

PRESS RELEASE

BANCA SISTEMA: APPROVED RESULTS AS AT 31 DECEMBER 2023

- **Business trend: volumes are accelerating in factoring, the growth trend in pawn loans is confirmed, CQ loans stocks trending down but positive signals come from new business.**
 - Factoring turnover: 5,565 million, +26% y/y
 - CQ loan stock: 799 million, -14.4% y/y with volumes originated in 2H23 in recovery vs 1H23 (+10% y/y vs -29% y/y ex a portfolio acquired in 1H22)
 - Pawn loans: 121 million, +13.7% y/y
- **Operating trends: revenues are declining y/y driven by the NII weakness, largely offset by non-interest income, higher operating costs offset by lower cost of risk.**
 - Net interest income: 67.0 million, -21.6% y/y (-23.3% y/y in 9M23)
 - Total income: 103.5 million, -2.3% y/y
 - Total operating costs: 73.3 million, +14.1% y/y
 - Loan loss provisions: 4.6 million, -46.2% y/y
 - Net income: 16.5 million, -25% y/y, inclusive of the -0.9 million costs expensed in advance linked to the Kruso Kapital IPO (completed in January) and the purchase of pawn assets in Portugal (closing expected by mid-2024)
- **Funding and capital: further strengthening of capital ratios, wholesale funding at last 24-month lows.**
 - Sharp increase in retail funding (+15% y/y) accounting for 78% of total funding, wholesale funding is trending down driven by the reduction in the repo component.
 - CET1 ratio at 12.9% (+30bps y/y) and Total Capital ratio at 16.1% (+20bps y/y), inclusive of a dividend per share proposed by the BoD equal to 0.065 euro.

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Milan, 9 February 2024

The Board of Directors of Banca Sistema has approved the consolidated financial statements as at 31 December 2023, reporting a **net income** of a 16.5 million, as compared to 22.0 million in the same period of 2022.

Business Performance

The **factoring** business line has strongly outperformed the market, with a turnover of 5,565 million, corresponding to a growth rate of 26% y/y (vs approx. +1% y/y for the market), with a Q4 acceleration driven by the usual positive seasonality effect and the accounting recognition of certain big tickets, which are typical of the year-end period.

On 31 December 2023, **factoring** receivables stood at 2,117 million, on the rise from 1,729 million on 30 September 2023 and compared to 31 December 2022 (1,501 million), with a sharp pickup particularly in Q4, leading to an increase in Central Administration exposures with a negligible impact on RWAs.

Non-recourse factoring, accounting for 86% of receivables outstanding under management accounts¹, is composed of 42% Central administration exposures, 30% other PA Agencies, 18% local healthcare organizations (ASL) and 9% companies (in 2022 the breakdown was 18%/45%/24% and 13%, respectively).

As to the **CQ** business line, the Group purchased/granted loans for 194 million (financed amount), down compared to the previous year (322 million), even when excluding the 107 million portfolio purchased in 2022. The loan stock on 31 December 2023 totaled 799 million, down by 14.4% y/y and slipping slightly compared to 30 September 2023 (834 million). This line-item has been weighed down by the loan disposal completed in 2023 (100 million vs 59 million in 2022) and lower volumes partly offset by lower repayments (229 million vs 261 million).

On 31 December 2023, **pawn loans** stood at 121 million, up by 13.7% y/y. The number of pawn tickets underlying the 121 million loans in Italy came in at about 69 thousand, reporting a strong increase y/y (approx. 62 thousand on 31.12.2022). The y/y loan growth was driven by volumes originated by the Italian branches, amounting to 201 million (approx. 180 million in 2022), of which 57% are renewals. During 2023, with regard to the pawn loan business in Italy, 42 auctions were run for pawned assets, where most of the secret bidding submitted during the action was online.

In Q4 2023, Kruso Kapital's innovation process progressed further with the launch of the APP, enabling the full digitalization of the pawn loan product.

Operating results as at 31 December 2023

Net interest income, at 67.0 million, declined by -21.6% y/y.

Interest income increased by 75% y/y (178.4 million vs 101.9 million on 31.12.2022), mainly driven by factoring loans, late payment interest from legal actions, guaranteed loans to SMEs, pawn loans and interest income generated by proprietary trading. The contribution from the CQS/CQP business instead was fairly flat. On 31 December 2023, interest income from the factoring business accounted for 53.7% of the total interest income stream (vs 55.5% in 2022).

On 31 December 2023, the overall P&L contribution of LPI under legal actions came to 36.5 million (15.2 million on 31.12.2022).

Total late-payment interest under legal action accrued on 31 December 2023, and relevant to the accrual model, came in at 129 million (104 million at year-end 2022), 234 million when including LPI accrued on loans to municipalities under conservatorship. On 31 December 2023, LPI already on the books totaled 78.3 million (56.3 million on 31 December 2022). The amount that was not recognized through profit and loss will be recognized, on an accrual or cash basis, in the next financial years, based on collection projections, that are still confirmed to exceed 80%.

¹ Amounting to 2,176 million on 31.12.2023, 1,796 million on 30.09.2023 and 1,650 million on 31.12.2022.

The total cost of funding, at 2.8%, was starkly higher than in 2022 (0.4%), negatively affecting the evolution of the net interest income, whereby factoring and pawn loans were much nimbler in repricing their receivables compared to the CQ division (where loans inherently have a longer duration). It is worth highlighting the funding actions implemented by the bank in 2023, aimed at increasing the liquidity ratios and at the same time improving the funding mix by skewing it towards the retail component, which is more stable and granular compared to the corporate component.

Net fees and commissions, amounting to 19.6 million, rose by 17.6% y/y, mainly driven by the greater contribution from commission income from pawn loans, and to a lesser extent by factoring.

The contribution in terms of total revenues from factoring, i.e., the sum of interest income, commission income and revenues from portfolio disposals (110.6 million in 2023), has been increasing compared to 2022 (70.8 million), mainly driven by the greater contribution made by interest income, while the contribution from fees and commissions and disposals was fairly stable. The ratio of total factoring revenues to the average of receivables shows an increase in gross profitability (from 4.6% in 2022 to 7.1% in 2023). CQ loans also reported an increase in gross revenues y/y, as a result of the slight improvement in interest income (gross profitability from 2.2% in 2022 to 2.8% in 2023) and of more portfolio disposals, which however could not offset the higher cost of funding. The gross profitability of pawn loans performed well, going from 16.4% (2022) to 19.6% (2023).

On 31 December 2023, proprietary trading posted a gain of 8.9 million as a result of the sale of HTC securities, while the disposal of CQ and factoring portfolios made a top-up contribution y/y (4.7 million vs 3.7 million in 2022). Ecobonus credit trading fared well and made a positive contribution of 3.1 million in 2023.

Total income came in at 103.5 million, down by 2.3% y/y.

On 31 December 2023, **loan loss provisions** added up to 4.6 million, down y/y (8.5 million in 2022). The cost of risk tied to customer loans came in at 17bps (29bps in 2022).

The Group's **headcount** (FTE) rose slightly y/y (from 290 to 299 employees). The y/y increase in **personnel expenses** takes into account the renewal of the banking labor contract, the higher number of FTEs and a release of a variable pay and retention component in 2022.

Other administrative expenses have increased (+14.15% y/y) mainly due to higher IT expenses (digitalization of the pawn loan product and IT infrastructure), costs tied to credit, advertising expenses related to funding products; finally, the costs linked to the listing of Gruppo Kruso Kapital (-0.5 mln), which took place on 24 January 2024, and the costs for the purchase of pawn assets in Portugal, whose closing is expected by mid-2024 (-0.4 million), were expensed in 2023.

The line-item **other operating revenues and expenses** was slightly higher y/y (-2 million vs 0.6 million in 2022).

The aggregate line-item **total operating costs** increased by 14.1% y/y. In addition to the accounting entries described above, the higher contribution to the interbank fund (-2.3 mln) as a result of a greater retail funding and an increase in market share also took its toll. These increases have been partly offset by lower provisions for risks (3.2 million vs 4.5 million).

Net income before tax on 31 December 2023 added up to 25.7 million, down by -22,4% y/y.

Key balance sheet items as at 31 December 2023

The **securities portfolio** includes Italian Government bonds amounting to 647 million, with an average duration of about 16 months and mainly classified as financial assets held for sale (HTCS) (576 million with an average duration below 14 months). The portfolio has been strongly reduced since December 2022 (1,286 million) following the disposal of about 639 million of Government bonds classified as financial assets at amortized cost (HTC).

Financial assets measured at amortized cost (3,396 million) reported but a slight slip y/y (-3.8%), in spite of the strong Government bond portfolio rundown, thanks to the positive dynamic of factoring receivables reported in Q4 which benefitted also from a number of big tickets with the PA segment. The CQS/CQP division (salary- and pension-backed loans) continued to report a loan stock decline (799 million, -14.4% y/y) due to the portfolio disposals and an important repricing policy completed in the first half of 2023 that penalized new business; however, in the second half of 2023 volumes picked up and started once again to grow y/y. State-guaranteed loans to SMEs (286 million on 31.12.2023, +45% y/y) and pawn loans (121 million, +13.7% y/y) confirmed the positive growth rates reported in recent quarters.

The **gross non-performing loan** stock came in at 297.1 million, slightly up compared to 31 December 2022 (284.8 million) and to 30 September 2023 (287.4 million). The quarterly performance was mainly driven by the greater amount of past due loans (64.2 million vs 53.9 million in Q3 2023), while bad loans and UtP loans were fairly flat q/q. At year-end 2023, the gross NPE ratio stood at 8.7% (9.9% at year-end 2022) and the net NPE ratio at 7% (7.9% at year-end 2022), with a bad loan coverage of 28.3%. Net of "municipalities under conservatorship", the gross NPE ratio came in at 4.9% and the net NPE ratio at 3.4%, while bad loan coverage ran at 93.1% (+2 p.p. q/q).

Retail funding, accounting for approx. 78% of total funding, was up both y/y and q/q (55% and 66% of total funding, respectively), and in 2023 it reported a net funding of about 1 billion.

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Under **Financial liabilities measured at amortized cost (4,042 million)**, **Due to banks** were fairly stable compared to 31 December 2022 (644 million vs 623 million on 31.12.2022). **Due to customers** (3,233 million) went up compared to year-end 2022 (3,056 million), driven by the strong increase in Deposit Accounts (Conto Deposito) (2,402 million vs 1,431.5 million), which more than offset the wiping out of repos (866 million on 31.12.2022).

Debt securities (165 million) declined compared to 31 December 2022 (238 million), due to a lower use of structured finance transactions as a funding source.

On 31 December 2023, **Total own funds** (Total Capital) added up to 230.1 million, up from 220 million on 31 December 2022, calculated based on the phase-in criteria in effect back then, (CET1 was 184.3 million on 31 December 2023 vs. 175.0 million on 31 December 2022), and in addition to the net income for the period (net of the estimated dividend amount, equal to a dividend per share proposed by the BoD of 0.065 euro), 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 -11.8 million. On 31 December 2023, **capital ratios**² moved up compared to 30 September 2023 (+65bps on average), mainly due to the impact from net income, the improvement of the HTCS reserve and the lower capital absorption by

² In compliance with EBA's Guidelines on common SREP (Supervisory Review and Evaluation Process), the Bank of Italy required the compliance with the following minimum capital requirements as of 31 December 2023:

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

factoring. RWAs stood at 1,427.7 million (1,441.7 million on 30.09.2023), and capital ratios came in as follows:

- **CET1 ratio 12.9%;**
- **TIER 1 ratio 16.1%;**
- **Total Capital ratio 16.1%.**

On 31 December 2023, capital ratios, including the sterilization of the reserve for government securities included in the HTCS portfolio, would come to³:

- CET1 ratio 13.7%;
- TIER 1 ratio 16.9%;
- Total Capital ratio 16.9%.

The sterilization of all or part of the valuation reserves (HTCS) for government securities (part of a package of reforms to Basel III regulations) should come into effect by the end of 1H24.

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

We expect the cost of funding to progressively increase also in 2024, compared to the trend of the previous quarters, driven by the rate hikes and by the tilt towards more stable and/or longer-term funding instruments.

While the newly originated business of the factoring division and Kruso Kapital will be able to translate their higher cost of funding in a greater profitability of booked loans, the CQ loan stock, due to the longer-term maturity, will continue to be negatively affected by the (fixed rate) interest income of loans originated in past years, which is well below the current market rates. In spite of the fact that the CQ business is reporting a lower prepayment rate and can benefit from a higher return from newly originated loans, yet the relative size of the legacy portfolio is such, that the contribution of this business line to total income in 2024 is expected to remain in negative territory.

³ The equity reserve for "Financial assets at fair value through other comprehensive income" (HTCS), in particular on Italian Government bonds, amounts to -11.6 million (-18.9 million on 30 September 2023).

The process for the implementation of the new Strategic Plan is proceeding. The Plan will be disclosed to the Financial community in the first half of 2024.

On 24 January 2024, Kruso Kapital completed the listing process and was admitted to trading on the Professional Segment of Euronext Growth Milan ("EGM PRO"). The offering involved the sale of a total of 1,447,200 shares entirely on the primary market at a price of 1.86 euro per share, which allowed the company to raise 2.7 million euro. Following the offering, Banca Sistema diluted its equity holding in Kruso Kapital from 75% to 70.59%.

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

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Gruppo Banca Sistema

Banca Sistema, founded in 2011 and listed since 2015 on Borsa Italiana's Euronext Star Milan 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 299 employees and relies on a multichannel structure.

Attachments

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

GRUPPO BANCA SISTEMA: CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of Euros

		31.12.2023 A	30.09.2023	30.06.2023	31.03.2023	31.12.2022 B	Variazioni A - B	Difference %
	ASSETS							
10.	Cash and cash equivalents	250,496	154,900	171,170	53,068	126,589	123,907	98%
30.	Financial assets held to collect and sell (HTCS)	576,002	579,511	562,574	562,978	558,384	17,618	3%
40.	Financial assets held to collect (HTC)	3,396,281	3,479,255	3,719,276	3,597,864	3,530,678	(134,397)	-4%
	a) Loans and advances to banks	926	19,708	1,000	17,310	34,917	(33,991)	-97%
	b) Loans and advances to customers	3,395,355	3,459,547	3,718,276	3,580,554	3,495,761	(100,406)	-3%
	of which: Factoring	2,117,279	1,729,187	1,800,010	1,575,787	1,501,353	615,926	41%
	of which: Salary-/pension-backed loans (CQS/CQP)	798,695	833,592	856,316	902,957	933,200	(134,505)	-14%
	of which: Collateralised loans	121,315	117,114	112,463	109,341	106,749	14,566	14%
	of which: Securities	61,105	502,043	650,913	685,687	681,032	(619,927)	-91%
50.	Hedging derivatives	(3,646)	277	415	-	-	(3,646)	nm
60.	Fair value change of financial assets in hedged portfolios (+/-)	3,651	(277)	(385)	1,241	-	3,651	nm
70.	Equity investments	995	978	954	960	970	25	3%
90.	Property, plant and equipment	40,659	41,189	41,693	42,284	43,374	(2,715)	-6%
100.	Intangible assets	35,449	34,843	34,870	34,517	34,516	933	3%
	of which: goodwill	33,526	33,526	33,526	33,526	33,526	-	0%
110.	Tax assets	25,212	26,738	33,910	35,116	24,861	351	1%
120.	Non-current assets and disposal groups classified as held for sale	64	64	65	41	40	24	60%
130.	Other assets	243,591	78,281	75,907	63,319	77,989	165,602	nm
	Total assets	4,568,754	4,395,759	4,640,449	4,391,388	4,397,401	171,353	4%
	LIABILITIES AND EQUITY							
10.	Financial liabilities at amortised cost	4,042,105	3,899,346	4,133,925	3,874,634	3,916,974	125,131	3%
	a) Due to banks	644,263	566,827	942,288	930,511	622,865	21,398	3%
	b) Due to customers	3,232,767	3,202,438	3,016,835	2,828,666	3,056,210	176,557	6%
	of which: Term Deposits	2,402,002	2,123,696	1,819,361	1,444,282	1,431,548	970,454	68%
	of which: Currents Accounts	704,579	405,691	487,682	437,649	639,266	65,313	10%
	c) Debt securities issued	165,075	130,081	174,802	115,457	237,899	(72,824)	-31%
40.	Hedging derivatives	-	-	-	1,234	-	-	nm
60.	Tax liabilities	24,816	22,801	21,010	19,542	17,023	7,793	46%
70.	Liabilities associated with non-current assets held for sale and discontinued operations	37	37	38	13	13	24	nm
80.	Other liabilities	181,902	168,272	186,122	190,928	166,896	15,006	9%
90.	Post-employment benefits	4,709	4,350	4,406	4,317	4,107	602	15%
100.	Provisions for risks and charges:	37,836	34,412	34,895	37,700	36,492	1,344	4%
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	204,710	199,191	196,819	203,652	178,338	26,372	15%
190.	Minority interests	10,633	10,504	10,279	10,149	10,024	609	6%
200.	Profit for the period	16,506	11,346	7,455	3,719	22,034	(5,528)	-25%
	Total liabilities and equity	4,568,754	4,395,759	4,640,449	4,391,388	4,397,401	171,353	4%

BANCA

S I S T E M A

BANCA SISTEMA: CONSOLIDATED INCOME STATEMENT

Amounts in thousands of Euros

		2023 A	1Q 2023	2Q 2023	3Q 2023	4Q 2023	2022 B	1Q 2022	2Q 2022	3Q 2022	4Q 2022	Difference A - B	Difference %
10.	Interest income	178,434	40,103	43,284	46,167	48,880	101,945	23,605	26,953	24,315	27,072	76,489	75%
20.	Interest expenses	(111,479)	(19,460)	(28,084)	(31,851)	(32,084)	(16,517)	(2,942)	(2,970)	(3,523)	(7,082)	(94,962)	nm
30.	Net interest income	66,955	20,643	15,200	14,316	16,796	85,428	20,663	23,983	20,792	19,990	(18,473)	-22%
40.	Fee and commission income	36,541	7,675	9,188	9,992	9,686	31,581	7,526	8,218	8,116	7,721	4,960	16%
50.	Fee and commission expense	(16,894)	(3,088)	(3,696)	(4,912)	(5,198)	(14,868)	(3,833)	(4,955)	(2,799)	(3,281)	(2,026)	14%
60.	Net fee and commission income	19,647	4,587	5,492	5,080	4,488	16,713	3,693	3,263	5,317	4,440	2,934	18%
70.	Dividends and similar income	227	-	227	-	-	227	-	227	-	-	-	0%
80.	Net income from trading	2,772	(250)	216	(111)	2,917	(1,518)	1	(1,202)	(304)	(13)	4,290	nm
90.	Fair value adjustments in hedge accounting	5	7	23	(29)	4	-	-	-	-	-	5	nm
100.	Profits (Losses) on disposal or repurchase of:	13,925	323	2,966	2,597	8,039	5,078	331	3,806	359	582	8,847	nm
	a) financial assets measured at amortised cost	12,608	200	2,546	2,336	7,526	3,991	316	2,735	358	582	8,617	nm
	b) financial assets measured at fair value through other comprehensive income	1,317	123	420	261	513	1,087	15	1,071	1	-	230	21%
120.	Operating income	103,531	25,310	24,124	21,853	32,244	105,928	24,688	30,077	26,164	24,999	(2,397)	-2%
130.	Net impairment losses on loans	(4,574)	(1,046)	(1,791)	(786)	(951)	(8,502)	(2,307)	(2,749)	(1,208)	(2,238)	3,928	-46%
140.	Profits (Losses) on changes in contracts without derecognition	(1)	-	(1)	-	-	-	-	-	-	-	(1)	nm
150.	Net operating income	98,956	24,264	22,332	21,067	31,293	97,426	22,381	27,328	24,956	22,761	1,530	2%
190. a)	Staff costs	(29,862)	(7,492)	(7,246)	(6,117)	(9,007)	(26,827)	(6,588)	(7,742)	(7,109)	(5,388)	(3,035)	11%
190. b)	Other administrative expenses	(34,911)	(9,030)	(8,659)	(8,267)	(8,955)	(30,587)	(8,318)	(7,145)	(7,371)	(7,753)	(4,324)	14%
200.	Net allowance for risks and charges	(3,171)	(1,494)	(703)	(249)	(725)	(4,461)	(539)	(514)	(1,243)	(2,165)	1,290	-29%
210. + 220.	Net impairment losses on property and intangible assets	(3,281)	(763)	(816)	(753)	(949)	(2,995)	(725)	(774)	(718)	(778)	(286)	10%
230.	Other net operating income/expense	(2,027)	399	833	284	(3,543)	647	515	498	101	(467)	(2,674)	nm
240.	Operating expenses	(73,252)	(18,380)	(16,591)	(15,102)	(23,179)	(64,223)	(15,655)	(15,677)	(16,340)	(16,551)	(9,029)	14%
250.	Profits of equity-accounted investees	25	(10)	(6)	24	17	(31)	(36)	(15)	(5)	25	56	nm
290.	Pre-tax profit from continuing operations	25,729	5,874	5,735	5,989	8,131	33,172	6,690	11,636	8,611	6,235	(7,443)	-22%
300.	Tax expenses (income) for the period from continuing operations	(8,502)	(2,041)	(1,874)	(1,751)	(2,836)	(10,659)	(2,143)	(3,707)	(2,876)	(1,933)	2,157	-20%
310.	Profit after tax from continuing operations	17,227	3,833	3,861	4,238	5,295	22,513	4,547	7,929	5,735	4,302	(5,286)	-23%
320.	Profit (Loss) after tax from discontinued operations	-	-	-	-	-	(23)	(24)	1	-	-	23	-100%
330.	Profit for the period	17,227	3,833	3,861	4,238	5,295	22,490	4,523	7,930	5,735	4,302	(5,263)	-23%
340.	Profit for the period attributable to the Minority interests	(721)	(114)	(125)	(347)	(135)	(456)	(140)	(108)	(105)	(103)	(265)	58%
350.	Profit for the period attributable to the shareholders of the Parent	16,506	3,719	3,736	3,891	5,160	22,034	4,383	7,822	5,630	4,199	(5,528)	-25%

GRUPPO BANCA SISTEMA: CREDIT QUALITY

Amounts in thousands of Euros

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

30.09.2023	Gross exposure	Impairment losses	Net exposure
Gross Non Performing Exposures	287,366	64,167	223,199
<i>Bad loans</i>	174,216	48,331	125,885
<i>Unlikely to pay</i>	59,246	14,677	44,569
<i>Past-dues</i>	53,904	1,159	52,745
Performing Exposures	2,740,646	6,345	2,734,301
Total Loans and advances to customers	3,028,012	70,512	2,957,500

31.12.2022	Gross exposure	Impairment losses	Net exposure
Gross Non Performing Exposures	284,817	61,727	223,090
<i>Bad loans</i>	170,369	47,079	123,290
<i>Unlikely to pay</i>	32,999	13,750	19,249
<i>Past-dues</i>	81,449	898	80,551
Performing Exposures	2,598,125	6,486	2,591,639
Total Loans and advances to customers	2,882,942	68,213	2,814,729