

PRESS RELEASE

### BANCA SISTEMA: APPROVED RESULTS AS AT 30 SEPTEMBER 2022

- Business performance:
  - Factoring volumes: 3,152 million, +26% y/y
  - CQ loans: 958 million, stable y/y
  - Pawn loans: 104 million, +19% y/y
- Net interest income: 65.4 million, +15% y/y
- Total income: 80.9 million, +8% y/y
- Total operating costs: 47.7 million, +8% y/y
- Loan loss provisions: 6.3 million, down y/y
- Net income: 17.8 million, +21% y/y
- The retail component accounts for 55% of total funding, with a stable value y/y
- CET1 ratio at 12.1% and Total Capital ratio at 15.4% on a phase-in basis

Milan, 11 November 2022

1/9

The Board of Directors of Banca Sistema has approved the consolidated results as at 30 September 2022, reporting a **net income** of 17.8 million, from 14.8 million in the same period of 2021 (+21% y/y).

#### **Business Performance**

In a market that in and of itself reported a solid growth, the **factoring** business line overperformed, reaching a turnover of 3,152 million, corresponding to a growth rate of 26% y/y, mainly driven by tax receivables.

As at 30 September 2022, **factoring** receivables (management data) stood at 1,851 million, down from 1,971 million as at 30 June 2022, and up compared to 30 September 2021 (1,707 million). Non-recourse factoring, accounting for 82% of receivables, includes tax receivables (25% of total receivables, compared to 14% as at 31.12.2021).

As to the **CQ** business line, the Group purchased/funded 273 million (financed amount), up in comparison with last year (194 million), with the Direct channel (*QuintoPuoì*) accounting for the lion's share, when excluding the purchase of loan pools from Gruppo BancoBPM (leading to recognizing through profit or loss the interest accrued prior to the purchase of the loan portfolio).

The loan stock as at 30 September 2022 added up to 958 million, stable y/y (955 million) and on the rise compared to 31 December 2021 (932 million).

As at 30 September 2022, **pawn loans** came to 103.6 million, up by 19% y/y.

### Operating results as at 30 September 2022

**Net interest income**, at 65,4 million, rose by 15% y/y.

Although interest income slightly dipped in Q3 2022 compared to the previous quarter, y/y it increased by 7% (74.9 million vs 69.8 million as at 30.09.2022 and 30.09.2021, respectively). The lower y/y contribution from factoring has been more than offset by other components, including the greater contribution from pawn loans and State-loan guaranteed loans to SMEs.

In today's market environment, interest income from the factoring business, accounting for roughly 55% of total interest margin (60% as at 30.09.2021), dropped 2% y/y, basically driven by a smaller late-payment interest stream from legal action.

The overall P&L contribution as at 30 September 2022 from late-payment interest under legal action came to 11.3 million (16.3 million as at 30 September 2021).

Total late-payment interest under legal action accrued as at 30 September 2022, and relevant to the accrual model, came in at 104.7 million (186.2 million when including municipalities under conservatorship, against which no late-payment interest is accrued), while receivables already on the books totaled 56.3 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 exceeding 80%.

The total cost of funding, at 0.2%, was below the full-year 2021 cost level (0.4%), thanks to the mix optimization and to the negative rates of certain funding components. Interest expense declined by 26% y/y, although it rose in Q3 2022 when compared to the two previous quarters, due to the higher cost of the wholesale funding component, impacted by the benchmark rate hikes that are still ongoing in the last part of the year.

**Net fees and commissions**, amounting to 12.3 million, were on the rise y/y (11.9 million as at 30 September 2021), driven by the greater contribution of interest income from pawn loans. The rise in net commissions in Q3 2022 over the previous quarter was driven by less commission expense in the CQ business tied to the variable compensation of agents, that since Q3 2022 is no longer accounted for on a cash basis, but rather on an accrual basis.

The contribution in terms of total revenues from factoring, i.e., the sum of interest income, commission income and revenues from portfolio disposals (51.8 million as at 30.09.2022), has been sliding slightly in absolute terms year on year (52.7 million as at 30.09.2021), due to the decrease in late-payment interest. When considering factoring total revenues as a percentage over the average of receivables, a slight increase was recorded, that is expected to hold in view of the promised additional rate hikes. For CQ loans, the interest income to average loans ratio has remained stable year on year, while for pawn loans it has increased.

As in H1, total income was affected by the low proprietary trading income as at 30 September 2022 compared to last year (4.2 million). As usual, factoring receivables and CQ loan portfolios (the latter in Q2 2022) were sold in the first 9M of 2022, generating a revenue of 1.7 million and 1.5 million, respectively (line-item 100.a of the Income Statement), on the rise y/y, due to a different timing in deciding when to finalize the transactions.

**Total income** stood at 80.9 million, up 8% y/y, basically driven by the increase in net interest income, and in Q3 2022 it declined over the prior quarter.

As at 30 September 2022, **loan loss provisions** added up to 6.3 million, posting a sharp decline y/y (8.8 million). The cost of risk tied to customer loans came in at 28bps (36bps in H1 2022).

The Group's **headcount** (FTE) came to 283, slightly up compared to the 278 resources reported in the same period of 2021.

**Personnel expenses** were stable y/y, and they include the release of the undistributed 2021 bonus of about 1 million. **Other administrative expenses** were stable y/y, currently not affected by the macroeconomic scenario characterized by an inflation rate that has been steadily increasing over the 9M of 2022.

**Total operating costs** increased by 8% y/y, mainly driven by the dynamic of Provisions for Risk and Charges.

**Net income before tax** as at 30 September 2022 added up to 26.9 million, up by 24% y/y.

### Key balance sheet items as at 30 September 2022

The **securities portfolio**, made up of Italian government bonds, amounted to 844.5 million (of which 292.3 million are classified under the line-item "Financial assets measured at amortized cost", up compared to 75.1 million as at 30 June 2022), with an average time to maturity of 24.5 months. The "Held to Collect and Sell" (HTCS) component, amounting to 552.2 million as at 30 September 2022, went up compared to 31 December 2021 (445.8 million), while it dropped slightly compared to 30 June 2022 (567.6 million), with an average time to maturity of about 28.6 months, down compared to 30 June 2022.

**Financial assets measured at amortized cost (3,270 million)**, mainly represented by factoring receivables (1,678 million), increased by 9% compared to 31 December 2021, while they remained stable compared to 30 June 2022, and include also CQ loans (salary- and pension-backed loans), part of the securities portfolio (292.3 million), and 104 million of pawn loans (on a stable quarterly upward trend). More specifically, the aforementioned CQ loans added up to 958 million (932 million as at 31 December 2021), basically stable compared to 30 June 2022.

The **gross non-performing loan** stock came in at 291.7 million, down compared to 31 December 2021 (315.1 million) and stable compared to 30 June 2022 (291.2 million). The quarterly performance was mainly driven by the greater amount of past due loans, at 90.9 million, up compared to 30 June 2022 (77.5 million), basically compensated for by the decline in unlikely-to-pay loans (33.7 million as at 30.09.2022 vs 46.8 million as at 30.06.2022).

**Retail deposits** accounted for approx. 55% of total funding (68% as at 31 December 2021), and comprise checking accounts and term deposits. The Retail component of funding has increased in absolute terms when compared to year-end 2021, while it has declined compared to 30 June 2022.

Under **Financial liabilities measured at amortized cost (3,702 million)**, **Due to banks** went up compared to 31 December 2021 (696 million vs 592 million as at 31.12.2021) and compared to 30 June 2022, in both cases driven by a greater contribution of the interbank component.

Under Financial liabilities measured at amortized cost, **Due to customers** (2,705 million) went up compared to year-end 2021 and to 30 June 2022, mainly driven by the positive dynamic reported in the last quarter by repurchase agreements tied to the Italian government bond portfolio, which more than

compensated for the decline in deposit accounts (1,477 million as at 30 September 2022 vs. 1,636 million as at 30 June 2022) and checking accounts.

**Debt securities (301 million)** increased compared to 31 December 2021 and declined compared to 30 June 2022, due to the lower use of structured finance transactions as funding source, in particular ABS (represented by CQ loans).

As at 30 September 2022, under the transitional criteria in compliance with art. 468 of CRR, **Total own funds** (Total Capital) totaled 217.3 million, down compared to 221.9 million as at 30 June 2022 (CET1 was 171.6 million as at 30 September 2022 and 176.3 million as at 30 June 2022), and in addition to the net income for the period (net of the estimated dividend amount, corresponding to a payout ratio of 25% of the Parent company's net income), it included also the equity reserve for "Financial assets at fair value through other comprehensive income" (HTCS), in particular on Italian government bonds, amounting to -15.2 million (-9.2 million as at 30 June 2022). As at 30 September 2022, the related **capital ratios**<sup>1</sup>, down compared to 30 June 2022, mainly due to the impact from the equity reserve increase and to a minor extent to rising RWA (1,415.2 million as at 30.09.2022), stood at:

- **CET1 ratio 12.1%;**
- **TIER 1 ratio 15.3%;**
- **Total Capital ratio 15.4%.**

As at 30 September 2022, capital ratios, without the aforementioned sterilization under art. 468 CRR, that will be effective at least until 31 December 2022, went down compared to 30 June, standing at<sup>2</sup>:

- CET1 ratio 11.4% (12.5% at 30 June 2022);
- TIER 1 ratio 14.6% (15.9% at 30 June 2022);
- Total Capital ratio 14.6% (15.9% at 30 June 2022).

4/9

On 8 November 2022, Ecofin, having adopted the proposal submitted by the Presidency, decided to introduce a prudential filter, equal to 100% of the reserve for government bonds classified as HTCS<sup>3</sup>. To date, this decision has found consensus among all Member States. Once all formal steps have been performed, the above solution should come into effect in the coming months.

Considering Ecofin's decision capital ratios would stand at the following levels:

- CET1 ratio 13,3%;
- Tier1 ratio 16,5%;
- Total Capital ratio 16,5%.

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<sup>1</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 30 June 2022:

- Common Equity Tier 1 ratio (CET1 ratio) of 9.0%;
- Tier1 ratio of 10.5%;
- Total Capital ratio of 12.50%.

<sup>2</sup> Equity reserve for "Financial assets at fair value through other comprehensive income" (HTCS), in particular on Italian Government bonds, amounts to -25.6 million (-15.5 million at 30 June 2022). RWA at 30.09.2022 came in 2.5 million below those based on the ratio calculated on a phase-in basis.

<sup>3</sup> Source: <https://www.consilium.europa.eu/en/press/press-releases/2022/11/08/banking-sector-council-agrees-its-position-on-the-implementation-of-basel-iii-reforms/>

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### **Statement of the financial reporting officer**

The financial reporting officer of Banca Sistema, 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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### **Operational outlook and main risks and uncertainties**

The current scenario characterized by interest rate hikes by the European Central Bank, leading to a gradual increase in deposit rates across the different types of facilities, could cause a temporary reduction in net interest income (NII) as of the fourth quarter, that over the following quarters will be offset through the increase in loan profitability.

The Group has no direct exposure to entities or individuals subject to the restrictive sanctions imposed by the European Union over the war in Ukraine; the evolution of the conflict and of the sanctions is being constantly and carefully monitored by the Group.

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5/9

All financial amounts reported in the press release are expressed in euro.

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#### **Gruppo Banca Sistema**

Banca Sistema, founded in 2011 and listed in 2015 on Borsa Italiana's Star segment, is a financial institution specialized in purchasing trade receivables owed by the Italian Public Administrations and tax receivables, and engages in salary- and pension-backed loans, by purchasing loan pools and through the direct origination of the QuintoPuoi product. In the pawn loans business, it operates through the subsidiary Kruso Kapital S.p.A. and the brand product ProntoPegno S.p.A. The Group has more than 100,000 clients, and it offers also deposit products, including current accounts, deposit accounts and securities accounts, in addition to other services as credit management and recovery, bank guarantees and security bonds, PA receivables certification and e-billing. With head offices in Milan and Rome, Gruppo Banca Sistema is present in Italy also in Bologna, Pisa, Naples, Palermo, Asti, Brescia, Civitavecchia, Florence, Mestre, Parma, Rimini and Turin, as well as in Spain and Greece, it has 283 employees and relies on a multichannel structure.

### Attachments

For a like-for-like comparison, following the reclassification as of Q2 2021 of AT1 capital (8 million) under line-item 140 “Equity instruments” of the Statement of financial position from the previous classification under line-item 10 “Financial liabilities measured at amortized cost, c) Debt securities”, the Income Statements at 30 September 2021 has been restated.

- Consolidated statement of financial position
- Consolidated income statement
- Credit quality

### BANCA SISTEMA GROUP: CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of EUR

|                                 |   | 30.09.2022<br>A  | 30.06.2022       | 31.03.2022       | 31.12.2021<br>B  | Difference %<br>A - B |
|---------------------------------|---|------------------|------------------|------------------|------------------|-----------------------|
|                                 | <b>ASSETS</b>   |                  |                  |                  |                  |                       |
| 10.                             | Cash and cash equivalents   | 148,826          | 69,952           | 219,590          | 175,835          | -15%                  |
| 30.                             | Financial assets held to collect and sell (HTCS)  | 557,464          | 572,998          | 586,127          | 451,261          | 24%                   |
| 40.                             | Financial assets held to collect (HTC)  | 3,269,928        | 3,048,178        | 3,074,580        | 2,954,174        | 11%                   |
|                                 | a) Loans and advances to banks  | 20,075           | 23,608           | 29,394           | 33,411           | -40%                  |
|                                 | b) Loans and advances to customers  | 3,249,853        | 3,024,570        | 3,045,186        | 2,920,763        | 11%                   |
|                                 | <i>of which: Factoring</i>  | 1,678,331        | 1,678,693        | 1,632,196        | 1,541,687        | 9%                    |
|                                 | <i>of which: Salary/pension-backed loans (CQS/CQP)</i>  | 957,961          | 965,819          | 918,755          | 931,767          | 3%                    |
|                                 | <i>of which: SMEs State guaranteed loans</i>  | 181,427          | 187,737          | 178,574          | 160,075          | 13%                   |
|                                 | <i>of which: Collateralised loans</i>   | 103,577          | 97,804           | 92,265           | 90,030           | 15%                   |
|                                 | <i>of which: Securities</i>   | 292,182          | 75,048           | 184,531          | 184,042          | 59%                   |
| 70.                             | Equity investments  | 946              | 957              | 965              | 1,002            | -6%                   |
| 90.                             | Property, plant and equipment   | 42,763           | 42,847           | 41,034           | 40,780           | 5%                    |
| 100.                            | Intangible assets   | 33,016           | 33,078           | 33,156           | 33,125           | nm                    |
|                                 | <i>of which: goodwill</i>   | 32,355           | 32,355           | 32,355           | 32,355           | nm                    |
| 110.                            | Tax assets  | 23,710           | 18,530           | 15,753           | 12,840           | 85%                   |
| 120.                            | Non-current assets and disposal groups classified as held for sale                                  | 43               | 43               | 43               | 68               | -37%                  |
| 130.                            | Other assets  | 73,112           | 69,980           | 43,694           | 39,806           | 84%                   |
|                                 | <b>Total assets</b>   | <b>4,149,808</b> | <b>3,856,563</b> | <b>4,014,942</b> | <b>3,708,891</b> | <b>12%</b>            |
|                                 | <b>LIABILITIES AND EQUITY</b>   |                  |                  |                  |                  |                       |
| 10.                             | Financial liabilities at amortised cost   | 3,701,659        | 3,404,243        | 3,578,016        | 3,257,401        | 14%                   |
|                                 | a) Due to banks   | 695,063          | 614,461          | 601,329          | 592,157          | 17%                   |
|                                 | b) Due to customers   | 2,705,966        | 2,467,157        | 2,802,091        | 2,472,054        | 9%                    |
|                                 | <i>of which: Term Deposits</i>  | 1,476,860        | 1,636,049        | 1,384,496        | 1,387,416        | 6%                    |
|                                 | <i>of which: Current Accounts</i>   | 519,595          | 560,734          | 794,249          | 775,096          | -33%                  |
|                                 | c) Debt securities issued   | 300,630          | 322,625          | 174,596          | 193,190          | 56%                   |
| 60.                             | Tax liabilities   | 20,610           | 17,210           | 15,469           | 14,981           | 38%                   |
| 70.                             | Liabilities associated with non-current assets held for sale and discontinued operations            | 16               | 16               | 17               | 18               | -11%                  |
| 80.                             | Other liabilities   | 136,594          | 143,546          | 122,949          | 137,995          | -1%                   |
| 90.                             | Post-employment benefits  | 3,963            | 4,038            | 4,173            | 4,310            | -8%                   |
| 100.                            | Provisions for risks and charges:   | 34,835           | 31,229           | 29,912           | 28,654           | 22%                   |
| 140.                            | Equity instruments  | 45,500           | 45,500           | 45,500           | 45,500           | nm                    |
| 120. +150. +<br>160.+170. +180. | Share capital, share premiums, reserves, equity instruments, valuation reserves and treasury shares | 178,874          | 188,753          | 204,815          | 187,212          | -4%                   |
| 190.                            | Minority interests  | 9,922            | 9,823            | 9,708            | 9,569            | 4%                    |
| 200.                            | Profit for the period   | 17,835           | 12,205           | 4,383            | 23,251           | -23%                  |
|                                 | <b>Total liabilities and equity</b>   | <b>4,149,808</b> | <b>3,856,563</b> | <b>4,014,942</b> | <b>3,708,891</b> | <b>12%</b>            |

### BANCA SISTEMA GROUP: CONSOLIDATED INCOME STATEMENT

Amounts in thousands of EUR

|             |   | 9M 2022<br>A    | 1Q 2022         | 2Q 2022         | 3Q 2022         | 9M 2021<br>B    | 1Q 2021         | 2Q 2021         | 3Q 2021         | Difference %<br>A - B |
|-------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| 10.         | Interest income   | 74,873          | 23,605          | 26,953          | 24,315          | 69,799          | 24,241          | 23,480          | 22,078          | 7%                    |
| 20.         | Interest expenses   | (9,435)         | (2,942)         | (2,970)         | (3,523)         | (12,760)        | (4,974)         | (4,242)         | (3,544)         | -26%                  |
| <b>30.</b>  | <b>Net interest income</b>  | <b>65,438</b>   | <b>20,663</b>   | <b>23,983</b>   | <b>20,792</b>   | <b>57,039</b>   | <b>19,267</b>   | <b>19,238</b>   | <b>18,534</b>   | <b>15%</b>            |
| 40.         | Fee and commission income   | 23,860          | 7,526           | 8,218           | 8,116           | 18,389          | 5,940           | 5,997           | 6,452           | 30%                   |
| 50.         | Fee and commission expense  | (11,587)        | (3,833)         | (4,955)         | (2,799)         | (6,464)         | (1,916)         | (2,173)         | (2,375)         | 79%                   |
| <b>60.</b>  | <b>Net fee and commission income</b>  | <b>12,273</b>   | <b>3,693</b>    | <b>3,263</b>    | <b>5,317</b>    | <b>11,925</b>   | <b>4,024</b>    | <b>3,824</b>    | <b>4,077</b>    | <b>3%</b>             |
| 70.         | Dividends and similar income  | 227             | -               | 227             | -               | 227             | -               | 227             | -               | 0%                    |
| 80.         | Net income from trading   | (1,505)         | 1               | (1,202)         | (304)           | 21              | 5               | 16              | -               | nm                    |
| 100.        | Profits (Losses) on disposal or repurchase of:                                | 4,496           | 331             | 3,806           | 359             | 5,569           | 2,689           | 1,025           | 1,855           | -19%                  |
|             | a) financial assets measured at amortised cost                                | 3,409           | 316             | 2,735           | 358             | 1,816           | 746             | 618             | 452             | 88%                   |
|             | b) financial assets measured at fair value through other comprehensive income | 1,087           | 15              | 1,071           | 1               | 3,753           | 1,943           | 407             | 1,403           | -71%                  |
| <b>120.</b> | <b>Operating income</b>   | <b>80,929</b>   | <b>24,688</b>   | <b>30,077</b>   | <b>26,164</b>   | <b>74,781</b>   | <b>25,985</b>   | <b>24,330</b>   | <b>24,466</b>   | <b>8%</b>             |
| 130.        | Net impairment losses on loans  | (6,264)         | (2,307)         | (2,749)         | (1,208)         | (8,807)         | (4,103)         | (3,728)         | (976)           | -29%                  |
| 140.        | Profits (Losses) on changes in contracts without derecognition                | -               | -               | -               | -               | (4)             | -               | -               | (4)             | -100%                 |
| <b>150.</b> | <b>Net operating income</b>   | <b>74,665</b>   | <b>22,381</b>   | <b>27,328</b>   | <b>24,956</b>   | <b>65,970</b>   | <b>21,882</b>   | <b>20,602</b>   | <b>23,486</b>   | <b>13%</b>            |
| 190. a)     | Staff costs   | (21,439)        | (6,588)         | (7,742)         | (7,109)         | (21,292)        | (6,920)         | (7,384)         | (6,988)         | 1%                    |
| 190. b)     | Other administrative expenses   | (22,834)        | (8,318)         | (7,145)         | (7,371)         | (22,678)        | (8,621)         | (7,330)         | (6,727)         | 1%                    |
| 200.        | Net allowance for risks and charges   | (2,296)         | (539)           | (514)           | (1,243)         | (26)            | (1)             | (25)            | -               | nm                    |
| 210. +220.  | Net impairment losses on property and intangible assets                       | (2,217)         | (725)           | (774)           | (718)           | (2,004)         | (658)           | (718)           | (628)           | 11%                   |
| 230.        | Other net operating income/expense  | 1,114           | 515             | 498             | 101             | 1,686           | 852             | 523             | 311             | -34%                  |
| <b>240.</b> | <b>Operating expenses</b>   | <b>(47,672)</b> | <b>(15,655)</b> | <b>(15,677)</b> | <b>(16,340)</b> | <b>(44,314)</b> | <b>(15,348)</b> | <b>(14,934)</b> | <b>(14,032)</b> | <b>8%</b>             |
| 250.        | Profits of equity-accounted investees   | (56)            | (36)            | (15)            | (5)             | (2)             | 10              | 5               | (17)            | ns                    |
| <b>290.</b> | <b>Pre-tax profit from continuing operations</b>                              | <b>26,937</b>   | <b>6,690</b>    | <b>11,636</b>   | <b>8,611</b>    | <b>21,654</b>   | <b>6,544</b>    | <b>5,673</b>    | <b>9,437</b>    | <b>24%</b>            |
| 300.        | Tax expenses (income) for the period from continuing operations               | (8,726)         | (2,143)         | (3,707)         | (2,876)         | (6,705)         | (2,053)         | (1,581)         | (3,071)         | 30%                   |
| <b>310.</b> | <b>Profit after tax from continuing operations</b>                            | <b>18,211</b>   | <b>4,547</b>    | <b>7,929</b>    | <b>5,735</b>    | <b>14,949</b>   | <b>4,491</b>    | <b>4,092</b>    | <b>6,366</b>    | <b>22%</b>            |
| 320.        | Profit (Loss) after tax from discontinued operations                          | (23)            | (24)            | 1               | -               | -               | -               | -               | -               | nm                    |
| <b>330.</b> | <b>Profit for the period</b>  | <b>18,188</b>   | <b>4,523</b>    | <b>7,930</b>    | <b>5,735</b>    | <b>14,949</b>   | <b>4,491</b>    | <b>4,092</b>    | <b>6,366</b>    | <b>22%</b>            |
| <b>340.</b> | <b>Profit for the period attributable to the Minority interests</b>           | <b>(353)</b>    | <b>(140)</b>    | <b>(108)</b>    | <b>(105)</b>    | <b>(169)</b>    | <b>(29)</b>     | <b>(64)</b>     | <b>(76)</b>     | <b>nm</b>             |
| <b>350.</b> | <b>Profit for the period attributable to the shareholders of the Parent</b>   | <b>17,835</b>   | <b>4,383</b>    | <b>7,822</b>    | <b>5,630</b>    | <b>14,780</b>   | <b>4,462</b>    | <b>4,028</b>    | <b>6,290</b>    | <b>21%</b>            |

### BANCA SISTEMA GROUP: CREDIT QUALITY

Amounts in thousands of EUR

| 30.09.2022                                   | Gross exposure   | Impairment losses | Net exposure     |
|--|------------------|-------------------|------------------|
| <b>Gross Non Performing Exposures</b>        | <b>291,738</b>   | <b>60,410</b>     | <b>231,328</b>   |
| <i>Bad loans</i>                             | 167,047          | 46,205            | 120,842          |
| <i>Unlikely to pay</i>                       | 33,743           | 13,379            | 20,364           |
| <i>Past-dues</i>                             | 90,948           | 826               | 90,122           |
| <b>Performing Exposures</b>                  | <b>2,732,517</b> | <b>6,175</b>      | <b>2,726,342</b> |
| <b>Total Loans and advances to customers</b> | <b>3,024,255</b> | <b>66,585</b>     | <b>2,957,670</b> |

| 30.06.2022                                   | Gross exposure   | Impairment losses | Net exposure     |
|--|------------------|-------------------|------------------|
| <b>Gross Non Performing Exposures</b>        | <b>291,177</b>   | <b>61,581</b>     | <b>229,596</b>   |
| <i>Bad loans</i>                             | 166,825          | 47,758            | 119,067          |
| <i>Unlikely to pay</i>                       | 46,845           | 13,201            | 33,644           |
| <i>Past-dues</i>                             | 77,507           | 622               | 76,885           |
| <b>Performing Exposures</b>                  | <b>2,727,798</b> | <b>7,872</b>      | <b>2,719,926</b> |
| <b>Total Loans and advances to customers</b> | <b>3,018,975</b> | <b>69,453</b>     | <b>2,949,522</b> |

| 31.12.2021                                   | Gross exposure   | Impairment losses | Net exposure     |
|--|------------------|-------------------|------------------|
| <b>Gross Non Performing Exposures</b>        | <b>315,071</b>   | <b>59,519</b>     | <b>255,552</b>   |
| <i>Bad loans</i>                             | 169,099          | 47,554            | 121,545          |
| <i>Unlikely to pay</i>                       | 37,374           | 11,374            | 26,000           |
| <i>Past-dues</i>                             | 108,598          | 591               | 108,007          |
| <b>Performing Exposures</b>                  | <b>2,487,995</b> | <b>6,825</b>      | <b>2,481,170</b> |
| <b>Total Loans and advances to customers</b> | <b>2,803,066</b> | <b>66,344</b>     | <b>2,736,722</b> |