AUGUST 2024

CASSA CENTRALE GROUP

Strategic Plan 2024-2027

GRUPPO CASSA CENTRALE
CREDITO COOPERATIVO ITALIANO
2019 - 2024

CASSA CENTRALE GROUP

STRATEGIC PILLARS

2024 - 2027 KEY TARGETS

Our Group is based on a development model in which local identities are a principle and differences are a value

COOPERATIVE

65 Banks,
1,480 branches[(1)]

2.5 million customers

3%
of the **profits** of the Cooperative Credit Banks
is allocated towards **mutual funds** for the

EFFICIENT

€ 50.4 billion
gross customer loans

€ 110.8 billion
direct & indirect funding

25%
CET 1 Ratio

MUTUAL

474k
shareholders

€ 1.4 billion
loans granted in 2023 for
environmental or social purposes

€ 43 million
in **donations** to local communities
(in over 21 thousand initiatives)

Notes: (1) Data as of 01.07.2024

The corporate structure of the Cassa Centrale Group

GRUPPO CASSA CENTRALE
CREDITO COOPERATIVO ITALIANO
2019 - 2024

CASSA CENTRALE BANCA
CREDITO COOPERATIVO ITALIANO

65

COOPERATIVE CREDIT BANKS(1) HOLD MORE THAN 95% OF SHARE CAPITAL(2)

Subsidiaries

CORPORATE - REAL ESTATE	FINANCE AND ASSET MGMT	BANCASSURANCE	LEASING	CONSUMER CREDIT	IT SERVICES
CENTRALE SOLUZIONI IMMOBILIARI	NEAM asset management	ASSICURA AGENZIA	CLARIS LEASING	Presti pay	allitude empower your bank attitude
	Centrale Trading	ASSICURA BROKER	CLARIS RENT		

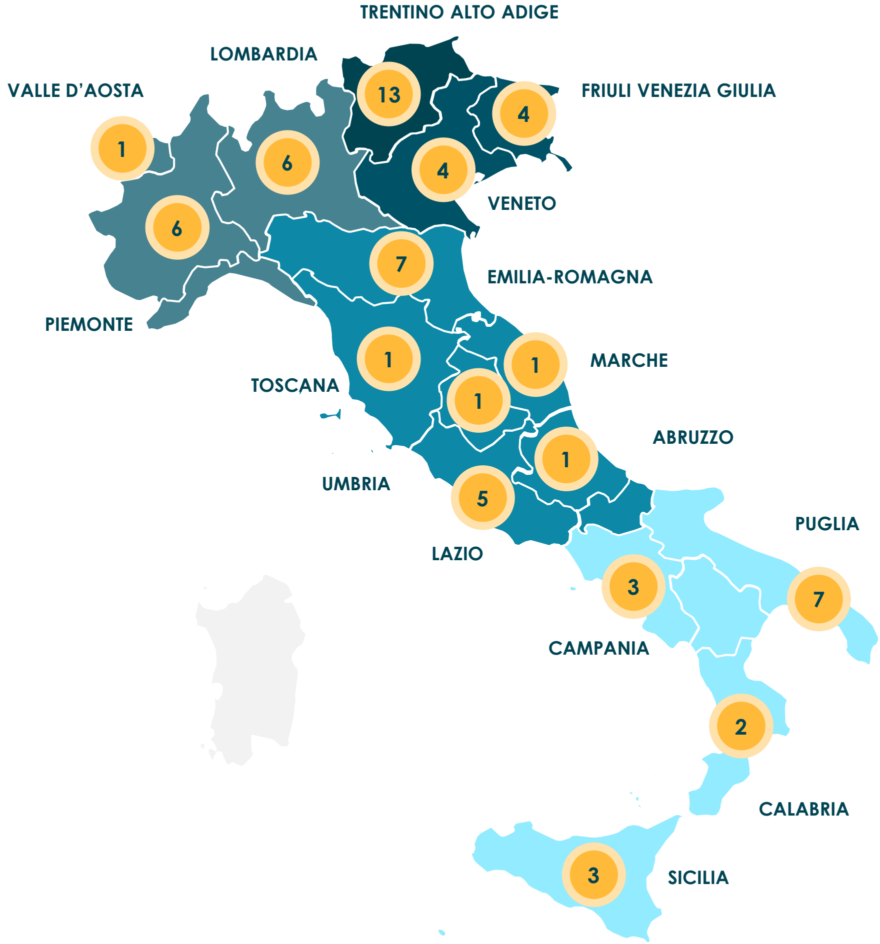
The Banks adhere to the Group by holding the Parent Company's shareholding base and on a contractual basis by agreeing to the Cohesion Contract

The subsidiaries are wholly owned by the Parent and offer services to the banks of the Group and to the market

Notes: (1) Number of BCC/CR/RAIKA outstanding as of 01.07.2024
(2) The 5% capital stake is held by the Cooperative Federations and Consortia and DZ Bank

Support for families and businesses is ensured through a wide presence in the territory

65	Cooperative Credit Banks/Rural Banks /Raiffeisenkassen
76	Provinces
1,073	Municipalities
1,480	Branches



TERRITORIAL AREAS

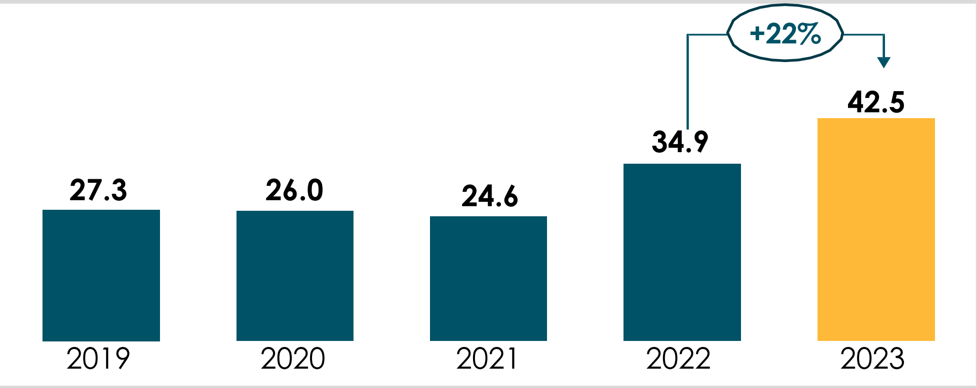
	#Banks [1]	#Branches
Trentino Alto Adige	13	239
North-east	8	368
North-west	13	356
Center	16	333
South and Islands	15	184

Notes (1) Data as of 01.07.2024

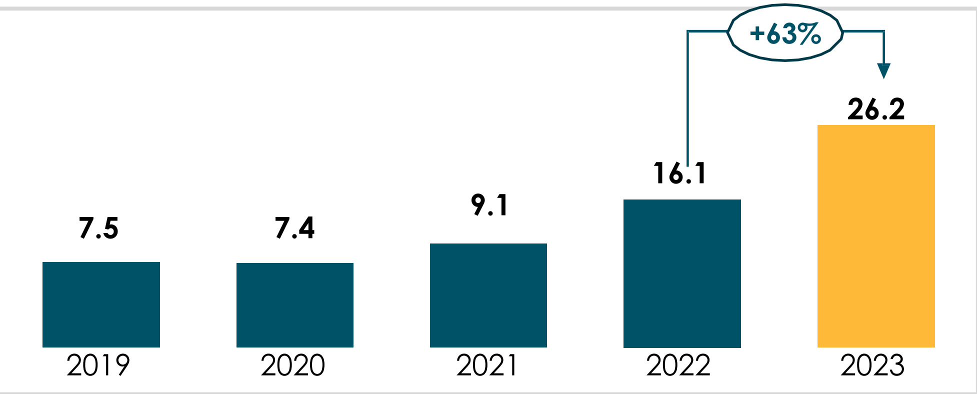
Cassa Centrale Group operates on the basis of a permanent and complete connection with its local communities

OVER €200 MILLION DISTRIBUTED SINCE THE FOUNDATION OF THE GROUP

DONATIONS TO COMMUNITIES
(€mn)



DISTRIBUTIONS TO MUTUAL FUNDS
(€mn)



THE GROUP SERVES 2.5 mln CUSTOMERS AND 474 k SHAREHOLDERS…

At least **95% of the lending exposure** of Cooperative Credit Banks remains **within the respective areas of territorial competence**

Cooperative Credit Banks provide credit **mainly to their Shareholders**; the principle of the prevalence of transactions with Shareholders is respected when **more than 50% of the exposures are allocated to Cooperative Shareholders**

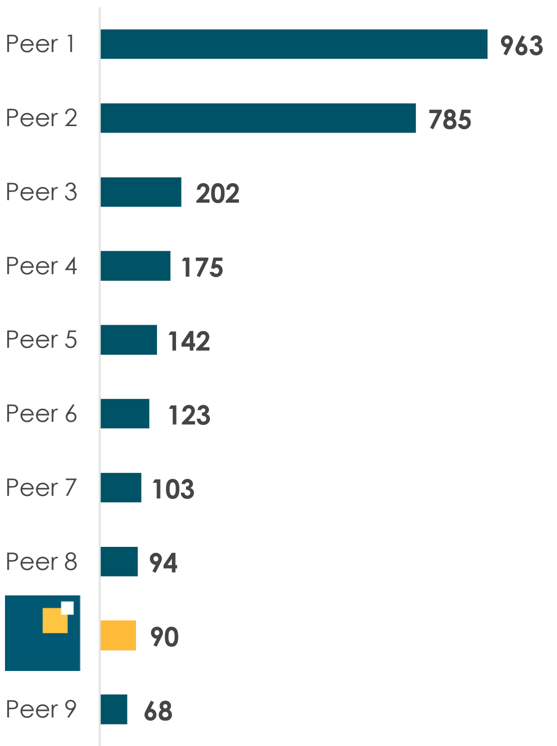
(or is guaranteed by Cooperative Shareholders)

… ENSURING RESOURCES FOR THE TERRITORY

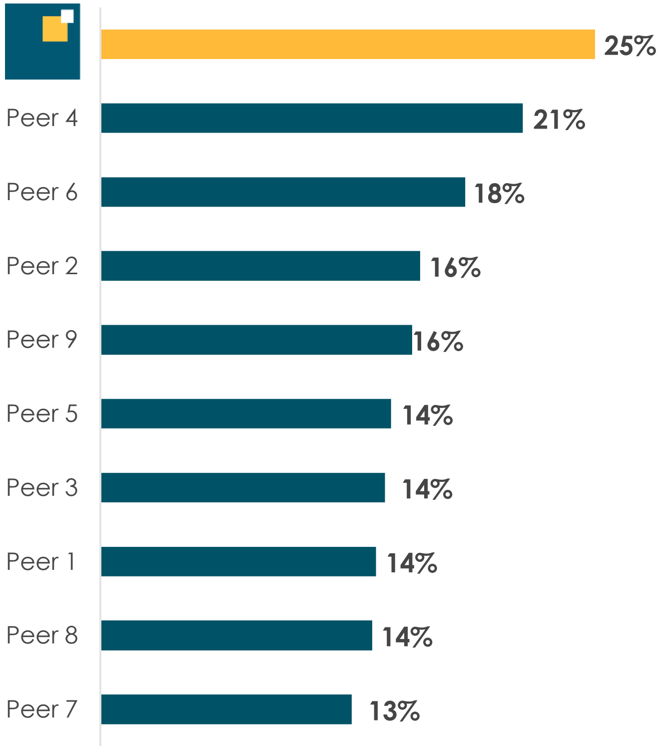
At least 70% of the net income of the Cooperative Credit Banks is allocated to the **indivisible legal reserve** and **3% to mutual funds for the promotion and development of cooperation**

A solid capital position placing the Group among the most resilient in Europe[1]

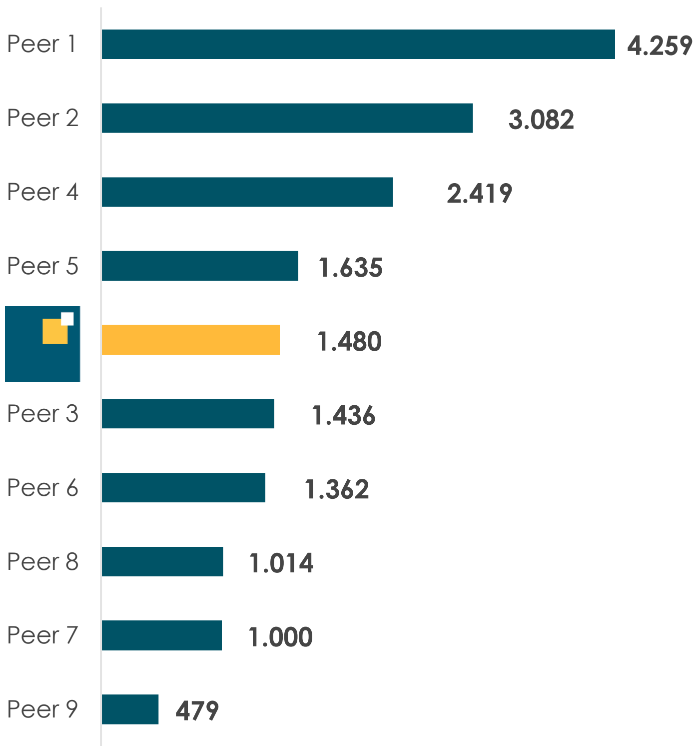
90 billion
Total Assets (2)
(€ bn)



25%
CET 1 ratio (2)



1,480
Branches (2)



Notes: (1) 2023 stress test results position Bank among the most resilient groups in the EU
(2) The Banks included in the peers are: Intesa Sanpaolo, Unicredit, Banco BPM, ICCREA Group, BPER, MPS, BNL, Credit Agricole, Credem
Data as of December 31, 2023

KPIs

CAPITAL

24.6%
CET1 Ratio

85%
Coverage Ratio

ORGANIZATION

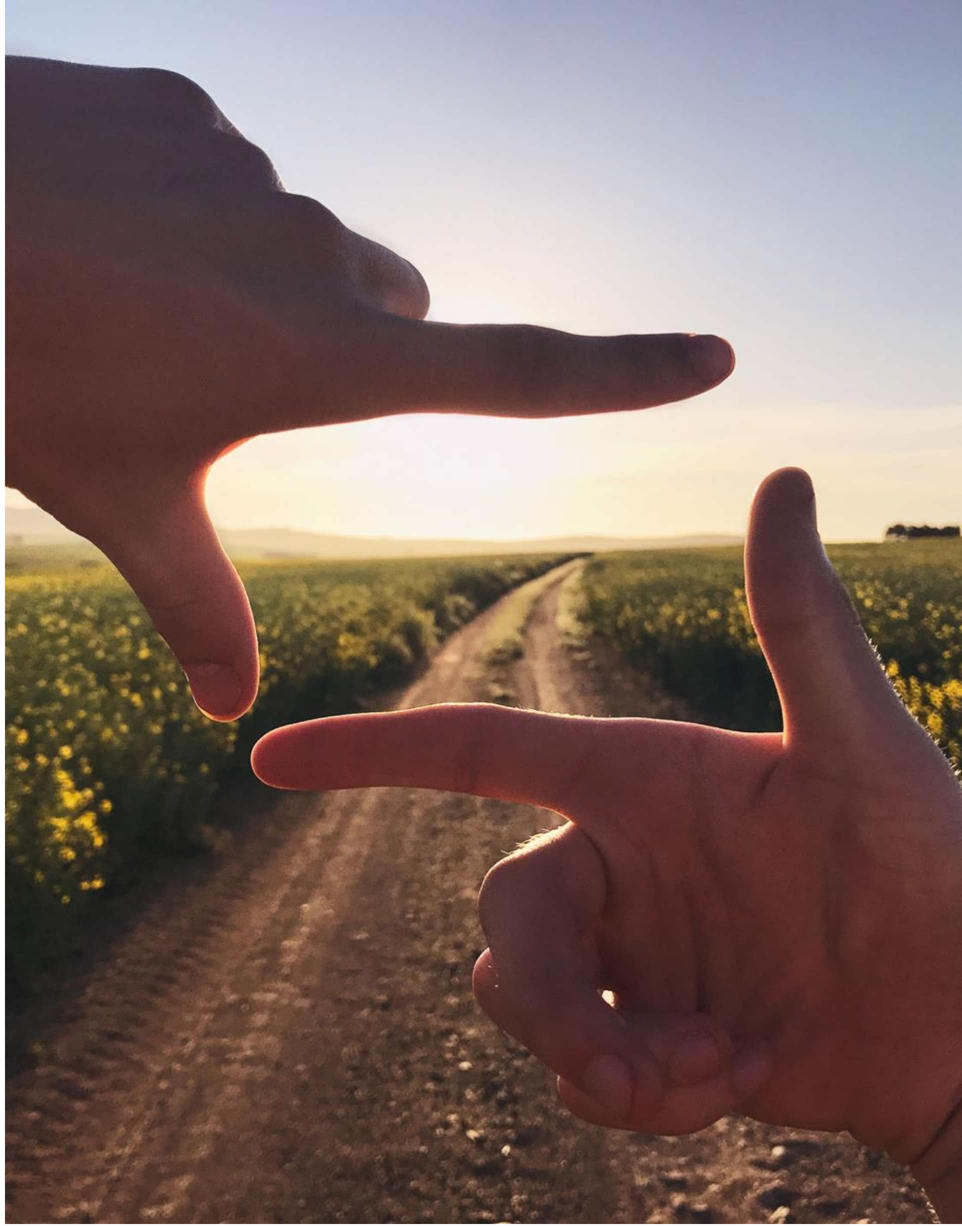
12,016
Employees

1,480
Branches

TERRITORY

€ 47.9 bn
Net customer loans

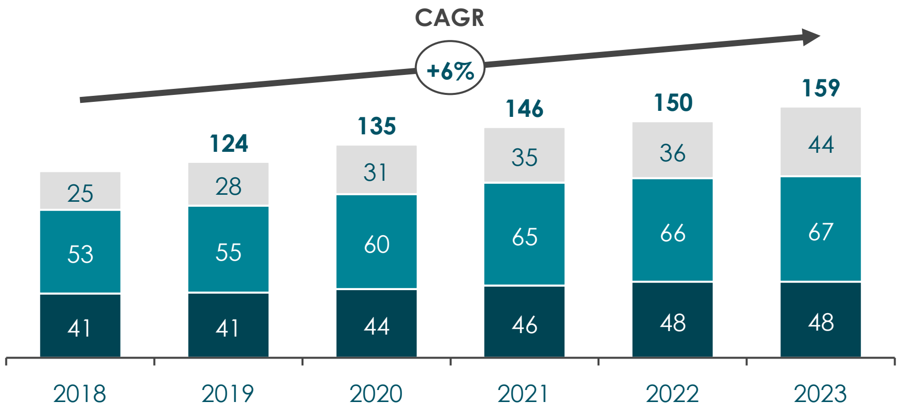
€ 66.7 bn(1)
Direct funding



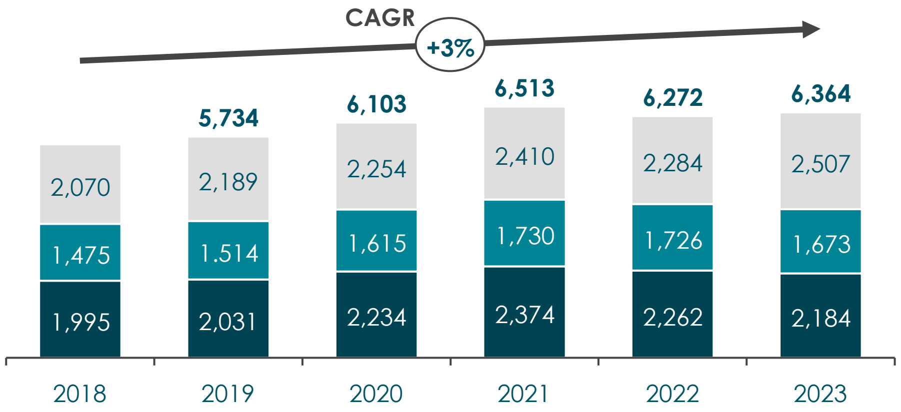
Data as of 31.12.2023
Notes: (1) Excluding securities outstanding to banks

The Group's growth and capital solidity showed better results than the banking system

Group - gross banking product (€bn)

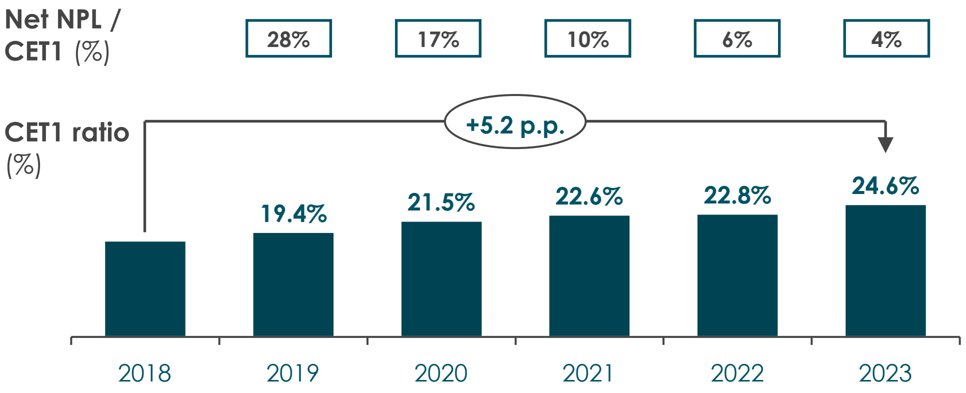


Industry - gross banking product (€bn)

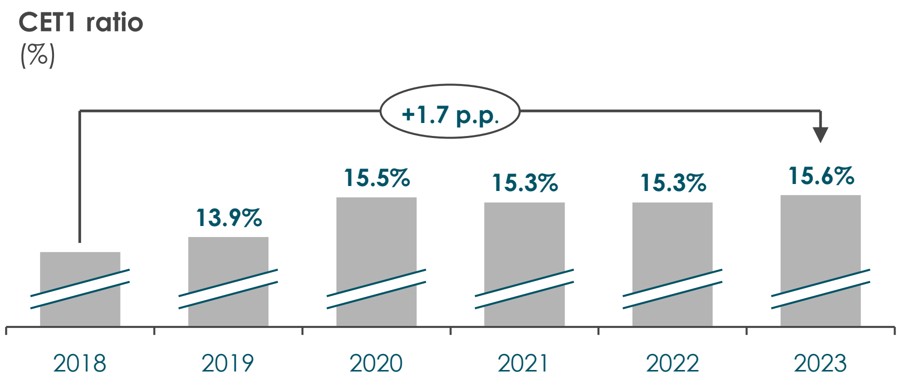


The Group has demonstrated **higher growth** than the banking system in terms of **gross banking product...**

Group - capitalization



Industry average



… and **has increased its capital levels** to a greater extent than the banking system

Data as of 31.12.2023

Customer loans | Direct Funding | Indirect Funding

CASSA CENTRALE GROUP

STRATEGIC PILLARS

2024 - 2027 KEY TARGETS

Our values: the principles underpinning our actions...

COOPERATION

THE SECRET OF OUR SUCCESS.

The joining of forces, teamwork, the sharing of objectives.

We are convinced that the cooperative style is the key to making the services we offer to our Shareholders and to our customers more efficient and competitive.

RECIPROCITY and RELATIONSHIP

THE FUTURE IS TOGETHER.

We are a system of Banks composed by People who work for People.

A way of doing banking based on personal relationships, physical proximity of our branches and on investments for communities.

TERRITORIAL CAPILLARITY

DIFFERENCE IS VALUE.

Economic, social and cultural development of local communities.

The link with the territories in which we operate is comprehensive and permanent.

Challenges for Cassa Centrale Group

CLOSE TO OUR COMMUNITIES

Staying true to our Values in an increasingly complex environment by ensuring support to our shareholders, customers and communities.

DIGITALIZATION

Evolving our way of banking in consideration of new technologies, changes in customer habits, and the need to make the business model more efficient.

ESG

Become selective leaders, implementing an integrated strategy while taking into account that sustainability represents a challenge for the entire economy.

Building the future together through the strategic pillars that leverage the Group's identity

BUSINESS DEVELOPMENT

Business development based on a **territorial bank service model**

OPERATIONAL EFFICIENCY

Efficiency improvement of the Group's **business model**

RISK MANAGEMENT

Constant **attention** to the evolution of the **regulatory framework**

ENABLING FACTORS

Enhancement of **human capital** and growth of **technological investments**

… AND DEDICATED TRANSVERSAL PLANS

- **A** **ESG sustainability** through a dedicated Plan to be selective leaders
- **B** **Digital Transformation** coherently with its own model

The strategic pillars of the 2024-2027 Strategic Plan

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Initiatives

1. **COMMERCIAL DEVELOPMENT**
2. **CREDIT**
3. **WEALTH MANAGEMENT AND BANCASSURANCE**
4. **DIGITAL PAYMENTS**

1. Commercial development

DISTRIBUTION MODEL

Proposal of **multi-channel organisational solutions**, suitable for ensuring an evolution of the commercial development of the affiliated Banks **consistent with the model of a relationship bank.**

BUSINESS TECHNOLOGY

Definition, implementation and support for the adoption of **tools and technologies directed towards the commercial development** of the affiliated Banks.

COMMERCIAL STEERING

Development of synergies between the Parent Company, the affiliated Banks and product companies by **coordinating the priorities of the commercial initiatives**.

2. Credit

STRENGTHENING SUPPORT

Ensure specialist support in the Corporate and Structured Finance areas to **increase the development potential** of the affiliated Banks.

Expand the range of **solutions** in response to the **companies needs**, also through **"tailor-made" solutions**.

SUPPORTING GROWTH INITIATIVES

Continue the actions to support the development of the national **PNRR[1] initiatives**.
Strengthening the Group's commitment to the growth of companies through **funds dedicated to the "green" transition.**

Launch of **ESG** products, tools and **dedicated specialist supervision** for **investments** structuring and evaluation.

PROACTIVE CREDIT RISK MANAGEMENT

Continue to improve the efficiency of **credit risk monitoring and prevention** tools.

Evolution of the Group's **de-risking strategies**.

Notes: (1) Italian Recovery and Resilience Plan

3. Wealth Management and Bancassurance

EVOLUTION OF FINANCIAL ADVISORY SERVICES

Evolution of the **financial advisory model**.

Development of support tools for consultants designed to **increase the effectiveness of customer interaction**.

Advanced **advisory** services.

INSURANCE CHECK UP

Systematic **analysis** of **insurance** and **social security** protection needs, greater understanding of **customer needs whilst improving the effectiveness** of financial advisory services.

ESG PRODUCTS AND FRAMEWORKS

Expansion of asset management and investment insurance **products range**, that also **meet the ESG framework**.

4. Digital Payments

PRODUCT CATALOGUE

Renewal and enhancement of the product offer.

Assessment of the evolution of **partnerships** in **collection and payments** sectors.

SERVICE MODEL

Improved efficiency of the **digital payments distribution model**.

Assessment of **legislative and regulatory** impacts.

ORGANIZATIONAL STRUCTURE

Outsourcing of the **ATM** operating machines and **strengthening** of functions **supporting the activities**.

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Initiatives

5
OPERATIONAL EFFICIENCY

5. Operational efficiency

PRODUCT SUITE DEVELOPMENT

Design new Back Office services in order to optimize processes, including branch processes and increase the commercial time of the network.

Create dedicated facilities to enhance the Group's skills and pursue economies of scale.

SERVICE MODEL

Analyse the operations of the affiliated Banks to identify and jointly address new operational efficiency strategies.

Plan and adopt new procedures to accelerate the centralization of processes towards centralized Back Offices.

BACK OFFICE INTEGRATION

Identify priority areas in relation to the process contents to be activated.

Integrate organizationally and progressively **centralize** activities on the centralized Back Offices.

CONTINUOUS IMPROVEMENT through an **"OPERATIONAL EXCELLENCE"** unit dedicated to the **review and monitoring of operational processes**, also by adopting **automation and Artificial Intelligence (AI) solutions**

The strategic pillars of the 2024-2027 Strategic Plan

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OPERATIONAL EFFICIENCY

Efficiency improvement of the Group's **business model**

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ENABLING FACTORS

Enhancement of **human capital** and growth of **technological investments**

Initiatives

6

RISK MANAGEMENT AND REGULATION

6. Risk management and regulation

AML FRAMEWORK

Evolution of the Due Diligence process aimed at **reducing the administrative management burden,** integrating **AI solutions.**

COMPLIANCE FRAMEWORK

Improve the effectiveness of **Compliance** activities for the Parent Company and for the affiliated Banks, **also through the integration of GenAI solutions.**

AGGREGATION AND REPORTING OF RISK & CLIMATE DATA

Achieve compliance with Effective Data Aggregation and Reporting regulations (**RDARR**).

Keep focusing on the **path chosen** to **identify climate and environmental risks**.

FRAMEWORK RISK MANAGEMENT

Consolidation of the Group's Risk Management framework in order to meet Supervisory Authority expectations .

The enabling factors of the 2024-2027 Strategic Plan

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Initiatives

7 ICT AND SECURITY

8 HUMAN CAPITAL AND CULTURE

7. ICT AND SECURITY

CORE BANKING MODERNIZATION

Progressively modernizing the Group's Core Banking, **combining development** with **strategic priorities** and evaluating the integration of **market products**.

DATA & AI

Continue on the path of **enhancing the Group's data**, which are also the starting point for the **introduction of AI based technologies**.

ICT SERVICES

Consolidating the distributed and central technologies through high quality ITC services that **relieve the Banks** from the burden imposed by **regulatory obligations.**

SECURITY

Pursue the Group's security mission, focusing on the **continuous fight** against new threats and on the evolution of **cyber and corporate security** safeguards.

8. Human capital and culture

SKILLS AND TRAINING

Build a **map of the key competencies functional to the Group development**.

Develop future **managers skills** to ensure orderly succession paths **in key roles within the Group.**

GROWTH AND DEVELOPMENT

Invest in **development processes and programs** dedicated to the **enhancement** of young people, female potential and middle management.

Strengthening initiatives that promote **Diversity, Equity and Inclusion.**

PROCESS OPTIMIZATION AND ANALYTICS

Keep focusing on the path of **integration of platforms and data** to obtain a complete and accurate view of Human Capital.

Producing **reporting** that supports strategic and operational decisions.

Transversal plans to support the 2024-2027 Strategic Plan

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… AND DEDICATED TRANSVERSAL PLANS

- **A** **ESG sustainability** through a dedicated Plan to be selective leaders
- **B** **Digital Transformation** coherently with its own model

A. ESG sustainability: a dedicated Plan to be selective leaders

BECOME SELECTIVE LEADERS

INCREMENTAL APPROACH

STRENGTHENING THE STEERING CAPABILITY OF THE PARENT COMPANY

A. ESG sustainability: an integrated strategy

Environment

Community and shareholders

Customers

People

Governance ESG

Projects and initiatives

Consumptions and sustainable real estate
- Environmental certification ISO 14001 and energy ISO 50001

5

Cooperation and territory
- New young shareholders

1

Sustainable uses
- New green production

2

Protection and development of human capital
- ESG training
- Health Certification and Security ISO 45001

8

ESG variable remuneration
- MBO related to the achievement of ESG targets

8

Decarbonization
- 100% Renewable electricity[1]
- Emission compensation Scope 1 e 2 [2]
- Net Zero Target setting financed emissions

2 5

Responsible supply chain
- Relevant suppliers and purchases assessed according to ESG criteria

5

Sustainable Asset Management[3]
- ESG Preferred Profiled Clients
- Sustainable AuM GP
- Sustainable AuM Fondi NEF
- Sustainable Bancassurance

3

Diversity, Equity and Inclusion
- Banks/Companies[4] gender equality certified
- Work-life balance projects

8

Sustainable funding
- Green Bond/ Social/Sustainability Bond

2

Enablers

- Environmental & Climate Risk Management
- Data and Information
- Reporting and Disclosure

ESG RATING

Notes: (1) Directly managed (2) Scope 1 emissions are mainly attributable to the heating of offices and branches and the fuel consumption of the company fleet. Scope 2 emissions are attributable to electricity consumption (3) Classified ex artt. 8-9 Reg. 2019/2088 (4) Certification UNI PDR 125:2022

n Strategic Plan initiative

B. Digital Transformation: the Group is responding to the digital change whilst remaining coherent with its own model

Peculiar features of the Group's model

Group composed of 65 Banks, which bring **relationships and peculiarities to be exploited.**

Importance of the **direct relationship** with **customers-suppliers and presence on the territory**, a source of **competitive advantage.**

Legislation and **principles of mutuality and cooperation** set some requirements on strategic choices.

Clear perception of the need to: **develop channels and tools for monitoring**, **contact and management of customers**, to **complete the branch network**.

Digital transformation guiding principles

Support the **branch** in consolidating the **relationship** with the **customer**.

Ensure an **efficient** and **resilient operating and technological model.**

Continue to improve **customer knowledge**.

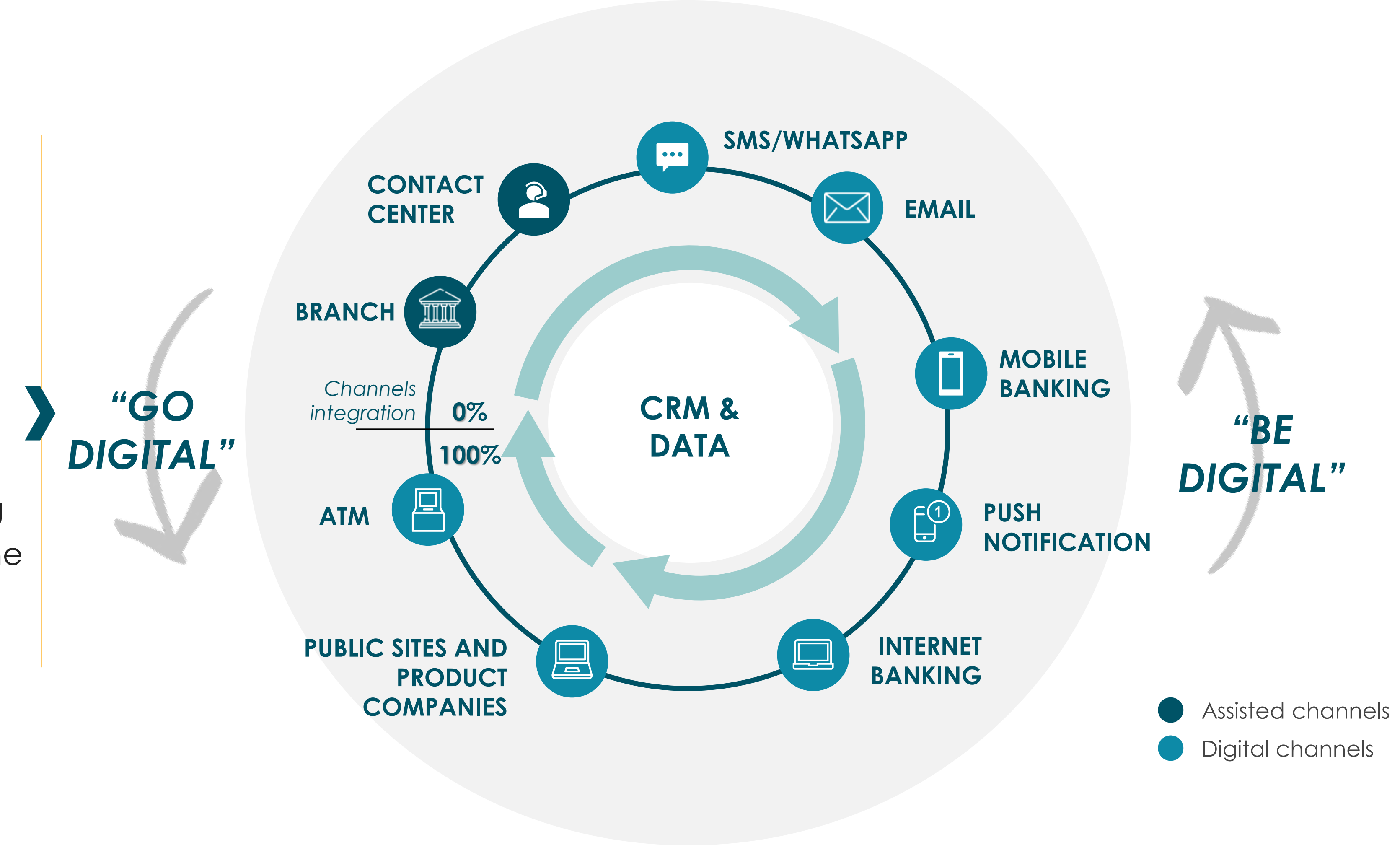
Further increase the **digital culture** within the Group.

B. Digital Transformation: the **branch at the core** supported by digital initiatives from an omnichannel perspective

To support the centrality of the branch, the following digital transformation guidelines have been developed:

"GO DIGITAL" Development of **new digital products, channels and processes**

"BE DIGITAL" **Modernization of the Core Banking** and infrastructure to accelerate the evolution path and **efficiency of internal processes**



CASSA CENTRALE GROUP

STRATEGIC PILLARS

2024 - 2027 KEY TARGETS

Previous Plans targets achieved and exceeded

KPIs		1st year of the Group	Target 2023			5th year of the Group
		2019 Cons.	SP 2021-24	SP 2022-25	SP 2023-26	2023 Cons.(4)
OPERATIONAL EFFECTIVENESS	▪ Cost income	69%	70%	70%	63%	61%
	▪ Core cost income(1)	73%	69%	69%	57%	52%
PROFITABILITY	▪ ROE	3.5%	3.4%	3.8%	8.6%	10.6%
	▪ ROA	0.3%	0.3%	0.3%	0.8%	1.0%
RISK MANAGEMENT	▪ Gross Core NPL ratio (2)	9.5%	6.5%	5.8%	4.9%	4.3%
	▪ NPL Coverage ratio	55%	60%	67%	79%	85%
	▪ Texas ratio(3)	48%	35%	31%	25%	21%
CAPITAL ADEQUACY	▪ CET 1 ratio (phased in)	19.7%	20.0%	21.8%	23.3%	24.6%
ASSETS UNDER MANAGEMENT	▪ Customer Loans	43.8 €bn	50.5 €bn	51.8 €bn	51 €bn	50.4 €bn
	▪ Total funding	82.8 €bn	99.8 €bn	106 €bn	107 €bn	110.8 €bn

Notes: (1) Core cost income = (Operating costs - Net provisions for risks and charges – Expenditure related to redundancies– extraordinary charges) / (Net banking income – Profits (losses) from sale or repurchase);
(2) Gross core NPL ratio = Loans vs Gross non-performing customers/ Loans vs gross customers;
(3) Texas ratio = Gross non-performing loans/ (Equity– Intangible assets + Provision for bad debts)
(4) KPI 2023 e comparison with the 2023 Strategic Plan Target 23-26

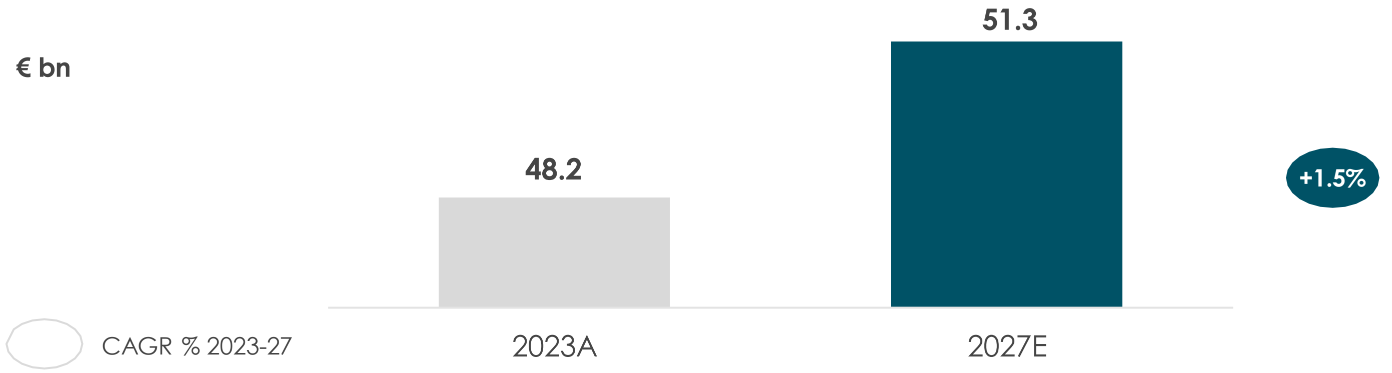
Group's ambition towards 2027:
Main economic/financial targets

BALANCE SHEET		INCOME STATEMENT		INDICATORS	
85.8 **€ bn** Total assets		**921** **€ mn** Net commissions		**29.5%** CET1 Ratio	
51.1 **€ bn** Net loans	**127** **€ bn** Total funding	**1,954** **€ mn** Net interest income	**707** **€ mn** Consolidated net income	**73%** Coverage NPL	**0.9%** Net Core NPL Ratio (1)

Notes: (1) Net non-performing loans / Net loans.

Expected portfolio growth and reduction in non-performing exposures

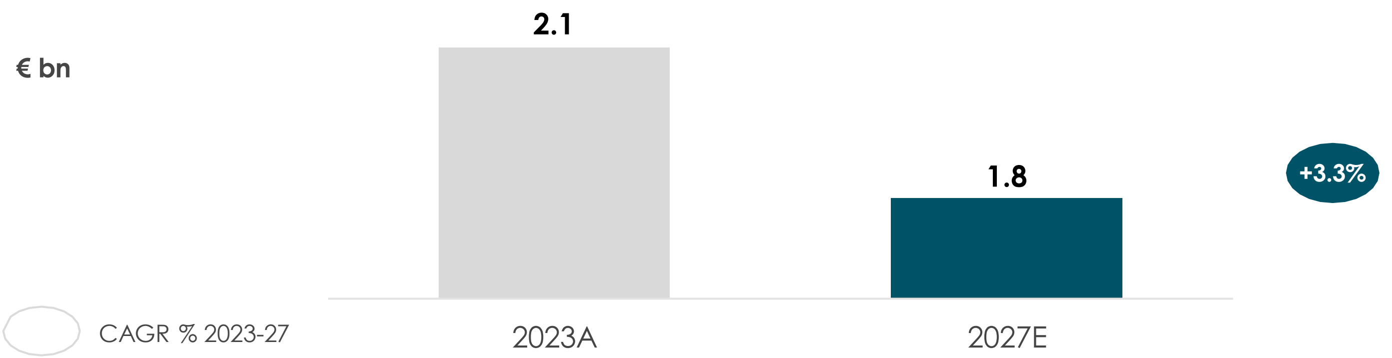
PERFORMING LOANS



Growth of performing loans in **all territorial areas**

Sustained growth of the performing portfolio of **Claris Leasing** and **Prestipay** with a CAGR of **5%** and **20.9%** respectively

NON-PERFORMING LOANS

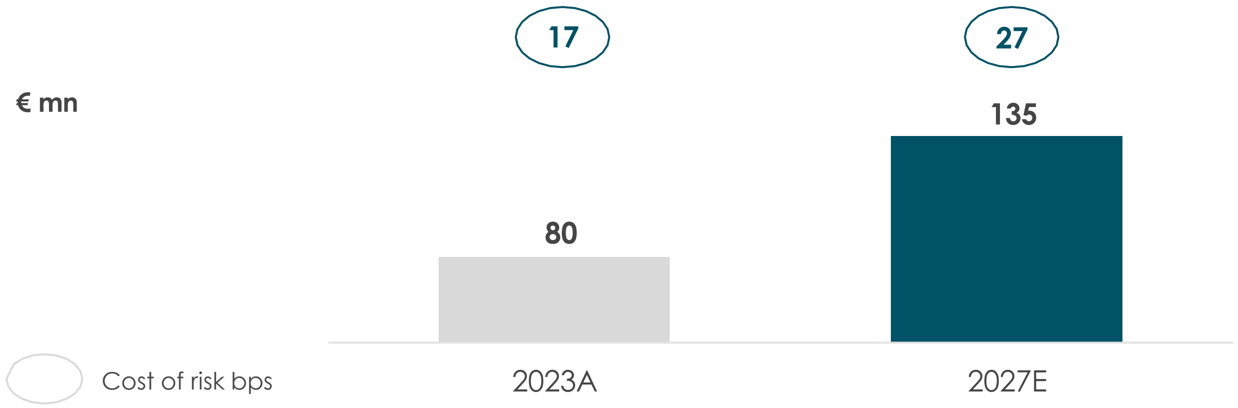


Reduction of non-performing exposures with a target of **€1.7 billion by the end of 2026**

Gross NPL ratio down **from 4.3% to 3.3%**

Lower NPL Ratio than the market and high levels of coverage

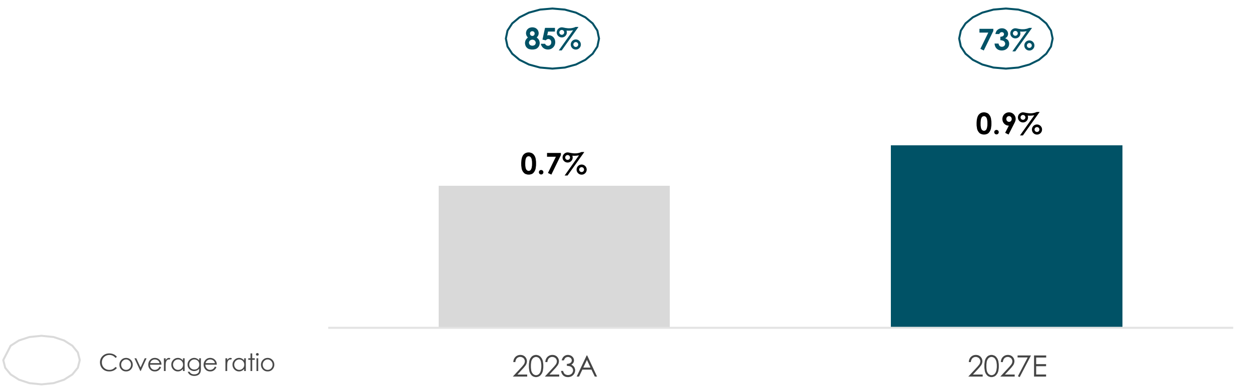
NET PROVISIONS AND COST OF RISK



Preserved a **conservative approach** to credit risk to address the **uncertainties of the macroeconomic environment**

Low cost of risk in the **30 bps** area will allow to maintain **high levels of coverage** in the face of new inflows linked to portfolio growth

NET NPL RATIO

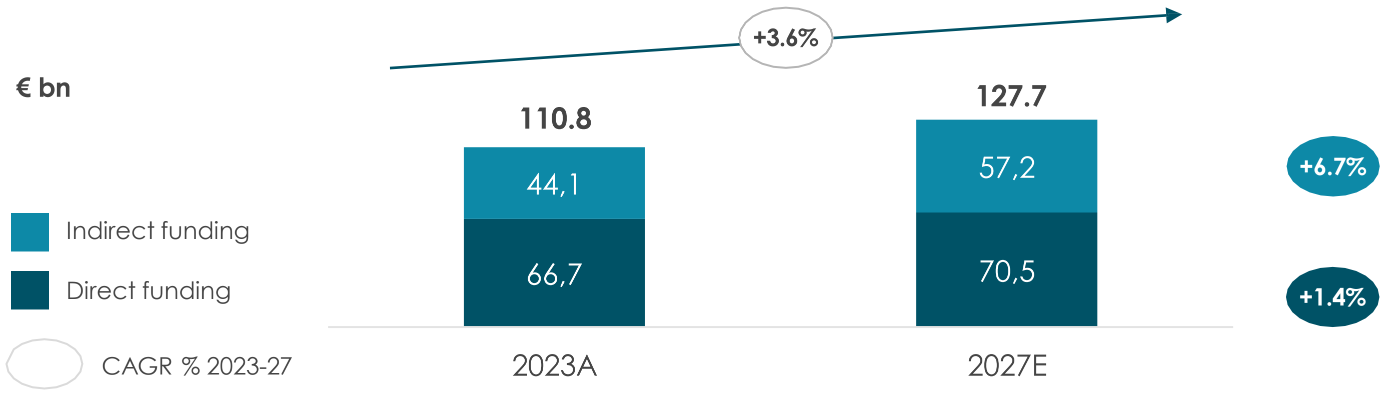


Constant attention to the **net NPL ratio**, which will remain below the current average of peers

Minimum coverage level of 73% throughout the whole Plan period remains at the top of the market

Growth in indirect funding driven by all sectors

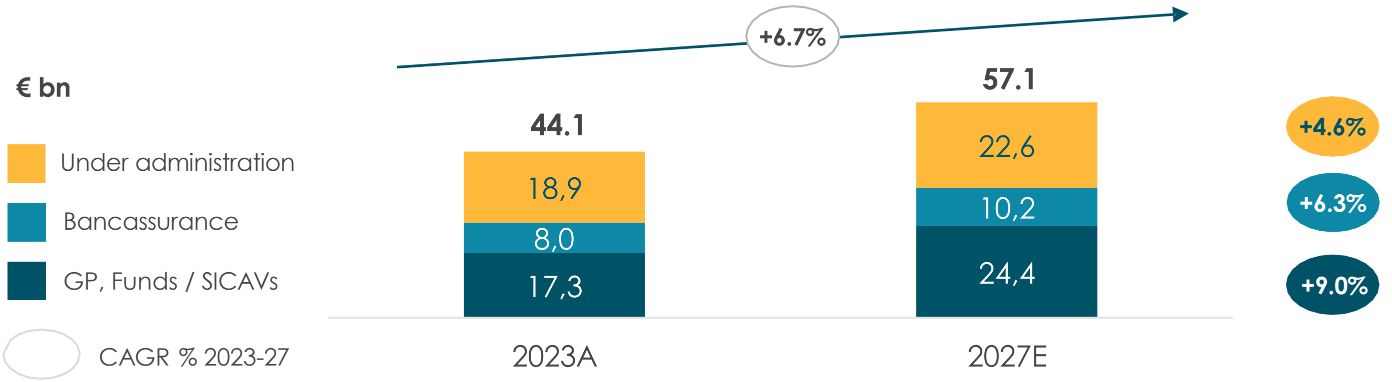
OVERALL FUNDING



Reaffirmed **push** towards **indirect funding** which stands at € 57 billion at the end of 2027

The **ratio of net loans to direct funding** remains **conservative** with a value of **72%** in 2027

INDIRECT FUNDING BREAKDOWN

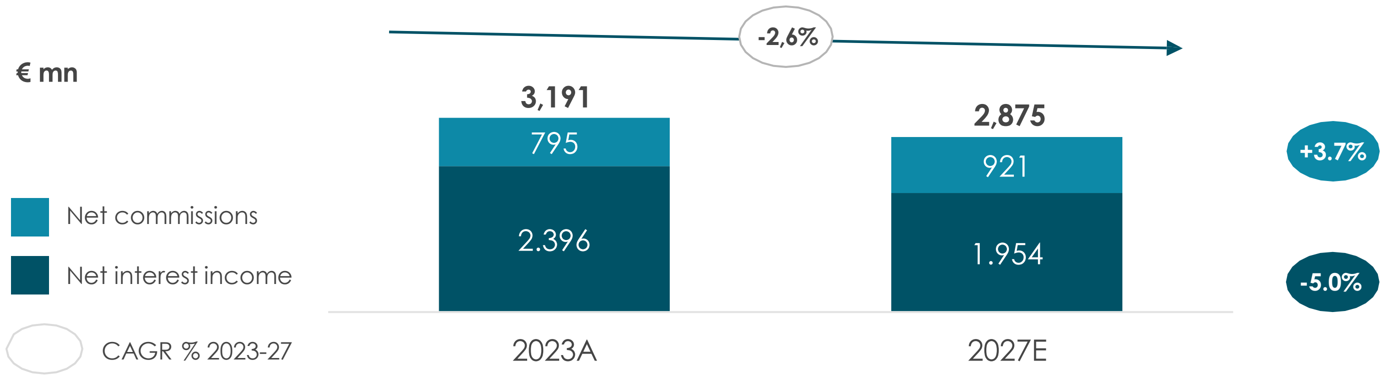


Indirect funding growth led by all sectors

The indirect component of total funding will increase **from the current 40% to 45%**

Rebalancing of revenue sources and moderate opex growth

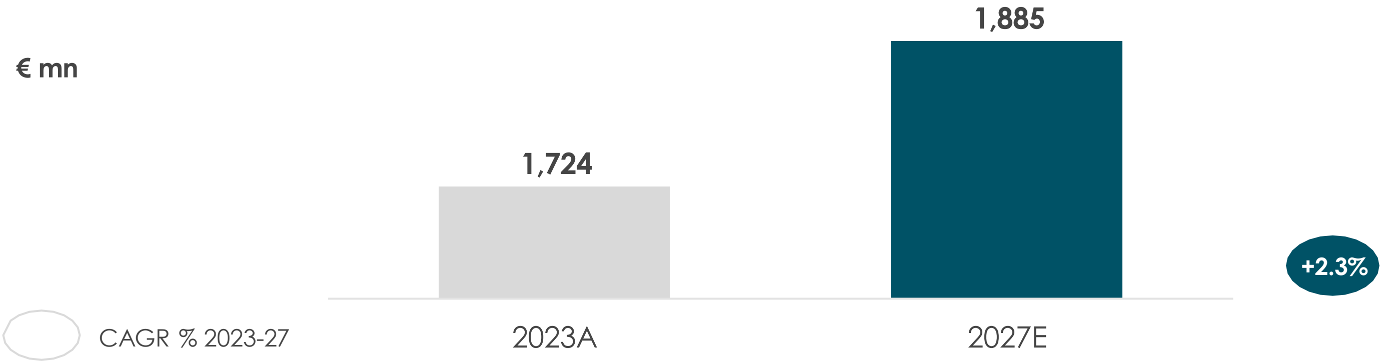
CORE REVENUES



Core revenues slightly down with a **gradual rebalancing** between net interest income and net commissions

Acceleration in net fees led by **Finance** (+4.8% CAGR) and **Bancassurance** (+8.0% CAGR)

OPERATING EXPENSES



Increase in the cost base mainly due to strong growth in **IT investments, with an increase** of c. **€160 mn** during the **2023-2027 period**

The expected **cost/income** ratio in 2027 is 65%

ANNEX

Plan KPIs and volume projections

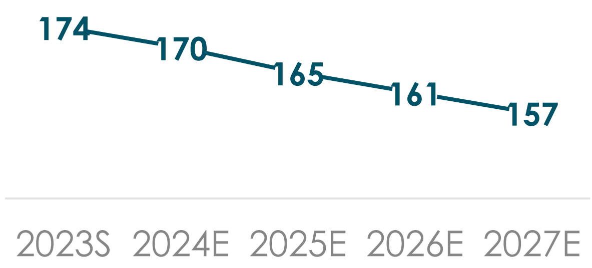
Italian macroeconomic context

GDP growth (%)

Inflation (%)

Unemployment rate (%)

BTP-Bund 10Y Spread (bps)



Key considerations

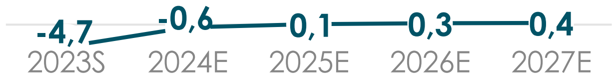
- **Italian GDP** of **0.7%** in **2023** is expected to grow by **0.5% over 2024**, with an average **growth rate** of **0.7% in 2024-2027.**
- The **2023 inflation level (5.7%)** is **expected to decrease to 2.1%** in **2024**, ending the restrictive stance of monetary policy. Inflation rate is expected to be stable around 1.9% in the following years.
- The **unemployment rate** is expected to **gradually decline over the next four years**, from **7.7%** in **2023** to **6.8%** in **2027.**
- The BTP – BUND 10Y **spread level** is estimated to remain in **2024** at the levels recorded in **2023 (174 bps).** In the **following years**, it is expected to be **between 165 bps and 157 bps**.

Source: Prometeia (March 2024)

Expected evolution of the Italian banking industry

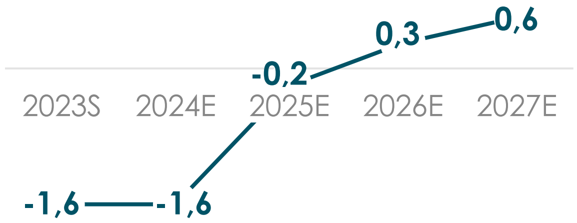
Volumes and yields (%)(1)

Growth in loans

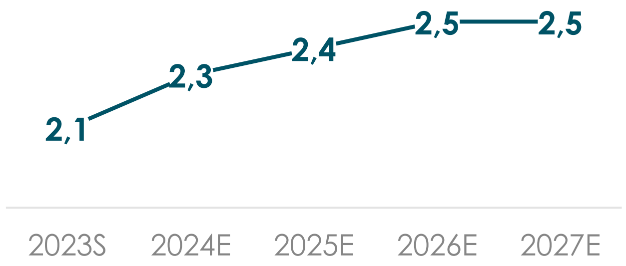


Medium/long-term loan yields (%)

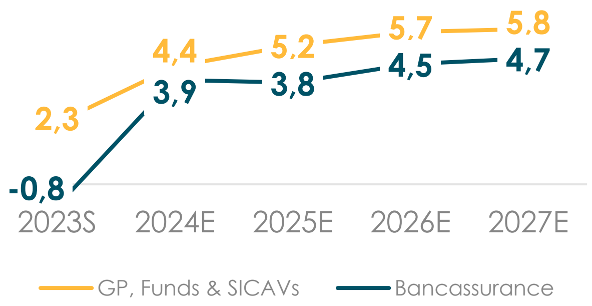
Direct funding (% y/y)



Non-performing loans (%)



AuM (% y/y)



Key considerations

- The **credit dynamic** reflects the marked **weakness** in **loan demand** persisting in **2024** accompanied by **rising rates**. **Stable volumes** and a **reduction** in **interest rates** are expected in the **following years.**
- **Direct funding** is expected to **decrease** also in **2024**, impacted by the **levels of interest rates and yields** on **Italian government bonds** with a **slight recovery** at the end of the **four-year period 2024-2027.**
- The **stock** of **non-performing loans** is stable thanks to the **NPL sale and securitization transactions** envisaged counterbalanced by the **increase** in **default rates.**
- Inflows into **Asset Management**, **Funds/SICAVs** and **Bancassurance** are expected to **restart** from **2024** and to **grow** progressively over the **following years.**

Notes: (1) Values do not include the loan portfolio of Cassa Depositi e Prestiti and non-performing loans
Source: Prometeia (March 2024)

Plan's Main KPIs

	KPIs	2023 CONS	2027 EXP	Change % 23-27
Liquidity	Loans / Funding[1]	72%	72%	-
	Fin. Securities / Total assets	40%	34%	(6) pp
Risk management	Core NPL net ratio	0.7%	0.9%	0.2 pp
	NPL Coverage ratio	85%	73%	(12) pp
	Cost of risk(bps)	17	27	10 bps
	Texas ratio[2]	21%	15%	(6) pp
Capital adequacy	CET 1 ratio phased in	24.6%	29.5%	4,9 pp
	Total capital ratio phased in	24.6%	29.5%	4,9 pp

	KPIs	2023 CONS	2027 EXP	Change % 23-27
Profitability	ROE	10.6%	6.6%	(4) pp
	ROA	1.0%	0.8%	(0,2) pp
Operational efficiency	Operating expenses / Traded volumes	1.1%	1.1%	-
	Core Cost Income[3]	52%	65%	7 pp
	Traded volumes per employee (€mn)	13.2	14.2	1 pp
Commercial Efficiency	Net Interest Income/Assets	3.2%	3.4%	0,2 pp
	Net fees & commissions / Core revenue	25%	32%	7 pp
	AuM/ Overall funding	23%	27%	4 pp

Notes: (1) Loans / Deposits = Net customer loans / Direct funding;
(2) Texas ratio = Gross NPLs / (Tangible equity + Provisions for bad loans);
(3) Core Cost income = (Operating costs - net provisions for risks and charges - redundancy expenses - extraordinary charges) / (net banking income - Gains (losses) on disposals or repurchases - net result of other financial assets and liabilities measured at FV included in the P&L).

Volumes

Volumes (€bn)	**2023** CONS	**2027** EXP	**Change %** 23-27	**CAGR** 23-27
Total Direct Funding	**66.7**	**70.5**	**5.8%**	**1.4%**
Asset Management	9.2	12.9	40.9%	8.9%
Funds and SICAVs	8.1	11.5	41.7%	9.1%
Bancassurance	8.0	10.2	27.5%	6.3%
Assets under Administration	18.9	22.6	19.6%	4.6%
Total Indirect funding	**44.1**	**57.1**	**29.5%**	**6.7%**
Total Funding	**110.8**	**127.7**	**15.2%**	**3.6%**
Total performing loans	**48.2**	**51.3**	**6.3%**	**1.5%**
Total non-performing loans	**2.1**	**1.8**	**(18.1%)**	**(4.9%)**
Total gross loans	**50.4**	**53.0**	**5.2%**	**1.3%**
Loans / Funding *(%)*[(1)]	*71.8%*	*72.4%*	*0.8%*	*0.2%*

Notes: (1) Net customer loans / Direct funding

Income statement

Volumes (€mn)	**2023**	**2027**	**Change %**	**CAGR**
	CONS	EXP	23-27	23-27
Net interest income	2,396	1,954	(18.4%)	(5.0%)
Net commissions	795	921	15.8%	3.7%
Core Revenues	3,191	2,874	(9.9%)	(2.6%)
Finance income	(357)	3	-	-
Net interest and other banking income	**2,835**	**2,877**	**1.5%**	**0.4%**
Personnel expenses	(1,028)	(1,123)	9.2%	2.2%
Other administrative expenses	(734)	(749)	2.0%	0.5%
Provision for risks and charges	(13)	(20)	53.8%	11.1%
Depreciation/amortisation	(144)	(174)	20.8%	5.0%
Other operating income and expenses	195	182	(6.7%)	(1.7%)
Operating expenses	**(1,724)**	**(1,885)**	**9.3%**	**2.3%**
Operating result	1,111	993	(10.6%)	(2.8%)
Net value adjustments/write-back	(80)	(135)	68.8%	14.0%
Other	(4)	(6)	50.0%	9.8%
Profit (loss) before tax	**1,027**	**851**	**(17.1%)**	**(4.6%)**
Income taxes	(156)	(144)	(7.7%)	(2.0%)
Net income (loss)	**871**	**707**	**(18.8%)**	**(5.1%)**

Customer funding

Volumes (€bn)	**2023** CONS	**2027** EXP	**Change %** 23-27	**CAGR** 23-27
Current accounts and sight deposits	58.5	57.1	(2.3%)	(0.6%)
Fixed-term deposits & securities	8.2	13.4	63.4%	13.1%
Total Direct funding	**66.7**	**70.5**	**5.8%**	**1.4%**
Assets under Management	9.2	12.9	40.9%	8.9%
Funds and SICAVs	8.1	11.5	41.7%	9.1%
Bancassurance	8.0	10.2	27.5	6.3%
AuM & bancassurance	**25.2**	**34.5**	**36.9%**	**8.2%**
Assets under Administration	18.9	22.6	19.6%	4.6%
Total Indirect funding	**44.1**	**57.1**	**29.5%**	**6.7%**
Total Funding	**110.8**	**127.7**	**15.2%**	**3.6%**
Loans / Funding (%)[1]	*71.8%*	*72.4%*	*0.8%*	*0.2%*

Notes: (1) Loans / Funding = Net customer loans / Direct deposits;

Net interest and other banking income

Volumes (€mn)	**2023** CONS	**2027** EXP	**Var. %** 23-27	**CAGR** 23-27
Interest income	3,287	2,742	(16.6%)	(4.4%)
Interest expense	(891)	(789)	(11.4%)	(3.0%)
Net interest income	**2,396**	**1,954**	**(18.5%)**	**(5.0%)**
Commission income	933	1,060	13.7%	3.3%
Commission expense	(138)	(140)	1.6%	0.4%
Net commissions	**795**	**921**	**15.7%**	**3.7%**
Dividends	4	4	0.0%	0.0%
Gain on disposal of financial assets and changes in fair value	(361)	(1)	(99.8%)	(77.8%)
Net interest and other banking income	**2,835**	**2,877**	**1.5%**	**0.4%**

Operating expenses

Volumes (€mn)	**2023**	**2027**	**Var. € mln**	**CAGR**
	CONS	EXP	23-27	23-27
Personnel Expenses	**(1,028)**	**(1,123)**	**(95)**	**2.2%**
# employees *(headcount)*:	12,016	12,610	594	1.2%
o/w Industrial Group (headcount)	*1,701*	*2,016*	*315*	*4.3%*
Other administrative expenses	**(734)**	**(749)**	**(15)**	**0.5%**
Provision for risks and charges	**(13)**	**(20)**	**(7)**	**11.0%**
Depreciation	**(144)**	**(174)**	**(31)**	**5.0%**
Other operating income and expenses	**195**	**182**	**(13)**	**(1.7%)**
Total Operating Costs	**(1,724)**	**(1,885)**	**(161)**	**2.3%**

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