

BANCA SISTEMA: APPROVED RESULTS AS AT 31 DECEMBER 2024

- **Net income (€25.2 million vs. 16.5 million) rising sharply (+53% y/y, +20% y/y net of the gross €8 million loan write-back) driven by:**
 - **Strongly accelerating total income (+17% y/y), thanks to the increase in core revenues:**
Adjusted net interest income: €82.9 million (+18 y/y)
Net fee and commission income: €26.7 million (+36% y/y)
 - **Operating costs are on the rise due to the implementation of the business plan, IPO KK and M&A, yet on a decelerating trend (+7% y/y vs +18% y/y in 9M24)**
 - **Cost of risk: 3bps (17bps in 2023), despite the increase in past dues, thanks to an €8m write-back tied to a position under conservatorship and the decline in the UtP + bad loan aggregate**
- **Business trends:**
 - **Factoring turnover: €5,261 million (+3.9% y/y, net of a €500 million one-off entry in 4Q23)**
 - **CQ: new business -3% y/y; loan stock at €701 million, -12% y/y**
 - **Pawn loans: €144 million, +18% y/y (+5% y/y, net of the acquisition in Portugal)**
- **Asset quality and capital ratios at 31/12/24:**
 - **Net bad loans, clear of conservatorship/total loans: 0.1%;**
 - **Total non-performing loans, net of conservatorship/total loans: 5.4%.**
 - **Phased-in CET1 ratio: 13.3% (12.9% in FY23), phased-in TCR ratio: 16.1% (16.1% in FY23) despite the organic increase in past due loans, which are going to further increase at the end of 1Q25, following the adoption of the loan reclassification criteria indicated by the Bank of Italy, and the completion of KK's acquisition in Portugal (ca. -80bps on TCR). Capital ratios include retained earnings, in keeping with the Bank of Italy's requests.**
- **Restated asset quality and capital ratios¹:**
 - **Restated past due loans: €372 million (on 30/6/24), €307 million (on 30/9/24), €256 million (on 31/12/24).**
 - **Restated TCR: 12.3% (30/6/24), 13.4% (30/9/24), 14.3% (31/12/24)**
 - **With regard to the administrative procedure, the Bank is preparing its rebuttal to the Bank of Italy's inspection report.**
 - **The Bank shall implement the loan reclassification request and the ensuing recalculation of RWAs when preparing the Q1 results.**

¹ Restated data is based on the simulation of the effect generated by the classification of non-recourse factoring receivables as past dues under the assumption of inefficacy of mitigant measures that received a negative feedback by the Bank of Italy as part of its sampling audit inspection ([Press release dated 20 December 2024 and related to Bank of Italy's report](#))

- **Solid liquidity position, retail funding at 70%:**
 - **LCR and NSFR well above regulatory thresholds and rising sharply compared to year-end 2023.**
 - The **Retail** component accounts for 70% **of total funding** (69% in 9M24 and 78% at year-end 2023). TLTRO has been fully repaid (€262 million at 30/9/24).

Milan, 07 February 2024

The Board of Directors of Banca Sistema has approved the consolidated financial statements as at 31 December 2024, reporting a **net income** of €25.2 million, as compared to €16.5 million in the same period of 2023, +53% y/y (+20% y/y net of the €8 million write-back tied to a Municipality under conservatorship).

Business Performance

The **factoring** business line saw a growth in volumes, with a turnover of €5,261 million, corresponding to a growth rate of +3.9% y/y, net of a €500 million one off posted in 4Q23.

On 31 December 2024, outstanding **factoring** receivables stood at €1,569 million, down from €2,117 million on 31 December 2023, inclusive of some one off loans collected in 1H24, and only slightly down compared to 30 September 2024 (€1,606 million). Including superbond receivables (classified under other assets), on 31 December 2024 factoring receivables stood at €2,004 million (2,334 million on 31 December 2023, coming in at 1,834 million net of the one off loans posted at the end of 2023). Non-recourse factoring, accounting for 73% of outstanding receivables under management accounts² (86% on 31 December 2023), included tax receivables (accounting for 12% of receivables vs. 10% on 31.12.2023).

As to the **CQ** business line, the Group granted loans for €188 million (financed amount), down by 3% y/y (€194 million on 31.12.2023), almost 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.

² Amounting to 1,733 million on 31.12.2024, 1,777 million on 30.09.2024 and 2,176 million on 31.12.2023.

To this regard, please note that in 2024 the loan stock generated by the direct channel (QuintoPuoi) exceeded the one generated by the indirect channel. More specifically: 1) direct CQS (€198m in 2022, €260m in 2023, €364m in 2024); 2) indirect CQS (€744m in 2022, €547m in 2023, €338m in 2024). On 31 December 2024, the CQ loan stock was equal to €701 million, -12% y/y (€799 million), as a result of collections (€228 million), which more than offset new business, and the disposal of portfolios, which in FY24 came to €58 million (€100 million in FY23).

On 31 December 2024, **pawn loans** stood at 144 million, up by +18% y/y (+5% y/y net of the acquisition in Portugal finalized in 4Q24).

Operating results as at 31 December 2024

Adjusted net interest income (net interest income + superbond trading) rose y/y (+€12,9 million y/y, equal to +18% 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 and €27.3 million in 4Q24), driven by the increase in the interest income stream from factoring (+€11.6 million y/y), guaranteed loans (+€4.0 million), pawn loans (+€3.8 million y/y), and c/a and banks (+€4.8 million y/y), partly offset by the increase in interest expense (-€ 34.9 million y/y), driven by the higher cost of funding as a result of the ECB interest rate hikes in 2023. The securities portfolio and CQ loans instead reported a y/y decline in interest income of €-1.6 million and €-3.9 million respectively, driven by a reduction in the average size of their related portfolios.

On 31 December 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 €31.4 million (€36.5 million on 31 December 2023), of which:

- €11.1 million from current recovery projections (€18.7 million on 31 December 2023);
- €5.5 million from the update of recovery estimates and the expected time to recovery (€1.2 million on 31 December 2023). Note that, already on 31 December 2023, €6.4 million had been recorded as a result of the policy rate hikes (ECB);
- €13.4 million (€6.5 million on 31 December 2023), resulting from the difference between the collections in the period, amounting to €21.4 million (€10.8 million on 31 December 2023), and the accruals reported in the prior financial years;

- €1.4 million from the current recovery projections of the 40-euro component of Compensation claims due under art. 6 Lgs. D. 231/02 (€3.7 million on 31 December 2023).

Total late-payment interest under legal action accrued on 31 December 2024 and relevant to the accrual model came in at €149 million (€137 million at year-end 2023), coming to €252 million when including arrears of municipalities under conservatorship, against which no late-payment interest is accrued, while receivables already on the books totaled €92 million, hence the total amount of interest ex Lgs.D. 231/02 accrued and not recognized through profit and loss came in at €160 million, of which roughly 44 million are tied to the position of a Municipality under conservatorship, which on 16 January 2024 the European Court of Human Rights Judgment dealt with³ and 19 million relate to petitions already brought before the same Court by the Bank.

As already stated, on 31 December 2024, none of the €43.7 millions tied to late-payment interest accrued and related to the Municipality under conservatorship, which the State was ordered to pay under a final and unappealable judgment, has been recognized through profit and loss. The Bank is bringing new actions before the Strasbourg Court for similar cases. The amount that was not recognized through profit and loss will be recognized, on an accrual or cash basis, in the coming financial years, based on collection projections, which are confirmed to hover around 90%.

It is worth noting that, despite the increase in interest expense (+31% y/y), driven by the sudden rate hikes delivered by the ECB in previous years, in recent quarters this line-item started to follow a downward trend (€38.4 million in 2Q24, €36.2 million in 3Q24, €35.2 million in 4Q24) as a result of the rate cuts delivered by the ECB in 2024. The total cost of funding, at 3.57%, dipped slightly q/q (3.59% in 9M24) 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 3.63% (3.97% in 1Q24, 3.83% in 1H24, 3.66% in 9M24), while the retail component is stabilizing (-2bps q/q). The spread between the wholesale and the retail cost of funding is tightening further (from 28bps in 1H24, to 10bps in 9M24 and 8bps in FY24).

Net fees and commissions, at €26.7 million, increased by 36% y/y (€19.6 million on 31 December 2023), mainly driven by the factoring component (+€6.1 million y/y), which benefitted from the increase in sales of commission-based products and from the increase in loans reported at the end of

³ Judgment of the European Court of Human Rights, declaring that the Italian State must ensure with appropriate measures the enforcement of the pending internal court decisions regarding payment obligations established (also) in final court orders dating back in time, in favor of the Bank and amounting to a principal in excess of € 61 million, plus late-payment interest (estimated amount on 31 December 2024 of €43.7 million) and legal costs.

2023. Commissions from pawn loans (+€2.9 million y/y) also performed well, while banking commissions tied to deposits (-€2.4 million y/y) and guaranteed loan commissions (-€0.4 million y/y) were detractors.

Total income, amounting to €121.2 million, increased by 17% y/y, despite a y/y drop in treasury gains and loan disposals (€13.6 million in 2023 vs €11.3 million in 2024).

Total revenues from factoring, including the Superbonus, over average loans and receivables, i.e., the adjusted income margin, reported a significant growth to 8.2% (+100bps y/y). For CQ loans, the adjusted income margin stood at 2.6% (-10bps y/y and +10bps q/q), while for pawn loans this ratio showed a sharp increase to 21.8% (+220bps y/y).

On 31 December 2024, **loan loss provisions** added up to €1.2 million, (€4.6 million on 31 December 2023), benefitting from the €8.0 million write-back tied to a Municipality under conservatorship in keeping with the judgment of the European Court of Human rights notified on 16 January 2024. As a result, the cost of risk tied to customer loans came in at 3bps (17bps on 31 December 2023), or 30bps net of the write-back.

The Group's **headcount** (FTE) increased to 358 employees, from 299 on 31.12.2023, also due to the consolidation of Kruso Kapital's recent acquisition in Portugal (CEP), which added 44 employees to the count.

Personnel expenses came in at €32.5 million, up by 9% y/y, driven by the cost increase following the renewal of the banking labor agreement and the increase in FTEs.

Other administrative expenses (€36.7million) rose by 5% y/y and include the launch of new projects tied to the Strategic Plan, covering also investments in A.I., expenses related to the lending process (origination, collection) and insurance costs for corporate factoring.

The aggregate line-item **total operating costs** increased by +7% y/y. This aggregate includes the DGS contribution amounting to €5.1 million, which is no longer expected next year and that in 2024 has been brought forward to 2Q instead of 4Q as usual.

On 31 December 2024, **net income before tax** added up to €41.9 million, **+63% y/y or +32% net of the write-back tied to a Municipality under conservatorship.**

Net income came to **€25.2 million**, as compared to **€16.5 million in the same period of 2023**, **+53% y/y, or +20% y/y net of the write-back** tied to a Municipality under conservatorship.

As to the breakdown by division, in 2024 Factoring reported a net income of €38.3 million (€32.9 million net of the write-back tied to a Municipality under conservatorship) (vs €26.1 million in 2023), Pawn loans reported a net income of €3.2 million (€1.4 million in 2023), while the Retail Financial Services division reported a net loss of €-15.3 million (-€11.1 million in 2023), in line with expectations.

Key balance sheet items as at 31 December 2024

The **securities portfolio**, which includes almost exclusively Italian Government bonds, came in at €1,179 million (€647 million on 31 December 2023), of which €1,118 million classified as HTCS (€586 million on 31 December 2023), with a duration of around 15.2 months (13.8 months on 31 December 2023). On 31 December 2024, the HTC portfolio came to €61 million, with a duration of 31 months (€61 million on 31 December 2023, with a duration of 43.6 months).

Financial assets measured at amortized cost (€2,873 million) primarily included factoring receivables (€1,569 million), down by 26% y/y, salary- and pension-backed loans, namely CQS and CQP (€701 million), down by 12% y/y, State-guaranteed loans to SMEs (€240 million), down by 16% y/y, and pawn loans totaling €144 million, up by 18% y/y. Note that the factoring receivables aggregate does not include Superbonus loans, which at the end of 2024 added up to € 435 million (€217 million at year-end 2023).

The **gross non-performing loans** stock, at €333 million, went up compared to 31 December 2023 (€297 million), mainly driven by the increase in past due loans (from €64 to €101 million), while unlikely-to-pay loans (€52 million) declined compared to year-end 2023 (€59 million), and bad loans (€180 million) ticked upward compared to year-end 2023 (€174 million). Note that gross bad loans include €61 millions tied to the aforementioned position with a Municipality under conservatorship, concerning which the European Court of Human Rights ruled that the Italian State must ensure with appropriate measures the enforcement of the still pending internal court orders within 90 days as of 16 January. Hence, the proforma figure upon settlement, taking into account the state guarantee embedded in the judgment, would cause bad loans to drop from €180 million to €119 million. It should

also be remarked that as at 31 December 2024 this position accrued €43.7 million worth of late-payment interests which at present have not been booked on the balance sheet.

Note as well that, in light of the Bank of Italy's audit findings on 20 December⁴, **the proforma amount of past dues** resulting from the simulation of the impact generated by the classification of non-recourse factoring receivables as past dues assuming inefficacy of the mitigant measures that received a negative feedback by the Bank of Italy as part of its sampling audit, would come in as follows: **€372 million (on 30/6/24), €307 million (on 30/9/24), €256 million (on 31/12/24)**. The calculation was based on the same simulation methodology described in the inspection report. The Bank, which is preparing its rebuttal to the report, shall have to reclassify past due receivables in accordance with the new interpretations, which are still being analyzed for further clarification, as of the 1Q2025 results, i.e., with the financial report as at 31 March 2025. As of the reclassification date, calendar provisioning shall be applied.

On 31.12.2024, **total funding** confirmed its recent trends, with retail funding accounting for 70% of the aggregate amount (78% on 31.12.2023).

Under the aggregate line-item **Financial liabilities measured at amortized cost (€4,110 million), Due to banks** declined compared to 31 December 2024 (€127 million vs €644 million), due to the pre-payment of the TLTRO (last tranche of €262 million paid in 4Q24), Due to customers went up (€3,761 million vs €3,233 million at year-end 2023), driven by the increase in repos (€820 million vs zero at year-end 2023, further to the disposal of the securities portfolio in 4Q23), as well as in term deposits (€2,565 million vs €2,402 million), more than offsetting the decline in current accounts (€288 million vs €705 million).

Debt securities (€221 million) rose compared to 31 December 2023 (€165 million), driven by a wider use of structured finance transactions as a funding source.

On 31 December 2024, **Total own funds** (Total Capital phased in) added up to €261 million (€230 million on 31 December 2023), and besides the net income for the period, it includes also the release of the dividends accrued in the first 9 months of 2024, the revaluation of the real estate assets and the consolidation of goodwill resulting from the acquisition of CEP in Portugal by the subsidiary KK.

⁴[Press release dated 20 December 2024 and related to the Bank of Italy's report](#)

Total own funds also include the equity reserve for "Financial assets at fair value through other comprehensive income" (HTCS), in particular on Italian government bonds ⁵.

Capital ratios⁶ increased versus the comparable data as at 30 June 2024, driven by the above items which more the offset the increase in RWAs (coming in at €1,632 million on 31.12.2024 vs. €1,500 million on 30.06.2024). They break down as follows:

- **phased-in CET1 ratio: 13.3%**
 - **phased-in TIER 1 ratio: 16.1%**
 - **phased-in Total Capital ratio: 16.1%**
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- **fully phased CET1 ratio 13.2%;**
 - **fully phased TIER 1 ratio 15.9%;**
 - **fully phased Total Capital ratio 16.0%**

The capital ratios listed below are based on the simulation of the impact from the classification of non-recourse factoring receivables to past dues under the assumption of the inefficacy of the mitigant measures that received a negative feedback by the Bank of Italy as part of its sampling audit inspection :

- **phased-in CET1 ratio: 11.8%**
- **phased-in TIER 1 ratio: 14.3%**
- **phased-in Total Capital ratio: 14.3%**

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

⁵The equity reserve for "Financial assets at fair value through other comprehensive income" (HTCS), in particular on Italian Government bonds, amounted to -3.0 million (-17.6 million on 31 December 2023).

⁶In 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, plus the Syrb reserve as of 31.12.2024:

- Common Equity Tier 1 ratio (CET1 ratio) of 9.8%;
- Tier 1 ratio of 11.3%;
- Total capital ratio of at 13.3%.

in this press release is consistent with documental evidence, accounting books and book-keeping entries.

Significant events after the reporting period

On 16 January 2025 the European Court of Human Rights (the "Court") published the judgment (the "Judgement") in the legal action initiated in 2023 by the law firm Ontier Italia on behalf of the Bank for the adjudication by the Court of the violation of the Convention for the protection of human rights and fundamental freedoms (the "Convention"). The reported violations were originated by a local entity under conservatorship (the "Local Entity") defaulting on payment obligations established (also) in final court orders dating back in time, and amounting to a principal in excess of € 61 million, plus late-payment interest (estimated amount on 31 December 2024 of €43.7 million) and legal costs. Among other things, in their judgment the Court expressly declared "that within three months the defendant State must ensure with appropriate measures the enforcement of the pending internal court decisions. The Judgment was given in the context of the Court's established jurisprudence. The decision is final and unappealable. Based on the latest approved financial report, since the Local Entity is part of the "Municipalities under conservatorship", the above exposure is classified under bad loans, hence the 150% weight. The exposure gave rise to a loan loss provision of about Euro 8 million. Late-payment interests are not on the Bank's book. To this regard, note that to date the Bank has filed petitions to the Court similar to the one defined with the Judgment, where the original defaulting debtors are all entities tied to the Public Administration (including local entities under conservatorship), giving rise to an additional total principal of roughly Euro 27 million (which generated off-balance sheet late-payment interests that on 31 December 2024 were estimated to add up to around Euro 19 million), of which 13.7 million already received the Court's settlement proposal.

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 recent trends are expected to entrench in 2025, supported by the lower cost of funding and a robust business activity. KK's acquisition in Portugal is going to produce its full effect in 2025, while the CQ division is expected to further shrink the legacy portfolio to the benefit of new business, which features markedly higher rates. Risk-management actions to enhance credit risk (SRT), as well as the possible collection of certain receivables against an outstanding judgment/enforcement order (see

press release dated 16 January 2025) could further strengthen the capital and offset any regulatory headwinds. For the time being, the Bank has released the dividend provision accrued against the 2024 net income, pending the review by the Bank of Italy of the initiatives that shall be adopted by the Bank, including some governance measures aimed among other things to the rotation of some of the Board members, already at the time of the General Shareholders' Meeting convened to approve the annual report as at 31 December 2024.

Attachments

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

BANCA SISTEMA GROUP: CONSOLIDATED BALANCE SHEET

Figures in thousands of Euro

	31.12.2024 A	30.09.2024	30.06.2024	31.03.2024	31.12.2023 B	Difference A - B	Difference % A - B	
ASSETS								
10	Cash and cash equivalents	93,437	110,491	269,439	246,124	250,496	(157,059)	-63%
30	Financial assets held to collect and sell (HTCS)	1,147,197	1,269,240	1,099,796	753,574	576,002	571,195	99%
40	Financial assets held to collect (HTC)	2,873,051	2,877,568	2,865,645	3,091,206	3,396,281	(523,230)	-15%
	a) Loans and advances to banks	23,024	21,904	821	1,074	926	22,098	nm
	b) Loans and advances to customers	2,850,027	2,855,664	2,864,824	3,090,132	3,395,355	(545,328)	-16%
	of which: Factoring	1,569,293	1,605,916	1,634,239	1,807,782	2,117,279	(547,986)	-26%
	of which: Salary-/pension-backed loans (CQS/CQP)	701,494	747,112	760,586	801,469	798,695	(97,201)	-12%
	of which: Collateralised loans	143,845	128,318	123,954	122,559	121,315	22,530	19%
	of which: Securities	153,116	72,576	61,083	61,101	61,105	92,011	nm
60	Fair value change of financial assets in hedged portfolios (+/-)	3,557	3,706	1,422	2,132	3,651	(94)	-3%
70	Equity investments	984	967	970	1,020	995	(11)	-1%
90	Property, plant and equipment	53,433	39,986	40,008	40,307	40,659	12,774	31%
100	Intangible assets	47,233	35,705	35,800	35,729	35,449	11,784	33%
	of which: goodwill	45,075	33,526	33,526	33,526	33,526	11,549	34%
110	Tax assets	13,415	18,215	27,863	34,922	25,212	(11,797)	-47%
120	Non-current assets and disposal groups classified as held for sale	-	71	70	69	64	(64)	-100%
130	Other assets	470,591	422,358	398,797	316,932	243,591	227,000	93%
	Total assets	4,702,898	4,778,307	4,739,810	4,522,015	4,572,400	130,498	3%
LIABILITIES AND EQUITY								
10	Financial liabilities at amortised cost	4,109,583	4,211,436	4,171,659	3,978,651	4,042,105	67,478	2%
	a) Due to banks	127,257	320,435	360,701	396,846	644,263	(517,006)	-80%
	b) Due to customers	3,761,395	3,797,416	3,702,260	3,460,170	3,232,767	528,628	16%
	of which: Term Deposits	2,565,354	2,573,576	2,705,412	2,708,052	2,402,002	163,352	7%
	of which: Currents Accounts	288,186	288,356	264,550	267,486	704,579	(416,393)	-59%
	c) Debt securities issued	220,931	93,585	108,698	121,635	165,075	55,856	34%
40	Hedging derivatives	3,561	3,712	1,428	2,140	3,646	(85)	-2%
60	Tax liabilities	31,809	28,242	28,103	27,675	24,816	6,993	28%
70	Liabilities associated with non-current assets held for sale and discontinued operations	-	44	42	42	37	(37)	-100%
80	Other liabilities	196,583	194,424	215,057	184,400	181,902	14,681	8%
90	Post-employment benefits	5,215	5,048	4,907	4,731	4,709	506	11%
100	Provisions for risks and charges:	41,470	39,995	37,581	38,932	37,836	3,634	10%
140	Equity instruments	45,500	45,500	45,500	45,500	45,500	-	0%
120 + 150 + 160 + 170 + 180	Share capital, share premiums, reserves, valuation reserves and treasury shares	229,401	223,002	215,254	222,022	204,710	24,691	12%
190	Minority interests	14,577	14,595	14,319	13,778	10,633	3,944	37%
200	Profit for the year	25,199	12,309	5,960	4,144	16,506	8,693	53%
	Total liabilities and equity	4,702,898	4,778,307	4,739,810	4,522,015	4,572,400	130,498	3%

BANCA SISTEMA GROUP: CONSOLIDATED INCOME STATEMENT

Figures in thousands of Euro

	31.12.2024	1Q 2024	2Q 2024	3Q 2024	4Q 2024	31.12.2023	1Q 2023	2Q 2023	3Q 2023	4Q 2023	Differenc	Differenc
10 Interest income	196,255	48,207	47,577	47,771	52,700	178,434	40,103	43,284	46,167	48,880	17,821	10%
20 Interest expenses	(146,175)	(36,408)	(38,352)	(36,171)	(35,244)	(111,479)	(19,460)	(28,084)	(31,851)	(32,084)	(34,696)	31%
30 Net interest income	50,080	11,799	9,225	11,600	17,456	66,955	20,643	15,200	14,316	16,796	(16,875)	-25%
40 Fee and commission income	46,560	14,031	12,706	9,685	10,138	36,541	7,675	9,188	9,992	9,686	10,019	27%
50 Fee and commission expense	(19,838)	(5,419)	(5,376)	(4,585)	(4,458)	(16,894)	(3,088)	(3,696)	(4,912)	(5,198)	(2,944)	17%
60 Net fee and commission income	26,722	8,612	7,330	5,100	5,680	19,647	4,587	5,492	5,080	4,488	7,075	36%
70 Dividends and similar income	227	-	227	-	-	227	-	227	-	-	-	0%
80 Net income from trading	34,224	4,810	7,632	11,506	10,276	2,772	(250)	216	(111)	2,917	31,452	nm
90 Fair value adjustments in hedge accounting	(5)	(7)	1	(1)	2	5	7	23	(29)	4	(10)	nm
100 Profits (Losses) on disposal or repurchase of:	9,983	1,605	3,556	1,955	2,867	13,925	323	2,966	2,597	8,039	(3,942)	-28%
a) financial assets measured at amortised cost	6,374	930	2,789	903	1,752	12,608	200	2,546	2,336	7,526	(6,234)	-49%
b) financial assets measured at fair value through other comprehensive income	3,609	675	767	1,052	1,115	1,317	123	420	261	513	2,292	nm
120 Operating income	121,231	26,819	27,971	30,160	36,281	103,531	25,310	24,124	21,853	32,244	17,700	17%
130 Net impairment losses on loans	(1,132)	(1,379)	(2,487)	(976)	3,710	(4,574)	(1,046)	(1,791)	(786)	(951)	3,442	-75%
140 Profits (Losses) on changes in contracts without derecognition	(102)	(2)	-	(100)	-	(1)	-	(1)	-	-	(101)	nm
150 Net operating income	119,997	25,438	25,484	29,084	39,991	98,956	24,264	22,332	21,067	31,293	21,041	21%
190 a) Staff costs	(32,452)	(8,119)	(8,277)	(8,466)	(7,590)	(29,862)	(7,492)	(7,246)	(6,117)	(9,007)	(2,590)	9%
190 b) Other administrative expenses	(36,678)	(8,723)	(8,237)	(8,542)	(11,176)	(34,911)	(9,030)	(8,659)	(8,267)	(8,955)	(1,767)	5%
200 Net allowance for risks and charges	(3,425)	(1,310)	(81)	(1,415)	(619)	(3,171)	(1,494)	(703)	(249)	(725)	(254)	8%
210 + 220 Net impairment losses on property and intangible assets	(3,301)	(777)	(787)	(787)	(950)	(3,281)	(763)	(816)	(753)	(949)	(20)	1%
230 Other net operating income/expense	(2,234)	463	(4,489)	613	1,179	(2,027)	399	833	284	(3,543)	(207)	10%
240 Operating expenses	(78,090)	(18,466)	(21,871)	(18,597)	(19,156)	(73,252)	(18,380)	(16,591)	(15,102)	(23,179)	(4,838)	7%
250 Profits of equity-accounted investees	(11)	25	(50)	(3)	17	25	(10)	(6)	24	17	(36)	nm
290 Pre-tax profit from continuing operations	41,896	6,997	3,563	10,484	20,852	25,729	5,874	5,735	5,989	8,131	16,167	63%
300 Tax expenses (income) for the year from continuing operations	(15,374)	(2,615)	(1,424)	(3,858)	(7,477)	(8,502)	(2,041)	(1,874)	(1,751)	(2,836)	(6,872)	81%
310 Profit after tax from continuing operations	26,522	4,382	2,139	6,626	13,375	17,227	3,833	3,861	4,238	5,295	9,295	54%
330 Profit for the year	26,522	4,382	2,139	6,626	13,375	17,227	3,833	3,861	4,238	5,295	9,295	54%
340 Profit for the year attributable to the Minority interests	(1,323)	(238)	(323)	(277)	(485)	(721)	(114)	(125)	(347)	(135)	(602)	83%
350 Profit for the year attributable to the shareholders of the Parent 2	25,199	4,144	1,816	6,349	12,890	16,506	3,719	3,736	3,891	5,160	8,693	53%

BANCA SISTEMA GROUP: RESTATED CONSOLIDATED INCOME STATEMENT

Figures in thousands of Euro

	31.12.2024 A	1Q 2024	2Q 2024	3Q 2024	4Q 2024	31.12.2023 B	1Q 2023	2Q 2023	3Q 2023	4Q 2023	Difference A - B	Difference % A - B
10 Interest income	196,255	48,207	47,577	47,771	52,700	178,434	40,103	43,284	46,167	48,880	17,821	10%
20 Interest expenses	(146,175)	(36,408)	(38,352)	(36,171)	(35,244)	(111,479)	(19,460)	(28,084)	(31,851)	(32,084)	(34,696)	31%
30 Net interest income	50,080	11,799	9,225	11,600	17,456	66,955	20,643	15,200	14,316	16,796	(16,875)	-25%
Net income from Superbonus trading	32,854	4,351	7,115	11,576	9,812	3,111	-	-	-	3,111	29,743	nm
Net interest income adjusted	82,934	16,150	16,340	23,176	27,268	70,066	20,643	15,200	14,316	19,907	12,868	18%
40 Fee and commission income	46,560	14,031	12,706	9,685	10,138	36,541	7,675	9,188	9,992	9,686	10,019	27%
50 Fee and commission expense	(19,838)	(5,419)	(5,376)	(4,585)	(4,458)	(16,894)	(3,088)	(3,696)	(4,912)	(5,198)	(2,944)	17%
60 Net fee and commission income	26,722	8,612	7,330	5,100	5,680	19,647	4,587	5,492	5,080	4,488	7,075	36%
70 Dividends and similar income	227	-	227	-	-	227	-	227	-	-	-	0%
80 Net income from trading	1,370	459	517	(70)	464	(339)	(250)	216	(111)	(194)	1,709	nm
90 Fair value adjustments in hedge accounting	(5)	(7)	1	(1)	2	5	7	23	(29)	4	(10)	nm
100 Profits (Losses) on disposal or repurchase of:	9,983	1,605	3,556	1,955	2,867	13,925	323	2,966	2,597	8,039	(3,942)	-28%
a) financial assets measured at amortised cost	6,374	930	2,789	903	1,752	12,608	200	2,546	2,336	7,526	(6,234)	-49%
b) financial assets measured at fair value through other comprehensive income	3,609	675	767	1,052	1,115	1,317	123	420	261	513	2,292	nm
120 Operating income	121,231	26,819	27,971	30,160	36,281	103,531	25,310	24,124	21,853	32,244	17,700	17%
130 Net impairment losses on loans	(1,132)	(1,379)	(2,487)	(976)	3,710	(4,574)	(1,046)	(1,791)	(786)	(951)	3,442	-75%
140 Profits (Losses) on changes in contracts without derecognition	(102)	(2)	-	(100)	-	(1)	-	(1)	-	-	(101)	nm
150 Net operating income	119,997	25,438	25,484	29,084	39,991	98,956	24,264	22,332	21,067	31,293	21,041	21%
190 a) Staff costs	(32,452)	(8,119)	(8,277)	(8,466)	(7,590)	(29,862)	(7,492)	(7,246)	(6,117)	(9,007)	(2,590)	9%
190 b) Other administrative expenses	(36,678)	(8,723)	(8,237)	(8,542)	(11,176)	(34,911)	(9,030)	(8,659)	(8,267)	(8,955)	(1,767)	5%
200 Net allowance for risks and charges	(3,425)	(1,310)	(81)	(1,415)	(619)	(3,171)	(1,494)	(703)	(249)	(725)	(254)	8%
210 + 220 Net impairment losses on property and intangible assets	(3,301)	(777)	(787)	(787)	(950)	(3,281)	(763)	(816)	(753)	(949)	(20)	1%
230 Other net operating income/expense	(2,234)	463	(4,489)	613	1,179	(2,027)	399	833	284	(3,543)	(207)	10%
240 Operating expenses	(78,090)	(18,466)	(21,871)	(18,597)	(19,156)	(73,252)	(18,380)	(16,591)	(15,102)	(23,179)	(4,838)	7%
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300 Tax expenses (income) for the year from continuing operations	(15,374)	(2,615)	(1,424)	(3,858)	(7,477)	(8,502)	(2,041)	(1,874)	(1,751)	(2,836)	(6,872)	81%
310 Profit after tax from continuing operations	26,522	4,382	2,139	6,626	13,375	17,227	3,833	3,861	4,238	5,295	9,295	54%
330 Profit for the year	26,522	4,382	2,139	6,626	13,375	17,227	3,833	3,861	4,238	5,295	9,295	54%
340 Profit for the year attributable to the Minority interests	(1,323)	(238)	(323)	(277)	(485)	(721)	(114)	(125)	(347)	(135)	(602)	83%
350 Profit for the year attributable to the shareholders of the Parent 2	25,199	4,144	1,816	6,349	12,890	16,506	3,719	3,736	3,891	5,160	8,693	53%

BANCA SISTEMA GROUP: ASSET QUALITY

Figures in thousands of Euro

31.12.2024	Gross exposure	Impairment losses	Net exposure
Gross Non Performing Exposures	332,802	57,486	275,316
<i>Bad loans</i>	179,957	38,499	141,458
<i>Unlikely to pay</i>	51,716	18,353	33,363
<i>Past-dues</i>	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

30.09.2024	Gross exposure	Impairment losses	Net exposure
Gross Non Performing Exposures	317,146	61,697	255,448
<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
Performing Exposures	2,534,254	6,616	2,527,639
Total Loans and advances to customers	2,851,400	68,313	2,783,087

30.06.2024	Gross exposure	Impairment losses	Net exposure
Gross Non Performing Exposures	305,968	60,941	245,027
<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
Performing Exposures	2,565,119	6,405	2,558,714
Total Loans and advances to customers	2,871,087	67,346	2,803,741

31.12.2023	Gross exposure	Impairment losses	Net exposure
Gross Non Performing Exposures	297,115	65,359	231,756
<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
Performing Exposures	3,108,776	6,282	3,102,494
Total Loans and advances to customers	3,405,891	71,641	3,334,250

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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 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.