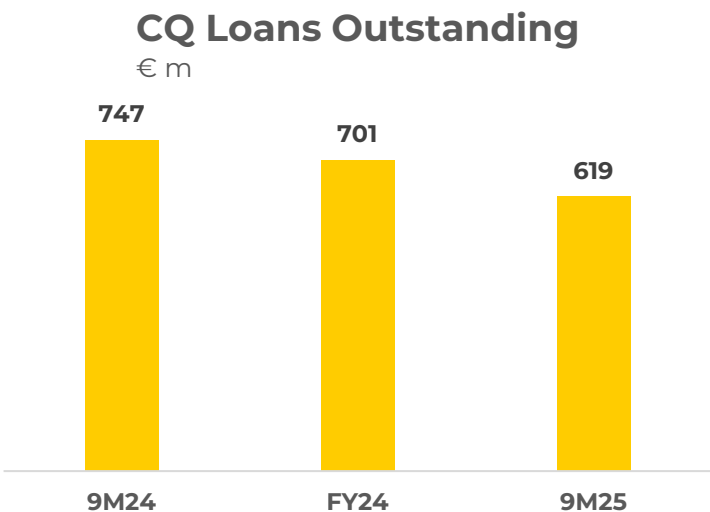
* DoD = Definition of Default

Outstanding breakdown (30.09.2025)²
€1,515m

Factoring Loans Outstanding¹
€ m



Note: (1) Figures exclude Superbonus tax credits, accounted for in other assets and amounting to €308million as of 9M25; (2) Factoring outstanding management account. Factoring customer loans, item of the Balance Sheet (slide 5) differ from management account for the following elements: Recourse factoring non-financed portion; Provisions; LPI; deferred income.



• €102 turnover in 9M25 (€153m in 9M24)

- ~79k contracts (Italy only) (+5% y/y)
- Total turnover in 9M25 (including renewals): €213m (+28% y/y)
- #50 auctions in 9M25, with > 99% of the offers through the APP KrusOk Aste

9M25 – BALANCE SHEET

Figures in millions of Euro

**BANCA
SISTEMA**

	31/12/2024	30/06/2025	30/09/2025	Change in % 30/09/2025 vs 31/12/2024
ASSETS				
Cash and cash equivalents	93	151	261	181%
Financial assets at fair value through Other Comprehensive Income [Held to Collect and Sell]	1,147	1,029	930	-19%
Loans at amortized cost	2,811	2,666	2,602	-7%
Factoring	1,569	1,526	1,460	-7%
CQ	701	652	619	-12%
Pawn loans	144	153	155	8%
SMEs State Guaranteed loans	224	201	194	-13%
Other ⁽¹⁾	172	134	174	1%
Securities at amortized cost [Held to Collect]	62	50	50	-19%
Tangible and Intangible assets	101	101	101	0%
Goodwill	45	44	44	-2%
Equity investments	1	1	1	0%
Other assets ⁽²⁾	488	390	373	-24%
Total assets	4,703	4,388	4,318	-8%
LIABILITIES AND EQUITY				
Due to banks	127	98	69	-46%
Due to customers	3,761	3,546	3,467	-8%
of which term deposits	2,565	2,414	2,438	-5%
of which current accounts	288	301	291	1%
Debt securities issued	221	177	192	-13%
Other liabilities	279	232	251	-10%
Shareholders Equity	315	335	339	8%
Total liabilities and equity	4,703	4,388	4,318	-8%

- **Govies' portfolio decreased ytd (nominal value €963m vs €1178m as of YE24)** with an average duration of 19,4 months (16 months as at 31.12.2024), exclusively Italian Government bonds:
 - €913m 'Held to Collect and Sell', -€204m ytd , with an average duration of 18.9 months (15.2 months as at 31.12.2024)
 - €50m 'Held to Collect', -€11m ytd, with an average duration of 29.4 months
- **Loans at amortized cost €2,602m (-7% ytd):**
 - **Factoring receivables** at €1.46bn, **-7% ytd** due to faster collections, some disposals and more selective approach (pharma sector)
 - **CQ loans** at €619m, **-12% ytd**, due to maturities, repayments and lower new production (-34% y/y). Loans were originated only through the Direct Channel (€102m)
 - **Pawn Loans** at €155m, **+8% ytd**, thanks also to the acquisition of a loan portfolio in January for €8.9m and the acquisition in Portugal
- **Due to banks -46% ytd**, due to lower interbank funding and REPOs
- **Due to customers -8% ytd**, driven by lower Repos from clients (-19% ytd) linked to lower government bond portfolio and a reduction in term deposits (-5% ytd) while trend in current account was pretty stable (+1% ytd)
- **Debt securities -13% ytd**, driven by lower structured funding with both factoring and CQ receivables collateral (+8% q/q)

Note: (1) The item include "Loans to banks" respectively as at 31.12.2024, 30.06.2025 and 30.09.2025 equal respectively to €23.0m, €20.7m and €0.1m. (2) Tax credits for 'superbonus' €435m and €343m and €308m respectively as at 31.12.2024, 30.06.2025 and 30.09.2025.

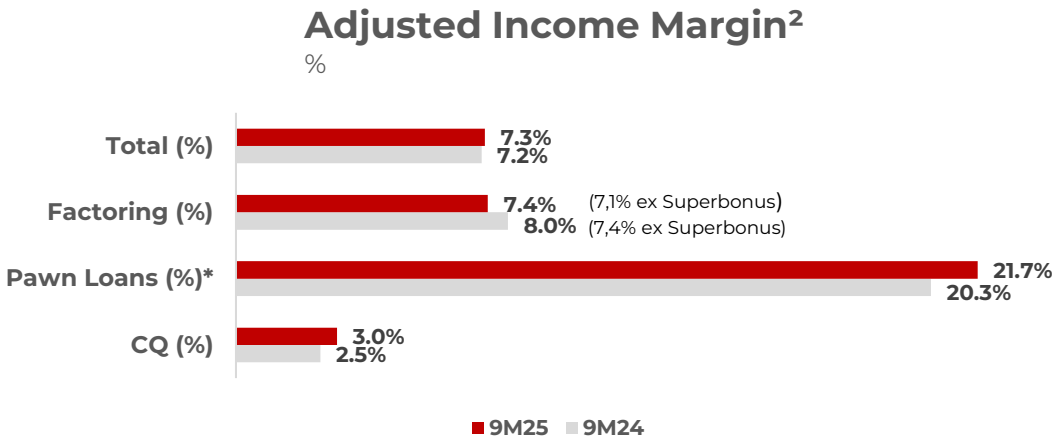
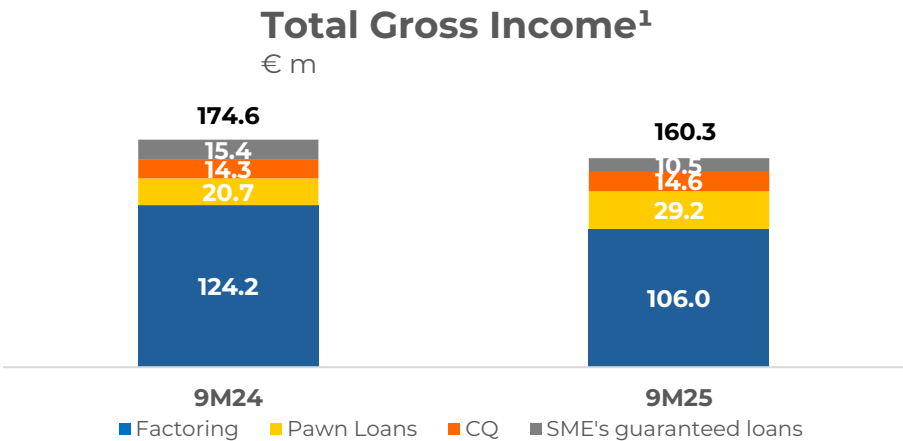
TOTAL GROSS INCOME AND ADJUSTED INCOME MARGIN EVOLUTION

9M25 Total gross income -8% y/y, due to lower contribution from **factoring (€ 106.0m or -€18.2m y/y)**, **SMEs State guaranteed loans (€10.5m or -€4.9m y/y)**, **stable trend in CQ (€14.6m or +€0.3m y/y)** and higher contribution from **pawn loans (€29.2m or +8.5m y/y)**.
Lower revenues y/y from factoring, mainly due to:

- a) lower **commercial loans, tax credit** contribution (€77.7m vs 91.6m).
- b) lower **factoring LPIs from legal action** equal to €17.0m (€25.9 as of 9M24):
 - of which accrual €12.7m (€14.7m as of 9M24)
 - of which “extra collection” €6.4m (€11.3m as of 9M24).
 - of which loss from disposal €-2.1m
- c) higher **factoring extra judicial off BS LPI** equal to €11.3m (€6.7m as of 9M24).

Factoring gross income and adjusted income margin include **€23.8m** revenues from **Superbonus** of which €22.8m from Trading Superbonus.

Adjusted income margin shows an **increase y/y** (+10bps y/y) thanks to **different trends**: a **decrease y/y (-60bps y/y)** in the **factoring** business and an **improvement** in **pawn** and **CQ** business (+140bps and +50bps respectively).



Note: (1) Total gross income calculated as Period Interest Income + Commission Income + Gain for asset disposals + trading Superbonus - excluding the contribution from securities portfolio, PPA, credit due from banks and Repo (Balance Sheet and Financial Statement figures); (2) Calculated as [Period Interest Income + Commission Income + Gain for asset disposals + trading Superbonus] / [Average net customer loans at the end of the period] - excluding the contribution from securities portfolio, PPA, credit due from banks and Repo (Balance Sheet and Financial Statement figures); / * Adjusted income margin calculated ex auction fees.

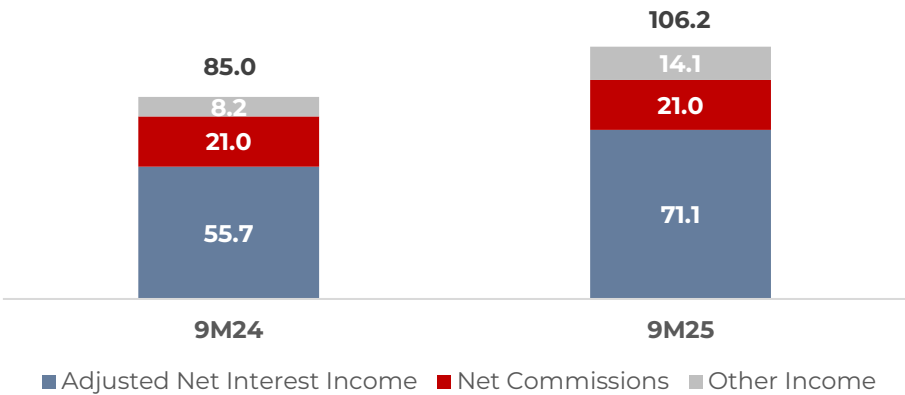
TOTAL INCOME BREAKDOWN

- **9M25 Total Income up 25% y/y**, thanks to **lower cost of funding** and **financial portfolio contribution** which helped to **offset lower average volumes**.
- **Adj NII** (NII + trading on Superbonus) **increased by 28% y/y** despite lower interest income from factoring (€70.1m in 9M25 vs €80.0m in 9M24), SME's (€10.5m vs €15.4m), and thanks to Pawn loans (€13.6m vs €10.6m), CQ (€13.7m vs €13.2m) and higher income from financial portfolio (€22.6m vs €13.6m) backed by lower interest expenses (€88.3m vs €110.3m).
- **Fees flat y/y** thanks to pawn broking business and servicer and collection fees which offset weaker factoring fees, inflated last year by few big tickets. In details gross fees in factoring (-49% y/y), CQ (-41% y/y), Pawn division (+55% y/y).
- **Other Income increased by +71% y/y** and includes ca. €9m gain from govies portfolio (€3.4m as of 9M24) and €4.9mn gain from the sale of factoring and CQ ptf (€4.6m as of 9M24).
- Total income breakdown by divisions: **Factoring** (€79m vs €74.7m in 9M24) **CQ** (€0.9m vs €-7.3m in 9M24), **Pawn broking** (€26.0m vs €17.6m in 9M24).
- **Contribution to total net revenues** by factoring division decreased to 75% (88% as of 9M24), by pawn broking increased to 24% (21% as of 9M24), by CQ became positive (1%) from negative 1 year ago. These figures include income generated from treasury portfolio activity allocated to single divisions.



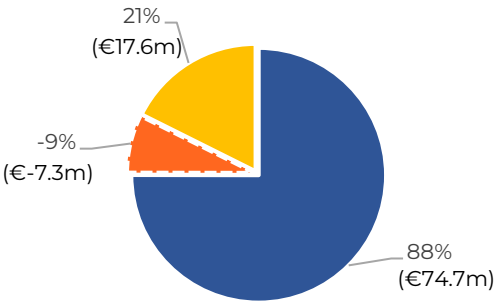
Total Income Breakdown¹

€ m



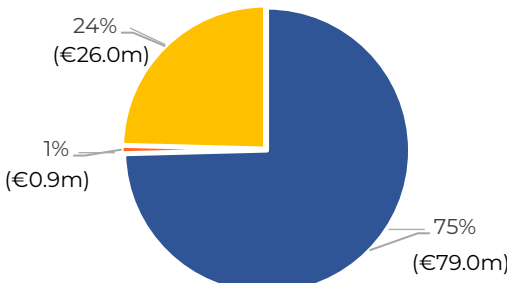
By Business Line (9M24)

% (€85.0m)



By Business Line (9M25)²

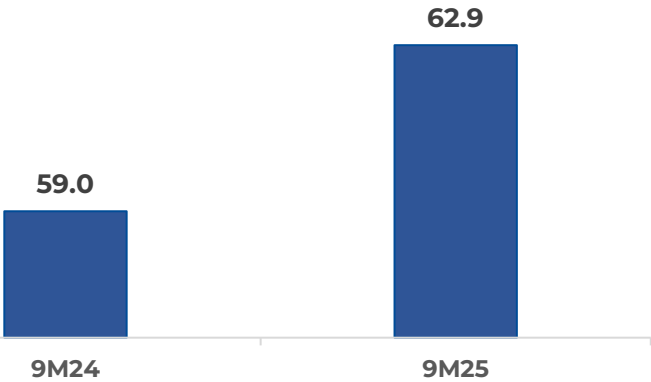
% (€106.2m)



1. Adjusted Net Interest Income = Net interest Income + Trading on Superbonus
2. CQ total income in 9M25 was slightly positive after several negative quarters

Total Operating Costs

€ m



Personnel Expenses

€ m



Other Operating Costs, D&A and Risk Provisions

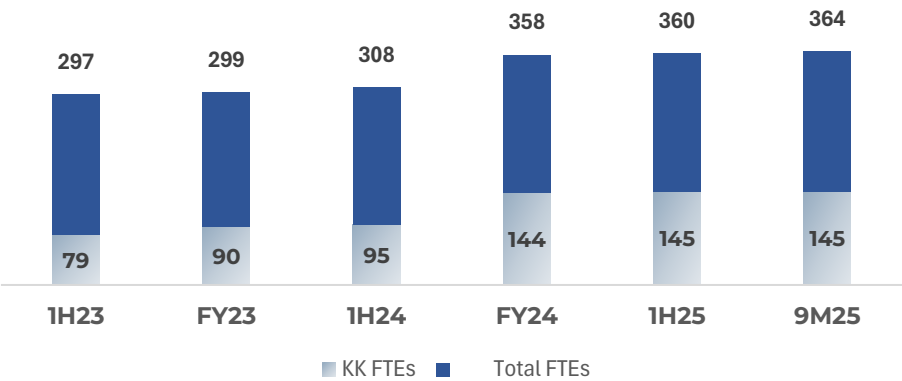
€ m



- **Total costs increased by +7% y/y** due to higher administrative costs while personnel costs were flat y/y. Figures include non recurrent consultancy costs (linked to Bank of Italy’s inspection, preparation of capital plan), higher credit related costs (i.e. collection, credit insurance), SRT and finally IT costs.
- **Personnel Expenses flat y/y** despite higher FTEs (from 312 to 364) linked to the acquisition of the pawn broking business in Portugal completed in 4Q24 (+44 FTEs).
- **Administrative costs increased by 24% y/y** and **include** some non recurrent consultancy costs linked, among the others, to Bank of Italy inspection (i.e. capital plan), some credit-related costs (i.e. origination, collection and insurance), SRT and IT costs.

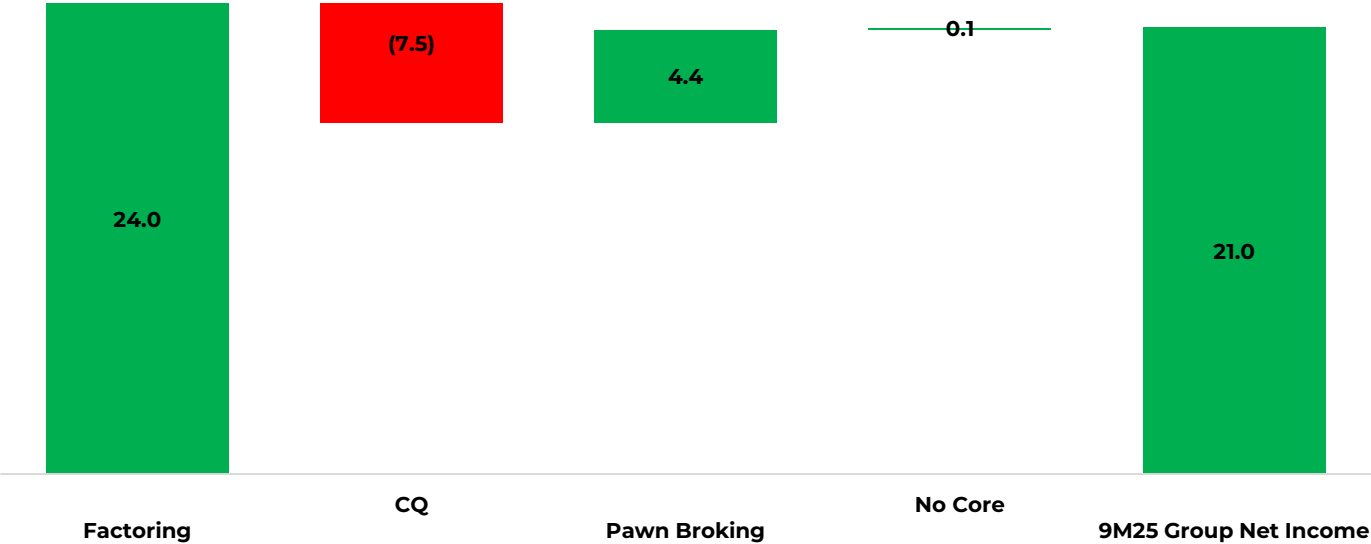
FTEs Evolution

(#)



9M25 Net Income Breakdown by BU*

€ m



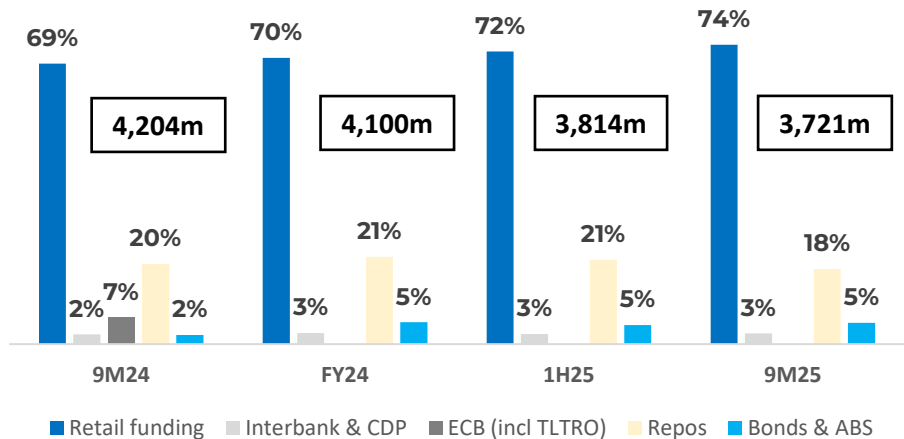
- **Factoring:** the division confirmed the excellent results registered in 2024 posting in 9M25 €24,0m net income (€23,2m as of 9M24) or +4% y/y thanks to trading Superbonus and lower cost of funding which together with the elimination of DGS helped the division to enhance profitability despite managerial actions undertaken to improve asset quality and capital ratios with negative impact on earnings in 9M25.
- **CQ:** lower cost of funding and the decalage of legacy portfolio helped to reduce the loss of the division (-€7,5m vs -€12,2m in 9M24).
- **Pawn Broking:** the division kept growing registering a strong increase in net profit €4,4m vs €2,0m in 9M24) thanks to the increase of the outstanding, higher numbers of auctions and the positive trend in margins due to solid repricing.
- **9M25 Net income** was equal to **€21,0m** (+71% y/y).

*Net income of each division is calculated by including the Treasury portfolio contribution and SRT cost

FUNDING COST CONTINUES TO DECLINE

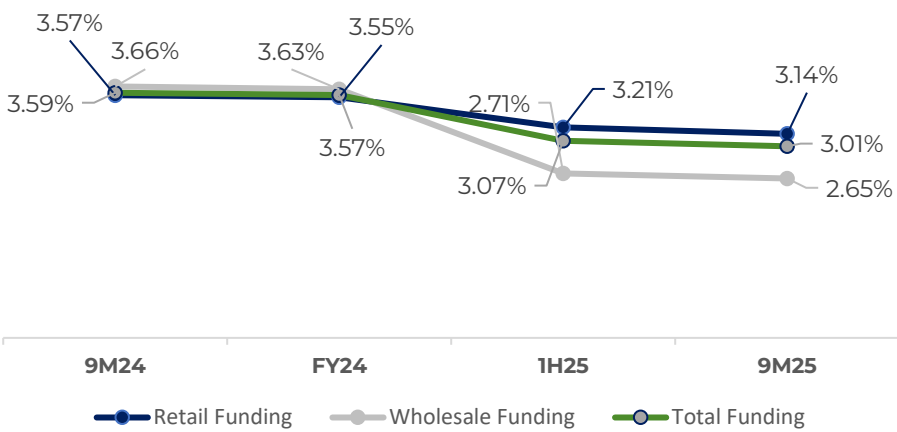
Total Funding Breakdown

(%)



Funding Cost

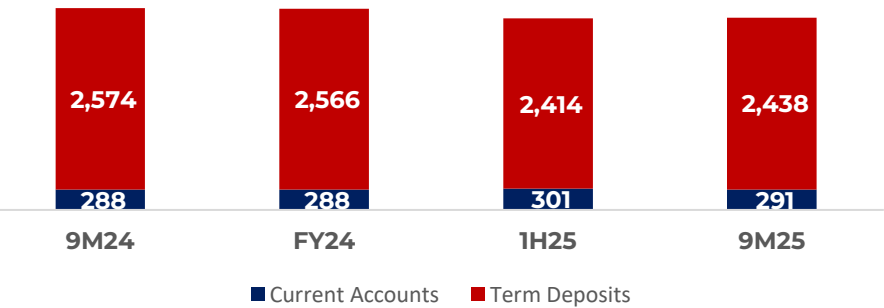
(%)



- **Retail Funding** represents **74% of total funding** as of 9M25.
- **Term deposits** decreased by 5% y/y, **Retail funding** decreased by 5% y/y; trend driven by the bank's decision to **optimize the funding structure** given loans decrease registered in 9M25. **Average residual maturity of term deposits equal to 17 months** (16 months as of FY24).
- **Term deposits breakdown by geography:** 80% from abroad, 20% from Italy.
- **Net outflows in term deposits from abroad** (-€77m in 9M25) and **Italy** (-€58m in 9M25).
- **REPOs** were **down y/y**.
- **Cost of funding** down y/y (-58bps) and q/q (-6bps). **Cost of wholesale funding (2.65%), lower than retail funding by 49bps (3.14%).**

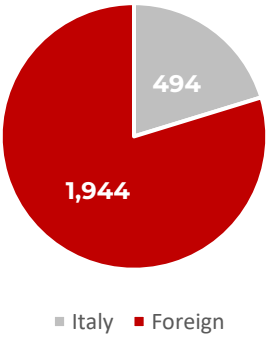
Retail Funding by Instrument

€ m



Term Deposits - Breakdown by Geography

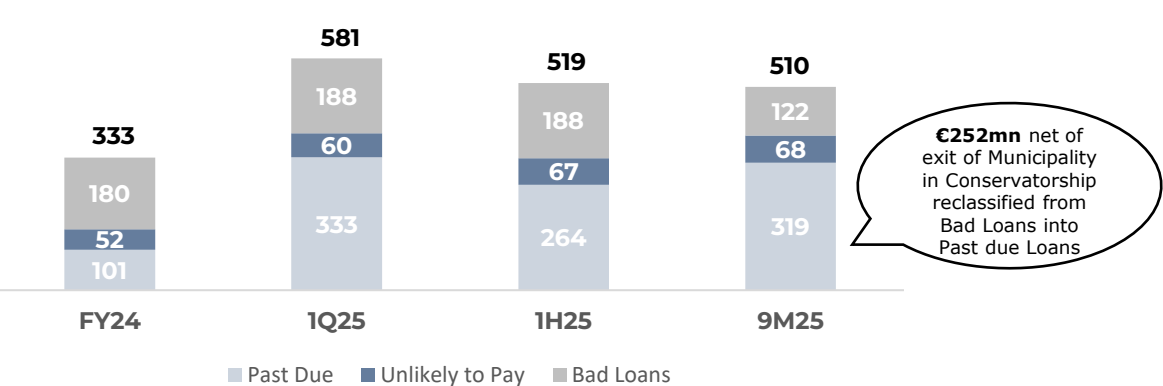
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THE DOWNWARD TREND IN NPEs CONTINUES QUARTER BY QUARTER

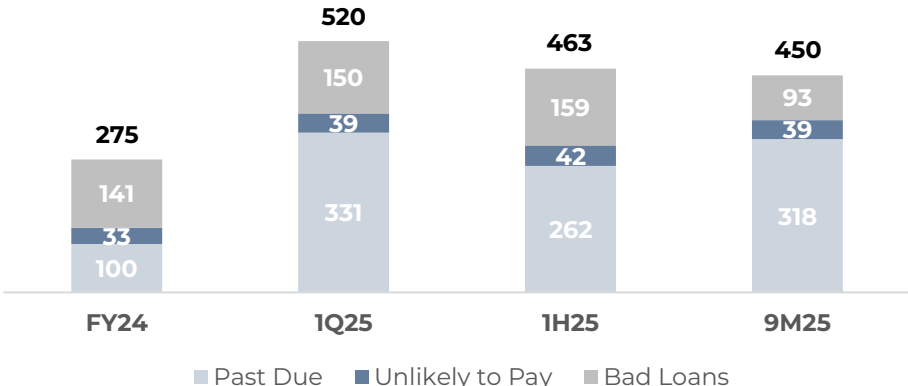
Gross Non Performing Exposure

€ m



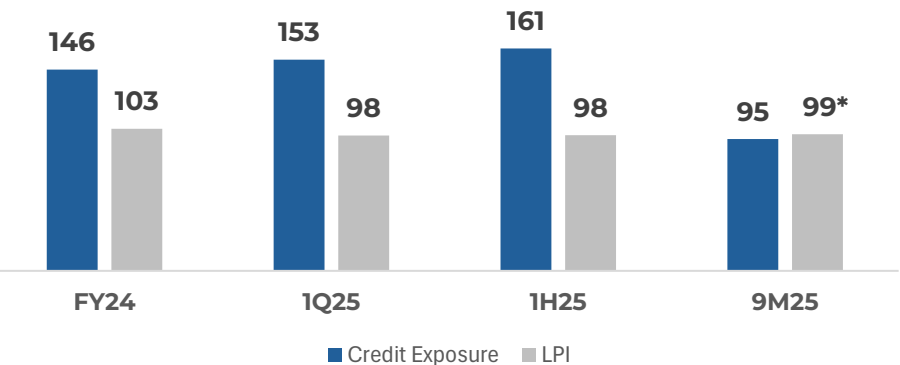
Net Non Performing Exposure

€ m



Exposure to Municipality in Conservatorship & LPI off BS

€ m



Gross Non Performing Exposures (gross NPEs) increased by **+53% ytd** mainly due to the **new classification** of past due loans, **carried out in 1Q25**, in accordance with Bank of Italy compliance findings on the application of the Definition of Default; it's worth to highlight that **89% of the past due loans portfolio** of the Bank (excl Kruso Kapital) consists of **exposure to Public Administration**, with limited credit risk exposure.

Sharp reduction in NPEs in the last six months. Several managerial actions undertaken to reduce past due loans after 1Q25 reclassification. In the third quarter **ca. €67mn Bad Loans reclassified as Past Due loans** due to the exit of a Municipality from Conservatorship. **Net of reclassification Past Due loans decreased by -24% since 1Q25.** Disposals, contractual resolutions, faster collections among the actions which allowed to reduce the stock of NPEs.

The loans to Municipality emerged from Conservatorship are part of recent **ruling of the European Court of Human Rights**, which imposed the Italian Government to **pay in full the principal plus LPIs**. The draft 2026 budget law introduces a €2.2 billion fund for 2026 to address financial effects from national and European disputes. According to the competent minister, this includes cases pending at the European Court of Human Rights. The amount of total LPIs off balance sheet linked mainly to Municipalities in Conservatorship, are still equal to €99m.

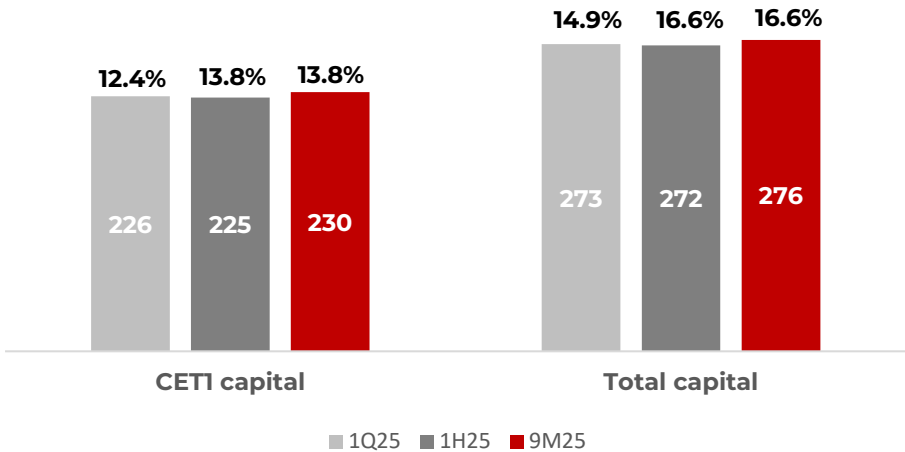
Cost of credit was equal to **42bps** (20bps in 9M24).

*Figures include also LPI belonging to few Municipalities emerged from Conservatorship

REGULATORY CAPITAL ABOVE MINIMUM REQUIREMENTS

Capital Ratios*

€ m / %



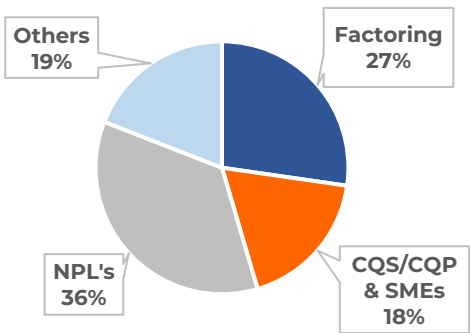
RWA Breakdown

€ m

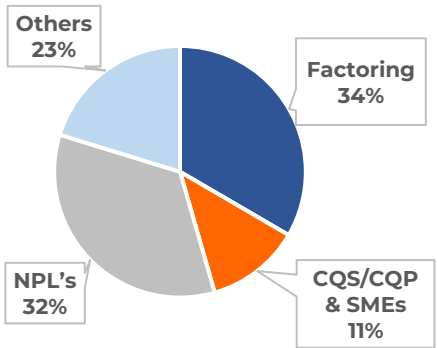


RWA – Credit Risk

31.03.2025



30.09.2025



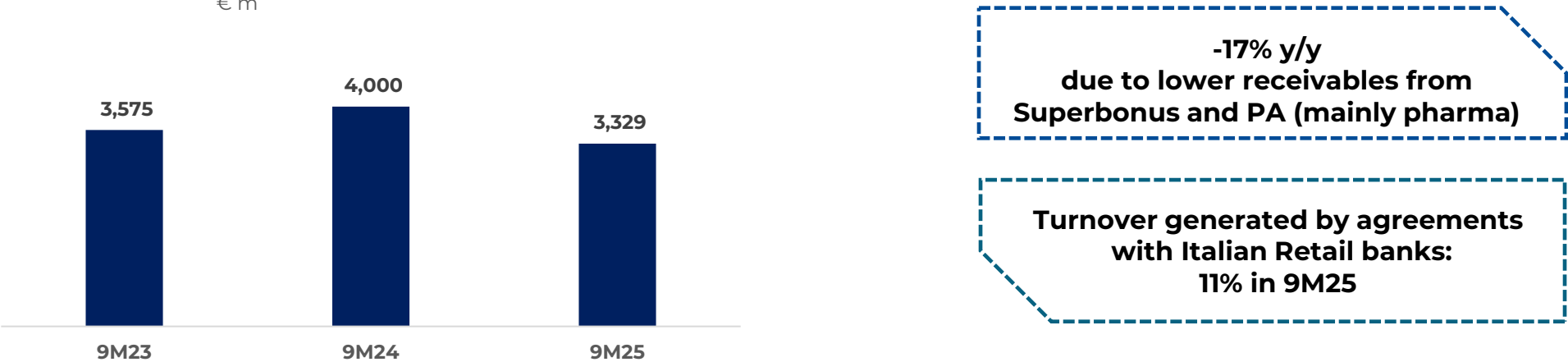
- **CET1 and Total Capital ratios phased in** as at 30.09.2025 were equal to **13.8%** and **16.6%**, slightly higher than 30.06.2025 **(+8bps and +3bps respectively)** and much higher than 31.03.2025 **(+144bps and +169bps respectively)** thanks to the managerial actions undertaken to reduce the stock of NPEs resulting from the request of Bank of Italy to reclassify part of the loans as past due.
- **The reduction in RWA in 2Q** was due to faster collections, past due disposals and SRT implementation while **the slight increase in RWA registered in 3Q** was mainly due to factoring, CQ and senior notes partially offset by lower capital absorption from SME's and pawn broking.
- **Ratios do not include dividends' accrual and €2.7mn net of tax positive HTCS reserve.**
- **Capital buffers at ca. 400-450bps (2024 SREP: CET1 ratio 9.4% / TCR 12.9%**)**

Note: *Ratios as of 1H25 are calculated applying the prudential filter reintroduced by article 468 CRR which neutralizes securities MTM in the HTCS category. / ** Ratios adjusted for Syrb + CCyB equal to 10.2% (CET1) and 13.7% (TCR)

ANNEXES

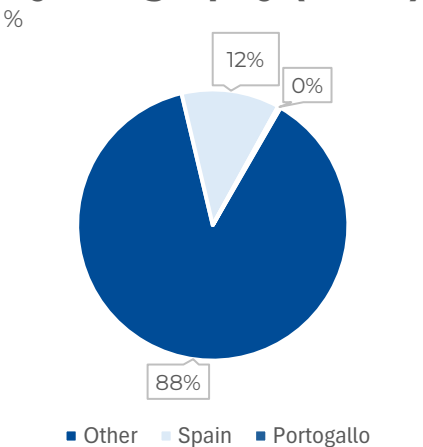
FACTORING: BREAKDOWN BY TYPE AND CUSTOMERS

Factoring Turnover
€ m

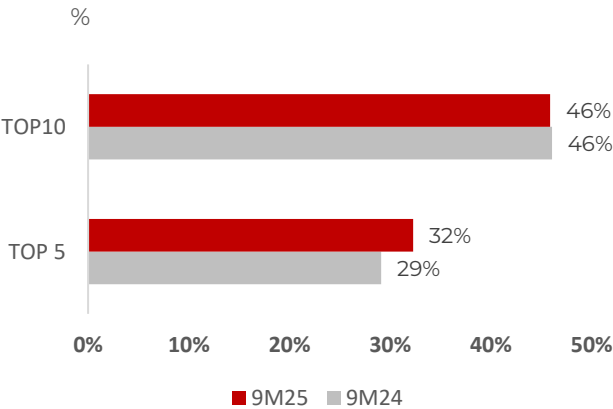


9M25 Factoring Turnover breakdown

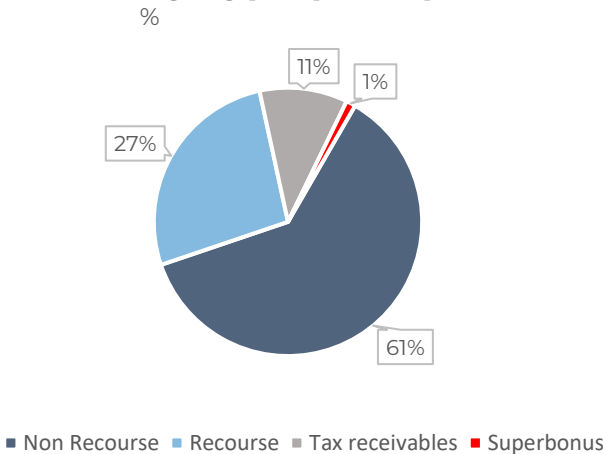
By Geography (9M25)



Customer Concentration

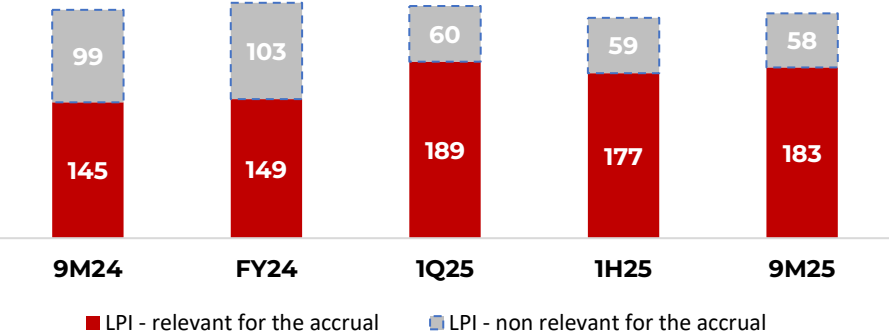


By Type (9M25)



Due LPI Stock - Assets in Legal Action

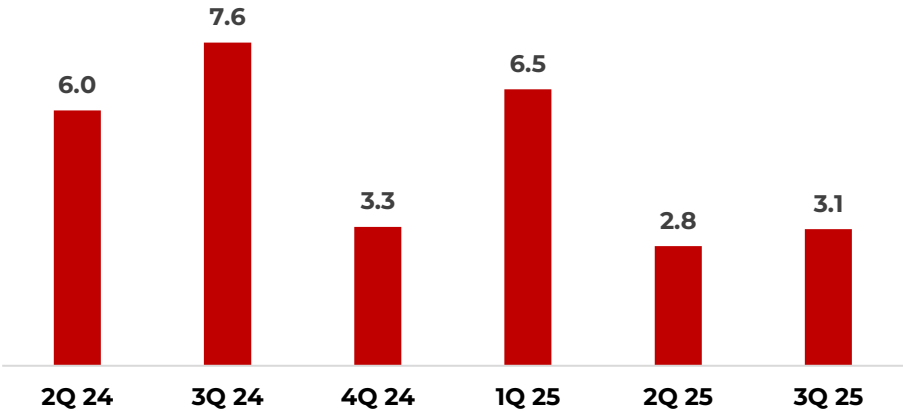
€ m



€90.0m accrual
booked through
P&L

Total Collected Cashed-in LPI

€ m



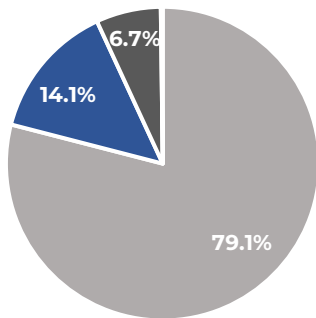
9M25 – INCOME STATEMENT

Figures in millions of Euro

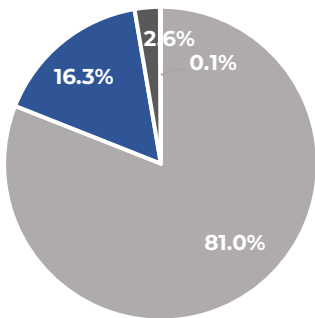
	9M 2024	1Q 2024	2Q 2024	3Q 2024	9M 2025	1Q 2025	2Q 2025	3Q 2025	9M 2025 vs 9M 2024 change (%)
Interest income	143.6	48.2	47.6	47.8	136.6	57.5	33.7	45.4	-5%
Interest expenses	(110.9)	(36.4)	(38.4)	(36.2)	(88.3)	(33.0)	(28.7)	(26.6)	-20%
Net interest income	32.6	11.8	9.2	11.6	48.3	24.5	5.0	18.8	48%
Commission income	36.4	14.0	12.7	9.7	33.5	10.1	11.7	11.7	-8%
Commission expenses	(15.4)	(5.4)	(5.4)	(4.6)	(12.5)	(4.4)	(3.7)	(4.4)	-19%
Net commission	21.0	8.6	7.3	5.1	21.0	5.7	8.0	7.3	0%
Dividends and similar income	0.2	-	0.2	-	0.2	-	0.2	-	0%
Net income from trading	23.9	4.8	7.6	11.5	23.1	8.8	8.2	6.1	-3%
Net income from disposal/repurchase assets:	7.1	1.6	3.6	2.0	13.5	3.8	5.5	4.2	90%
<i>a) measured at amortised cost</i>	4.6	0.9	2.8	0.9	4.9	2.9	1.0	1.0	7%
<i>b) measured at fair value through other comprehensive income</i>	2.5	0.7	0.7	1.1	8.6	0.9	4.5	3.2	>100%
Total income	85.0	26.8	28.0	30.2	106.2	42.8	27.0	36.4	25%
Net impairment losses on loans	(4.9)	(1.4)	(2.5)	(1.1)	(8.1)	(3.7)	(0.9)	(3.5)	65%
Net operating income	80.0	25.4	25.5	29.1	98.0	39.1	26.1	32.9	23%
Personnel expenses	(24.9)	(8.1)	(8.3)	(8.5)	(24.8)	(8.6)	(8.1)	(8.1)	0%
Other expenses	(34.1)	(10.4)	(13.5)	(10.1)	(38.2)	(11.5)	(13.2)	(13.3)	12%
Operating expenses	(58.9)	(18.5)	(21.8)	(18.6)	(62.9)	(20.1)	(21.2)	(21.4)	7%
Pre-tax profit from continuing operations	21.1	6.9	3.7	10.5	35.3	19.0	5.1	11.5	67%
Taxes on income for the period from continuing operations	(7.9)	(2.6)	(1.4)	(3.9)	(12.4)	(6.9)	(1.3)	(4.2)	57%
Profit (loss) for the period	13.2	4.3	2.3	6.6	22.8	12.2	3.7	7.3	73%
Minority interests	(0.8)	(0.2)	(0.3)	(0.3)	(1.8)	(0.6)	(0.7)	(0.5)	>100%
Profit (loss) for the period attributable to the shareholders of the Parent	12.3	4.1	1.9	6.4	21.0	11.6	3.0	6.3	71%

ASSET QUALITY: BREAKDOWN BY LOANS

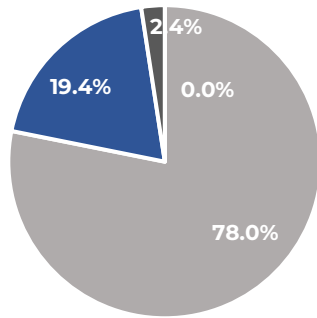
Gross Bad loans



31.12.2023

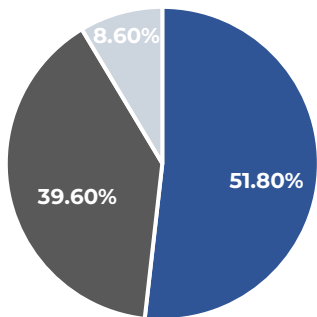


31.12.2024

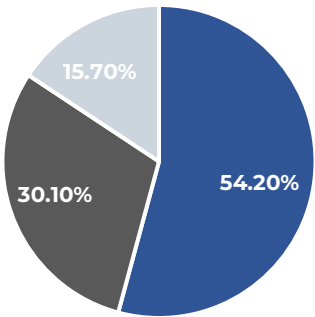


30.09.2025

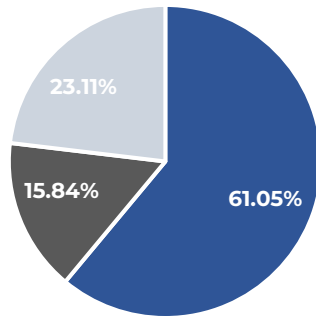
Gross Unlikely to Pay



31.12.2023



31.12.2024



30.09.2025

Conservatorships (factoring) Factoring SME's Other

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