



Banca del Fucino

IGEA Banca Banking Group

**Consolidated Financial statements as at 31 DECEMBER
2024**



Banca del Fucino
1923 | 2023

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CORPORATE POSITIONS

Board of Directors

<i>Chairman</i>	Prof. Mauro Masi (independent member)
<i>Chief Executive Officer</i>	Mr Francesco Maiolini
<i>Vice-Chairman</i>	Ms Gabriella Covino, lawyer (executive member)
<i>Vice-Chairman</i>	Mr Domenico Pimpinella (independent member)
<i>Director</i>	Ms Sonia Locantore (independent member)
<i>Director</i>	Mr Fabio Scaccia
<i>Director</i>	Prof. Susanna Levantesi (independent member)
<i>Director</i>	Mr Bernardino Lattarulo
<i>Director</i>	Mr Luigi Alio
<i>Director</i>	Ms Francesca Brunori (independent member)
<i>Director</i>	Mr Luca Bergamotto
<i>Director</i>	Mr Giulio Gallazzi

Board of Statutory Auditors

<i>Chairman</i>	Ms Valeria Conti
<i>Standing auditor</i>	Mr Eugenio D'Amico
<i>Standing auditor</i>	Mr Gianluca Piredda

General Management

Deputy Director General	Mr Giacomo Vitale
Deputy Director General	Mr Andrea Colafranceschi

Auditing Company

PricewaterhouseCoopers S.p.A.

TERRITORIAL STRUCTURE
List of Igea Banca Banking Group offices and branches - Broken down by region

Abruzzo		
Company name	Address	Postal code
Agency Avezzano	Via Marruvio 90	67051
Agency Balsorano	Piazza Scacchi 5/6	67052
Agency Carsoli	Via Roma 9	67061
Agency Celano	Piazza IV Novembre 9/10	67043
Agency L'Aquila	S.S. 80 Km. 2.680	67100
Agency Luco dei Marsi	Via Duca degli Abruzzi 83/ 85	67056
Agency Pescara	Corso Umberto I 104	65127
Agency Sulmona	Piazza Giuseppe Capograssi 1	67039
Emilia-Romagna		
Company name	Address	Postal code
Agency Bologna	Viale Antonio Aldini 232	40136
Lazio		
Company name	Address	Postal code
Agency A	Viale Regina Margherita 252	00198
Agency B	Via della Magliana 231	00146
Agency C	Piazza S. Emerenziana 5/6	00199
Agency D	Via Pietro Bonfante 60	00175
Agency E	Via Palmiro Togliatti 1616	00155
Agency F	Via Giacomo Bresadola 80	00171
Agency Frosinone	Via Giuseppe Mazzini 128	03100
Agency G	Piazza Fonteiana 18	00152
Agency Grottaferrata	Via della Costituente 1	00046
Agency H	Via Ugo de Carolis 86D	00136
Agency Health & Pharma	Via XX Settembre 28	00187
Agency I	Via degli Scipioni 131	00192
Agency L	Piazza Filippo Carli 32	00191
Agency M	Via Pineta Sacchetti 199	00168
Agency P	Via Città d'Europa 677	00144
Agency Parioli	Piazza Santiago del Cile 10/15	00197
Agency Pomezia	Via Colomba Antonietti 36/38/40	00071
Agency R	Via Soana 8	00183
Agency Rome Paisiello	Via Paisiello 38	00198
Agency Rome Parlamento	Piazza del Parlamento 16	00186
Agency S	Via Ugo Ojetti 496	00137
Agency Sora	Viale S. Domenico 58	03039
Agency T	Piazza Eugenio Morelli 5/6	00151
Rome Headquarters	Via Tomacelli 106	00186
General Management Offices	Via Tomacelli 107	00186
General Management Offices	Via Tomacelli 139	00186
General Management Offices	Piazza S. Lorenzo in Lucina 4	00186
General Management Offices	Via Ovidio 20	00186
General Management Offices	Piazza del Parlamento 14	00186
Lombardy		
Company name	Address	Postal code
Private Branch Milan	Via Monte di Pietà 24	20121
Marche		
Company name	Address	Postal code
Agency S. Benedetto del Tronto	Viale Alcide De Gasperi 132	63074
Branch - Igea Digital Bank - Igea Banca Group	Via Dottor Sandro Totti 2	60131
Igea Digital Bank Offices - Igea Banca Group	Via Dottor Sandro Totti 12/d	60131
Sicily		
Company name	Address	Postal code
Agency Catania	Via Vincenzo Giuffrida 11	95128
Agency Palermo	Via Dante Alighieri 26	90141
Agency Palermo 2	Via Giuseppe Mazzini 51	90139
Veneto		
Company name	Address	Postal code
Agency Padua	Piazza dell'Insurrezione 2	35139
Agency Verona	Piazza Brà 26	37121

NOTICE CALL OF SHAREHOLDERS' MEETING



Banca del Fucino

1923 | 2023

CALL OF SHAREHOLDERS' MEETING

The Shareholders of Banca del Fucino S.p.A. are hereby convened to the Shareholders' Meeting to be held in ordinary session at the Company's registered office - in Rome, at via Tornacelli, 107 - in first call, on 29 April 2025 at 11:00 p.m. and, if necessary, in second call, at the same place as previously indicated, **on 8 May 2025 at 11:00 a.m.**, in order to discuss and resolve upon the following

AGENDA

1. Submission and approval of the Financial Statements for the financial year-end at 31.12.2024, upon examination of the Board of Directors' Report on Operations, the Report of the Board of Statutory Auditors and the Report of the Auditing Company. Submission of the consolidated financial statements as at 31 December 2024 and the Report of the Auditing Company;
2. Igea Banca Banking Group's remuneration and incentive policies and related disclosures;
3. Any other business.

The Shareholders may appoint someone to represent them at the Shareholders' Meeting by means of the proxy granted pursuant to Article 2372 of the Italian Civil Code. The deed of proxy shall be accompanied by the current valid identity document of the Delegating Party and the Proxy Holder.

This notice is also published on the website www.bancafucino.it, under the part "institutional website" by accessing it via the following path "Investor Relations - Corporate Documents"

The Company provides means of remote attendance, via audio and video conferencing systems, in accordance with Article 18(2) of the Articles of Association. The Shareholder - or the Proxy Holder - who intends to avail himself/herself of the aforesaid systems to attend the Shareholders' Meeting, may make a request for the corresponding access credentials at the following e-mail address: igeabanca@legalmail.it.

Rome, 14 April 2025

The Chairman of the Board of Directors
Signed by Prof. Mauro Masi



REPORT AND CONSOLIDATED FINANCIAL STATEMENTS OF THE IGEA BANCA GROUP



DIRECTORS' REPORT ON CONSOLIDATED OPERATIONS

GROUP STRUCTURE

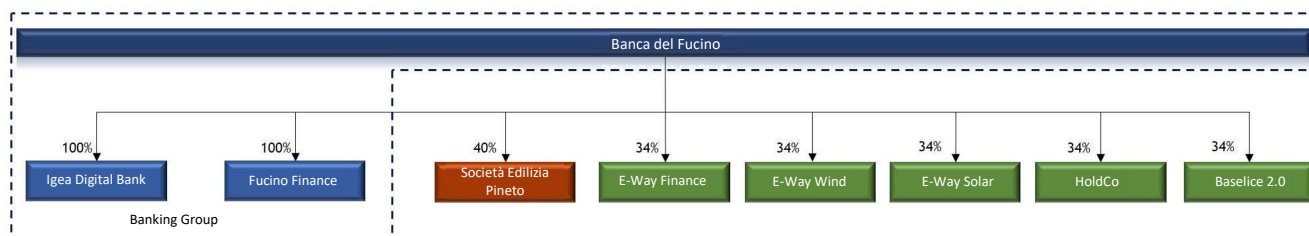
With over a century of history in the making, since 1923 Banca del Fucino (hereinafter also referred to as the “Bank”) has evolved to become one of the leading players in the capital’s financial landscape. The Bank maintains its independence from large banking groups that have merged with Rome’s leading financial institutions and today it holds the title of oldest privately-owned bank in the area, attesting to its long tradition of local service and stability. Banca del Fucino has a nationwide presence with 40 branches and private centres, located mainly in Lazio, Abruzzo, Sicily and Veneto.

The Bank’s operations mainly focus on the following business lines:

- Commercial Banking: a commercial network serving customers;
- Private Banking: tradition and innovation in wealth management;
- Investment Banking¹: structured finance solutions for tailor-made support;
- Health & Pharma: financial solutions tailored to the actual needs of the sector.

Banca del Fucino currently acts as the lead bank in the Igea Banca Banking Group. The following have been established within it: Fucino Finance S.p.A. a financial intermediary set up in accordance with Article 106 and operating in the field of loans backed by employment income/severance pay (Salary backed loans (CQS), Severance pay advance (TFS), etc.) and Igea Digital Bank, a pioneer among Italian banks specialised in providing loans to SMEs and professionals through a proprietary digital platform.

Below is a summary representation of the Group (hereinafter also “the Group” or “the Banking Group”) as at 31 December 2024.



¹ Following the abolition of the Investment Banking Division in July 2024, it was decided to reallocate the Factoring and Tax Credits Division to the Business Division (within Commercial Banking).

CORPORATE BODIES OF THE PARENT COMPANY

During 2024, certain events occurred that are likely to be of particular significance from a corporate governance and financial perspective.

Renewal of Corporate Bodies

On 6 May 2024, the Ordinary Shareholders' Meeting of Banca del Fucino S.p.A. entirely renewed its Corporate Bodies for the three-year period 2024/2026, due to the natural expiry of the mandate granted to the previous Company Representatives by the Shareholders' Representative Body on 4 July 2021.

Board of Directors

The Ordinary Shareholders' Meeting of 6 May last, in compliance with the procedure set forth in Article 25 of the Articles of Association and taking into account the qualitative and quantitative composition deemed optimal *ex ante* as determined by the "outgoing" Board of Directors following the periodic self-assessment process conducted in compliance with current industry regulations, in determining a composition of the Board of 12 (twelve) members, therefore appointed:

1. Mauro Masi (Chairman and independent member);
2. Francesco Maiolini (Director);
3. Domenico Pimpinella (Independent Director);
4. Gabriella Covino (Director);
5. Susanna Levantesi (Independent Director);
6. Fabio Scaccia (Director);
7. Luigi Alio (Director);
8. Bernardino Lattarulo (Director);
9. Giulio Gallazzi (Director);
10. Luca Bergamotto (Director);
11. Sonia Locantore (Independent Director);
12. Francesca Brunori (Independent Director).

Furthermore, it should be noted that at the outcome of the periodic self-assessment process of the Bank's Board of Directors - which served as the basis for determining the qualitative and quantitative composition of the Board deemed optimal *ex ante* in view of the aforementioned renewal process -, the advisability emerged of identifying - in full compliance with the provisions of the law and the Articles of Association in force - a member to whom specific powers could be granted and who should be entrusted with the task of implementing the guidelines resolved upon by the Board in the exercise of his or her functions, in line with the previous Board.

Therefore, on 15 May 2024, the newly-elected Board of Directors of Banca del Fucino S.p.A. resolved to appoint Mr Francesco Maiolini as "Chief Executive Officer" (who already held this position in the three-year period 2021/2023), simultaneously granting him the relevant powers. At the same time, the Body entrusted with the

management and strategic supervision also appointed Domenico Pimpinella and Gabriella Covino as “Vice-Chairman”.

Board of Statutory Auditors

The Supervisory Body of Banca del Fucino S.p.A., for the three-year period 2024/2026, as appointed by the Ordinary Shareholders’ Meeting of 6 May last, is composed as follows

1. Valeria Conti (Standing Auditor and Chairman);
2. Eugenio D’Amico (Standing Auditor);
3. Gianluca Piredda (Standing Auditor);
4. Fernando Silvestri (Alternate Auditor);
5. Lucia Pierini (Alternate Auditor).

At the meetings of the Board of Directors on 4 June 2024 and of the Board of Statutory Auditors on 29 May 2024, an assessment was carried out to verify that the newly appointed members of the corporate bodies met the eligibility requirements set out in Italian Ministerial Decree No. 169/2020, in accordance with the new supervisory provisions set forth in Bank of Italy Measure of 4 May 2021 and in line with the self-regulatory legislation that transposed the “*Guidelines on the Assessment of the Requirements and Criteria of Suitability for Corporate Officers of LSI (less significant institutions) banks financial intermediaries, credit consortia, IMELs, IPs, trust companies and depositor guarantee schemes*” published on 13 November 2023 by the Bank of Italy.

On 18 June 2024, the relevant minutes and related documentation were forwarded to the Supervisory Authority for the relevant investigation.

On 11 October 2024, the Supervisory Authority notified its positive decision at the outcome of the competent investigation pursuant to the above-mentioned regulations.

The economic context²

THE INTERNATIONAL LANDSCAPE

Global trends

Global economic growth in 2024 was broadly in line with the previous year's results. Global GDP growth was 3.2% according to the latest IMF estimates, one-tenth of a percentage point lower than in 2023. The global economy therefore continued to grow at a slower pace than the pre-pandemic five-year average, with significant differences both within advanced economies and among emerging economies.

2024 also saw the start of the process of normalising interest rates, which rose between 2022 and 2023 to cope with rising inflation. In the eyes of the major global central banks, inflation cannot yet be said to have been completely tamed, but for most advanced economies, price growth has fallen below 3% over the course of the year. At the same time, there have been growing concerns about economic growth, especially in the Eurozone.

The growth rate of international trade (goods and services) recovered, rising to 3.4% in 2024 from just 0.7% in 2023. International trade thus grew at essentially the same rate as global GDP. For the two-year period 2024-25, international trade is also expected to expand at roughly the same rate as the global economy; at the same time, there are significant risks that this forecast will have to be revised downwards as a result of the likely imposition of significant tariffs by the United States and the equally likely trade reprisals that will follow.

The United States

The US economy also saw robust growth in 2024. The year-on-year expansion of GDP amounted to 2.8%, only one-tenth of a percentage point lower than the 2023 result.

The largest contribution to GDP growth came from consumption (+2.8% year-on-year), a remarkable achievement considering that the depletion of excess savings accumulated during the Covid-19 pandemic that occurred at the very beginning of 2024.

The growth in investments was also significant (+4.0%), on the performance of which the race to build data centres for the development of generative artificial intelligence certainly had a positive effect, on which the markets' attention remained high in the year just ended.

² Data available as at 12 February 2025

On the other hand, the trade balance made a negative contribution, with a deficit of USD 918.4 billion in 2024: this is the highest US trade deficit since 2021.

Finally, government expenditure contributed 0.57 percentage points to overall GDP growth in 2024. The year-on-year expansion of public spending, at 3.4 %, is reflected in a public deficit which, according to the latest estimates, is expected to be 6.4 % of GDP. Again, this is the largest deficit since 2020-21.

The labour market held up well, with the unemployment rate remaining below 4.5%. At the same time, it should be noted that the majority of jobs added in the past year were concentrated in just three sectors: Education and Health, Leisure and Hospitality, Government; employment growth has therefore been concentrated in jobs that tend to have low added value and consequently low to medium pay.

Finally, the stock markets performed remarkably well in 2024. The Nasdaq grew by 30%, the S&P 500 by 24%, and the Dow Jones by a more modest but still robust 13%.

2024 thus seems to confirm the positive trend in the US economy, which was already evident in 2023 despite the Fed's monetary tightening. However, there is no shortage of cause for concern. Indeed, 2024 saw the amount of credit card defaults rise to the highest level since 2010, a sign that at least some US consumers are finding it difficult to maintain their standard of living when faced with rising consumer prices. Furthermore, several analysts point out that some of the major US stock indices have reached historically high P/E ratios during the year. Expectations for future growth in profits and share valuations are therefore high, particularly with regard to a small number of companies, the so-called "Magnificent 7". The weight of the latter on the S&P500 is particularly high today (above 30%), and their growth during 2024 has driven the performance of the entire index. These are potentially fragile elements, especially when considering the role that hopes linked to AI have played in driving up the share values of these stocks.

November saw the US presidential election, from which Donald Trump emerged the winner. His re-election represents a significant development for the future performance of the US and global economies. Indeed, several of the policies proposed by the new administration risk slowing US growth, especially in the longer term, as well as reigniting inflation. This is particularly the case with the proposed import tariffs, which are already beginning to take shape in February of this year.

Finally, a prospective risk is posed by the launch of the Chinese AI app DeepSeek, which occurred in January 2025. Indeed, DeepSeek appears to have, on the one hand, technical performance equal to or better than the leading Western AI models and, on the other hand, a significantly lower development and usage cost. Its launch immediately triggered significant movements on the US stock markets that are most exposed to AI. However, it seems premature to speak of a new "Dot-com" moment, as several analysts have recently done by referring to the New Economy bubble (1999-2000).

China

According to the National Bureau of Statistics of China, the Chinese economy grew by 5.0% in 2024, thus hitting the growth target set by the country's authorities. According to the IMF, on the other hand, growth would

have stopped at 4.8%. Still, this is a remarkable achievement, especially considering how in 2024 China has not yet overcome the crisis in its real estate sector, the decline of which began in 2022.

The secondary sector recorded the highest growth (+5.3%), followed by the tertiary sector (+5.0%) and finally the primary sector (+3.5%). Exports performed particularly well, growing by 10.7% year-on-year in December. The concomitant weak import dynamics (+1.1%) meant that China had a record trade surplus of USD 992.2 billion in 2024; according to other estimates, it may even have exceeded the trillion mark.

On the domestic demand front, there continue to be both positives and negatives. In December, retail sales grew by 3.7 % year-on-year, a result also due to the expansive fiscal and monetary policy implemented during the year, and especially in the second half of 2024, precisely to strengthen a domestic demand weakened by the housing crisis. In this respect, the year-on-year decline in house prices has slowed down over the last 12 months; in December, the indices for China's major property markets were still negative but close to zero, possibly signalling an imminent recovery in the sector. The active policies implemented by the State in this context have certainly played a significant role. However, it is still significant that consumer price dynamics remained weak: with the exception of January, inflation was positive throughout 2024 but remained below 1%; in December the annual price change was just 0.1%.

In order to achieve its growth target, the Chinese authorities have launched various monetary and fiscal measures to stimulate the economy, starting from September 2024. During the year, the Prime Loan Rate was lowered from 3.45% to 3.1%; cuts were also made to mortgage rates and capital reserve requirements for banks were lowered. Then in November, China announced a USD 1.4 trillion spending plan to provide fiscal space for local governments and stabilise growth.

The stimulus measures have partially revived the performance of national financial markets. The CSI 300 index, which remained essentially unchanged in August 2024 compared to the beginning of the year, rallied strongly in September, followed by a period of sideways movement. The overall growth achieved by the index during 2024 was 14.8%. The Hang Seng Index followed a similar trend during the year, posting particularly strong growth following the announcement of the first economic stimulus measures in September 2024 and peaking on 30 September, after which it entered a more downtrend phase. The total annual return of the index was 19.5%.

The strong expansion of Chinese exports in 2024 did not primarily concern Western economies: exports to the US grew by 4.9%, those to the EU by 3.0%, and those to Japan even declined by 3.5% year-on-year; on the other hand, exports to ASEAN member states (+12.0%) and Latin America (+13.0%) saw double-digit growth. In terms of goods, the performance of the shipbuilding sector (+57.3%), the semiconductor sector (+17.4%) and the automotive sector (+15.5%) was particularly robust. The great development of the Chinese car industry was one of the biggest surprises of the past year: in 2024, China alone accounted for more than 30% of global car production, while simultaneously managing to reduce the costs of new electric vehicles. These developments have led to a slump in sales of Western brands in China, with serious consequences for their profitability, as well as increased competitive pressure on global markets. In total, China exported 6 million vehicles in 2024, becoming the world's number one exporter of cars. Western countries have responded by

imposing trade tariffs on imports of electric vehicles made in China, with tariffs of up to 100% in the case of the US.

Advanced economies

In reviewing some of the major non-EU advanced economies, the IMF estimates a growth of 0.9% for the UK in 2024, accelerating from +0.3% in 2023. The performance of the country's main stock market index, the FTSE 100, was also modest, rising by 5.7%.

In contrast, the Japanese economy contracted by -0.2%, after a much more positive 2023 (+1.5%). The Nikkei 225 index in Tokyo, meanwhile, performed reasonably well, rising by 20% over the year.

Canada's GDP grew by 1.3%, while Australia's grew by 1.2%.

Emerging markets and developing economies

In terms of emerging markets, India recorded the strongest growth among the major Asian economies, with +6.5%, which is significant despite being down from +8.2% in 2023. The performance of India's main stock index, the Nifty 50, was also positive, but significantly lower than the previous year, rising by 8.8% in one year (almost +20% in 2023). Growth in ASEAN countries was robust at 4.5%, with Indonesia's GDP expanding by 5.0%. In 2024, the Russian economy continued to grow at a fairly steady pace of 3.8%. IMF projections estimate a significant slowdown to 1.4% in 2025, but much will depend on the outcome of the war in Ukraine. In the Middle East, Saudi Arabia's economy returned to growth (+1.4%) after contracting in 2023 (-0.8%).

Turning to the American continent, Brazil's growth was 3.7%, Mexico's 3.3%. On the other hand, Argentina's economy contracted for the second year in a row, with -2.8% in 2024, worsening from -1.6% in 2023.

Finally, briefly considering the African continent, South Africa's growth remains modest at +0.8%, just one-tenth of a percentage point higher than the 2023 result. Nigeria is experiencing a slight acceleration, with growth of 3.1% in 2024, compared to 2.9% in 2023.

THE EURO AREA AND ITALY

The Euro Area

IN 2024, the Euro Area economy remained weak, growing by just 0.7 %, a modest result although an improvement on the +0.4 % recorded in 2023. Looking at the largest economies in the region, it is clear that European growth has been dragged down by the main manufacturing economies: Germany, Italy and, to a lesser extent, France. They have been affected by energy prices that remain high compared to pre-pandemic levels, partly due to the ongoing war in Ukraine, which continues to be a source of uncertainty and volatility in the energy markets. The emergence of China as a manufacturing powerhouse in the automotive sector also had an important influence, especially on Germany; more generally, China's huge trade surplus in 2024 was counterbalanced by the weak performance of European exports, which are experiencing a real crisis in their international competitiveness.

On the other hand, weak economic growth did not have particularly severe repercussions on the labour markets in the Eurozone: the unemployment rate remained at or below 6.5% throughout the year, with moderate upward pressure from France and Germany and downward pressure from Italy and Spain. The performance of the Eurozone's main stock index, the Euro Stoxx 50, was also positive, rising 8.1% over the year.

The German economy recorded a second consecutive year of contraction in economic activity (-0.2%), with disappointing results for both domestic and foreign demand: domestic consumption, which was supposed to be one of the pillars of the German recovery as wages recovered from inflation, grew by just 1.0%; on the other hand, gross investment fell by 2.5%, affected by high energy prices and the ECB's monetary tightening; exports of goods and services, another vector of recovery for the German economy according to past forecasts, also contracted, by 0.8%.

Several analysts believe that the German economy in its current state would need significant public investment, primarily aimed at reviving its international competitiveness, but no such investment has been announced: the debt/GDP ratio has remained stable at just over 60%, a stalemate also due to the instability of the current government, which lost a vote of no confidence in the second half of the year.

Overall, the German economy appears to be in a similar stagflationary situation, with economic activity contracting and inflation still relatively high (above 2% for almost the entire past year). On the other hand, the Frankfurt DAX, one of the country's main stock indices, performed well, rising 19% over the year, driven by high-tech stocks such as Siemens and stocks related to companies whose main business is not conducted in Germany.

2024 was also a complex year for France, grappling with a government crisis that has yet to find a stable solution and a public deficit (around 6% in 2024) that does not seem likely to be reduced to 3% in the short term, as required by the new European Stability Pact. According to IMF estimates, French GDP grew by 1.1% in the past year; domestic consumption increased by 1.4% between Q4 2024 and the same quarter of the previous year; exports also slightly increased over the same period (+0.4%), while gross investment decreased by 1.8%. Inflation trends were more positive, above 3% at the beginning of the year and falling steadily below 2% from September onwards.

The main concern for the future stability of the French economy remains public finances: during 2024, yields on ten-year French government bonds were repeatedly equal to or higher than those on Greek bonds with the same maturity, an unprecedented event in the history of the Eurozone. Finally, unlike in Germany, the French crisis also affected the financial markets, with the Cac40 index falling by 3% year-on-year.

On the other hand, Spain's economic performance was a pleasant surprise, growing by 3.1% in 2024. Consumption growth was particularly strong, at +3.4%, as was the growth in exports of goods and services, at +2.9%, with tourism making a fundamental contribution. Growth in gross investment was also good, albeit to a lesser extent, at +1.2%.

The lower weight of manufacturing in the Spanish economy as a whole has certainly played a significant role in driving its better performance compared to major European manufacturing powers such as Germany and Italy.

Italy

The performance of the Italian economy in 2024 was particularly modest. GDP growth was 0.5%, down from the already very modest 2023 figure (0.7%). In the third quarter of the year (latest available data), consumption grew by 0.4% compared to the same quarter of the previous year; exports of goods and services and gross fixed capital formation, on the other hand, contracted by 1.0% and 1.1% respectively. The largest contributors to growth were consumption and inventory purchases, while net foreign demand and gross fixed capital formation subtracted a total of 0.4 percentage points from growth.

The weakness of domestic manufacturing had a significant impact on the performance of the Italian economy in 2024: the added value of the manufacturing sector in Q3 2024 was down 2.3% year-on-year; and in December, industrial production was still 8.7% lower than 2021 levels, with a steady decline that has now been going on for two years.

This trend reflects both domestic and foreign demand issues. On the domestic demand side, although consumer inflation remained below 2% throughout 2024, the growth of gross wages per labour unit was modest by international comparison (+3.8% at Q3 2024), and not sufficient for one to speak of a full recovery of household purchasing power. Companies' performance also continued to be weighed down by higher energy costs than in the past, partly due to the ongoing war in Ukraine and the resulting fear of disruptions in the supply of energy raw materials such as natural gas. In this regard, it should be noted that in December 2024, energy prices were still 50% higher than in January 2021, prior to the onset of inflation in recent years.

On the foreign demand side, however, Italian exports were certainly held back by weak economic growth in the Eurozone, the main outlet for Italian foreign trade, and particularly in Germany, with which Italy has important industrial subcontracting relationships. China's increased competitiveness in international markets and an ever-widening range of manufacturing products also certainly played a role in causing the slight decline in Italian exports in 2024. Finally, if one considers how electricity costs in Italy are now 38% higher than in Germany and 87% higher than in France, one can understand how the energy variable is a major concern for Italy's international competitiveness.

The resilience of consumption in 2024 was mainly due to the good performance of the domestic labour market. The unemployment rate dropped to an all-time low of 5.9% in November, then rose again the following month to 6.2%. However, for most of the year it remained on a downward trajectory and at historically low levels. The employment rate also performed well, growing substantially throughout the first half of the year, while the second half saw greater stability, albeit at historically high levels (62.3% in December). While further progress in employment rates can be expected in the future, given the still relatively modest participation of significant portions of the resident population in the labour force, it is less clear how much the unemployment rate can continue to fall, bearing in mind the sub-optimal condition of the Italian economy as a whole.

With regard to public finance, public debt is estimated to have risen to 135.8% of GDP in 2024, an increase resulting from a 3.8% deficit. The percentage weight of Italy's public debt thus remains high, but more encouraging signs have emerged during the year in relation to the deficit: according to the Government's latest Budget Policy Document, the latter should fall below the 3% threshold from 2026 onwards. The forward-

looking dynamics of government debt have allowed Italian government bonds to enjoy greater favour on international markets, particularly compared to French OATs, for which the market prices increased risk. The Btp-Bund spread fell from around 160 points at the beginning of the year to around 115 in December.

The continuation of this trend will depend on the ability of the Italian economy to grow at a sustained pace in the coming years. According to the latest IMF estimates, however, Italy's growth is expected to remain below 1% also in the two-year period 2025-26. If GDP growth projections were to be revised downwards, as has happened several times in 2024, estimates of the future trend in the deficit-to-GDP ratio may also need to be revised, with potentially serious consequences for the stability of national public finances.

On the stock market front, 2024 was a positive year for the two main Italian stock indices, the FTSE MIB and the FTSE Italia All Share, with the former growing by 12.6% and the latter by 12.0%. The strong performance was driven in particular by banking and financial stocks, while some large manufacturing companies, such as Stellantis, recorded sharp declines in their capitalisations. On the negative side, however, were the indices relating to small and medium-sized enterprises: the Star segment contracted again, falling by 5.4% in 2024; finally, the FTSE Italia Growth segment also contracted, falling by 4.8%.

CENTRAL BANKS

2024 marked the beginning of the normalisation of interest rates by several of the world's major central banks.

The first of these to reduce its policy rates was the ECB, with an initial cut in May 2024. Four cuts were made during the year, for a total reduction of 150 basis points: at the end of December, ECB rates stood at 3.25%; they were then lowered to 3% at the January meeting. Despite mounting concerns about growth within the Eurozone, the ECB made no commitment to a planned gradual rate cut, instead reaffirming that it would continue to decide from meeting to meeting based on the data. This approach was also due to concerns over possible new inflationary spikes: on the one hand, member States continued to show substantial differences in inflation rates throughout the year, with the German inflation rate above 2% for most of 2024, while the Italian rate has been below this threshold for more than a year; on the other hand, the continuing wars in Ukraine and the Middle East kept energy markets relatively volatile, fuelling fears of a return to inflation.

The Federal Reserve, on the other hand, adopted a more cautious approach. The US central bank has cut the Federal Funds Rate four times since September 2024, for a total reduction of 100 basis points. At the beginning of 2025, US policy rates stand at 4.25-4.50%. This higher level of US rates compared to European rates reflects, on the one hand, more dynamic economic activity in the US, and on the other hand, an inflation rate that remained above 3% throughout the first half of 2024 and that remained almost without exception above 2.5% in the second half as well. Several times during 2024, moreover, the Fed had to revise its own forecasts for rate cuts; most recently, in November, the election of Donald Trump changed the US central bank's projections: the expected inflationary effects of several of Trump's policies led the Fed to forecast higher rates for a longer period than previously anticipated. In future, this change could provide further justification for the ECB to slow or moderate its rate cuts in order to avoid excessive depreciation of the Euro against the US dollar.

The Bank of England was even more cautious than the Fed in cutting policy rates, making only three cuts during 2024. The overall reduction made during the year was only 50 basis points. The choice reflects, on the one hand, an inflation rate in services that is still above 4% and, on the other hand, the still significant year-on-year growth in wages: while during the summer months the rate of growth in wages had seemed to be on a downward trajectory, towards the end of the year the year-on-year change in wages returned to around 5%, a fact that probably contributed to the Bank of England adopting a more conservative stance.

In February 2025, the central bank lowered interest rates by 25 basis points to 4.50%. No specific commitments have been made regarding the direction of interest rates in the future. However, concerns about the stability of public finances and overall economic growth are likely to prompt the Bank of England to make further cuts in 2025.

In contrast, the Bank of Japan moved in the opposite direction, bringing its nominal interest rates back into positive territory for the first time since the beginning of 2016, with two hikes totalling 35 basis points. Rates were then raised again by 25 basis points in January 2025 to 0.5%. In the case of the Bank of Japan, wage growth rates are also a cause for concern, having risen significantly to 4.8% between November and December 2024. At the same time, prices also rose at a faster pace than in previous months (3.6% in December).

NATIONAL BANKING

Despite the fall in ECB rates since June, the Italian banking sector experienced a second consecutive year of strong profits in 2024. The continued relatively high interest rates and, more generally, the changed scenario compared to the long period of negative real interest rates following the Sovereign Debt Crisis, have in fact supported the contribution of net interest income to net banking income.

As regards funding and lending deposits returned to growth during the year, as the incentive provided by inflation to seek more profitable forms of savings allocation diminished. On the lending side, however, customer loans continued to decline throughout 2024, especially for businesses.

Funding

With regard to rates on funding, few movements are to be reported, with the exception of the bond component, which recorded significant changes in yields: in December, bond rates (outstanding amounts) rose by 11 basis points year-on-year to 2.84; rates on new bond issues, on the other hand, fell by 68 basis points year-on-year. The decline in repo rates was marked, with a year-on-year decrease in December of 141 basis points, from 0.63% to 2.04%. Minimal downward movements (less than 10 basis points) in deposit rates.

Total bank funding remained in year-on-year contraction throughout 2024, registering -2.56% in December. However, net of central counterparty deposits and those related to securitisation transactions, total deposits were already back on an upward trend in the first half of the year, rising by 1.9% year-on-year in December. Indeed, the deposit component rebounded, growing by 1.83% in December compared to the previous 12 months; this is the eighth consecutive month of year-on-year growth. The bond component also increased, albeit at a much more moderate pace than in 2023, with its growth rate declining throughout 2024 to reach 6.78% in December. Bank funding therefore seem to be gradually returning to a pattern similar to that seen

before the 2022-23 inflation, when deposits grew at a faster rate than bonds. On the other hand, the repo component contracted by 10.8% in December.

Lending

In December, all bank lending rates fell year-on-year, in line with the ECB's easing of monetary policy. The fall was moderate for household consumer credit rates, which stood at 8.44% in December, down 7 basis points over 12 months. New loans to businesses of less than EUR 1 million also saw a reduction of less than 100 basis points (-76 bp), with rates reaching 4.95% in December. A reduction of 131 basis points for new loans to households for house purchases (3.11% in December) and 105 basis points for loans to businesses (4.40% in December).

Despite these interest rate reductions, bank lending continued to contract throughout 2024, due to persistently tight conditions for credit access, particularly for businesses. In December, the 12-month change in bank loans to all counterparties resident in Italy (excluding MFIs) was -0.3%. The aggregate rate of change was dragged down in particular by the business component, for which bank credit has been contracting on an annual basis since February 2023; the latest available figure, for December, is -2.29%. The situation regarding loans to households was more positive, returning to growth over the 12 months to December, but by just 0.22%. Over the course of the year, a disconnect thus emerged between the dynamics of loans to businesses - still in sharp decline - and those of loans to households - apparently on the verge of returning to growth.

Finally, with regard to credit quality, the ratio of impaired loans to total loans granted to the economy remained low, only a few decimals below 3% in September 2024. However, there is still no evidence for the last three months of 2024, during which the Italian economy remained stagnant.

Refinancing with the Eurosystem

In December 2024, loans provided by the Bank of Italy to banks decreased (-5.8 billion) compared to the previous month to EUR 22.9 billion (149.8 billion 12 months earlier). The amount of funds borrowed through LTRO (Long Term Refinancing Operations) auctions decreased by EUR 10.0 billion to EUR 11.5 billion. At the same time, funds drawn through MRO (Main Refinancing Operations) show a growth of EUR 4.3 billion to EUR 11.4 billion. In December, the reduction in funds borrowed by banks also continued, falling by EUR 441 billion from its all-time peak. December saw another sharp increase in MROs, reaching a 92-month high, which is beginning to offset the steady decline in LTROs, which are at a 192-month low. The reduction in refinancing is proceeding without any liquidity problems for the banks, and it is likely that LTROs have now reached levels that are almost normal for the system.

This is part of a broader context of a reduction in the Eurosystem's balance sheet: total assets decreased by EUR 15.5 billion between the end of November and the most recent data for December, falling to EUR 6,357 billion. Compared to the absolute maximum in June 2022 (EUR 8,836 billion), total assets decreased by EUR 2,479 billion.

SIGNIFICANT EVENTS DURING THE PERIOD**Significant events during the period**

In the first months of the year 2024, a number of events took place that are likely to have specific relevance from a corporate governance and financial standpoint.

Share capital increases pursuant to Article 5 of the Articles of Association

During 2024, the Board of Directors implemented the following capital increase transactions in accordance with Article 5 of the Articles of Association:

- At the meeting of 29 January 2024, a resolution was passed to increase the share capital by EUR 1,535,951.90, with the creation of a share premium reserve of EUR 524,045.40;
- At the meeting of 22 February 2024, a resolution was passed to increase the share capital increase by EUR 5,334,829.25, with the creation of a share premium reserve of EUR 1,820,169.45;
- At the meeting of 27 March 2024, a resolution was passed to increase the share capital by EUR 6,749,323.36, with the creation of a share premium reserve of EUR 2,302,775.14;
- At the meeting of 23 May 2024, a resolution was passed to increase the share capital increase by EUR 1,122,885.65, with the creation of a share premium reserve of EUR 383,122.95.

As a result of the aforementioned extraordinary transactions, the Parent Company's share capital amounted to EUR 232,265,497.06 as at 31 December 2024, divided into 135,439,889 shares with no par value indicated (Article 5.1 of the Articles of Association).

Review of the Business Plan

In its meeting of 27 March 2024, the Parent Company's Board of Directors approved an update to the forecasts reflected in the Parent Company's 2023-2025 Strategic Guidelines (approved by the Parent Company's Board of Directors on 9 February 2023) not only to incorporate in detail the new Business Plans of the Banking Group's components (the "Subsidiaries"), but also to take into account the necessary updates to the Parent Company's planning data for the two-year period 2024-2025, reflecting an updated macro-economic scenario and related variables.

The revision of the Strategic Plan reflects the outcome of a growth and innovation process that the Group has undertaken in recent years and that has strengthened its profitability, consolidated its financial position, improved its overall risk profile, and transformed its commercial operations through increased adoption of digital channels.

The Plan incorporates the new macroeconomic outlook and evolutions in the regulatory environment and has been developed by leveraging the Group's distinctive strengths, in particular the significant growth in profitability and financial strength; the increasing digitisation of the service model, with increasing operations through digital channels, exceeding those in physical branches; and the integration of ESG aspects.

With regard to net interest income, the higher cost of funding will be partially offset by a “replacement effect” of new assets at higher rates than the maturing stock, volume dynamics and active Financial Statements management with increasing hedging on deposits. The results will also benefit from the growth of commission income, thanks to increased commercial effectiveness. The Plan also provides for the continuation of deleverage and derisking activities through the further strengthening of credit-granting strategies and workout capacity, the consolidation of default-prevention safeguards, and improved recovery performance, to which the state guarantees covering a significant portion of the exposures currently in the portfolio will contribute positively.

With reference to the Subsidiaries, it should be noted that certain factors have led the Parent Company’s Management and Governance to deem it advisable to initiate a process to identify and update the business model and consequent planning for the three-year period 2025-2028.

Transaction to enhance the business of subsidiaries in the Green sector

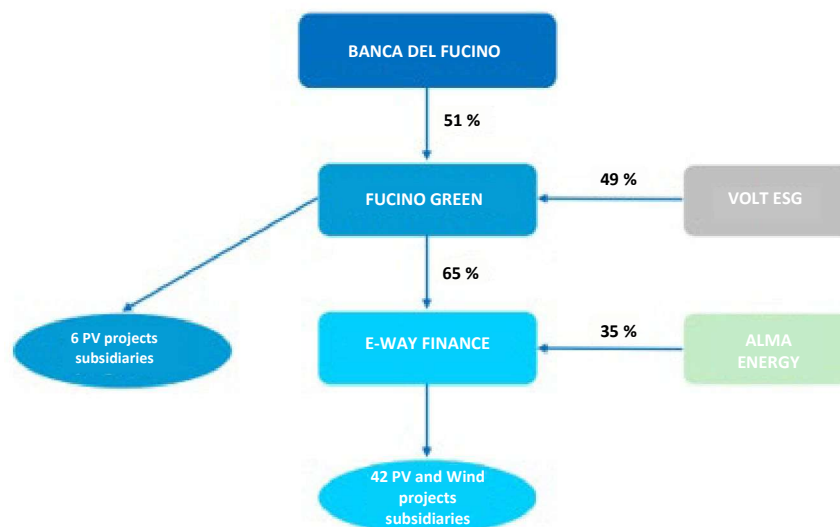
E-Way Finance, incorporated in 2020 on the initiative of Banca del Fucino and Alma Energia S.r.l. (hereafter, Alma Energia), has established itself as a specialised player in the development, valorisation and sale of projects in the renewable energy sector, with a focus on institutional and industrial investors. In line with its strategic objectives, E-Way Finance has developed multidisciplinary in-house expertise to design and structure investment proposals that are sustainable from a technical, economic, legal-administrative and reputational perspective, mainly aimed at investment funds and other institutional entities. Originally, the shareholding structure of E-Way Finance saw Banca del Fucino holding 24.5%, Alma Energia 45% and IRR S.R.l. 30.5%. On the other hand, Fucino Green, a subsidiary of the Bank specialising in renewable energy investments, was incorporated in 2021 to acquire a number of corporate vehicles holding photovoltaic asset licensing projects under development.

In December 2021, the Bank signed an investment agreement with Volt ESG S.r.l. (hereinafter, Volt ESG), a new strategic partner in the renewable energy sector, by contributing its stake in E-Way Finance (amounting to 27.5% of the capital at the time of the contribution) to Fucino Green and transferring 30% of the capital of Fucino Green to Volt ESG. Subsequently, in 2022, the Bank sold a further 19% stake in Fucino Green to Volt ESG. In turn, Fucino Green increased its stake in E-Way Finance by purchasing the remaining stake held by IRR S.r.l..

In December 2022, E-Way Finance entered into a co-development agreement with Valma ESG S.R.l. (hereafter, Valma ESG), a company 80% owned by Volt ESG and 20% owned by Alma Energia. Under the agreement, wind and photovoltaic projects totalling 204 MW, specifically identified, will be transferred to Valma ESG upon reaching Ready to Build (RTB) status, for a consideration of approximately EUR 50,000/MW.

In addition, the agreement stipulates that when Valma ESG has reached a margin of EUR 25 million, any margin in excess of this threshold shall be paid back to E-Way Finance.

As at 31 December 2023, following further transactions concluded during the year, the ownership structure of Fucino Green and E-Way Finance was as follows:



In substance, until the completion of the reverse merger transaction and subsequent partial demerger involving Fucino Green and E-Way Finance (hereinafter, the Unified Extraordinary Transaction or the Transaction), Banca del Fucino held a direct controlling interest in Fucino Green and an indirect interest in E-Way Finance, which, by virtue of specific agreements entered into between the shareholders, constituted joint control within the meaning of IFRS 11.

Following an initial period characterised by origination activities and the structuring of the project portfolio, with more than 3 GW under development and about 1 GW undergoing authorisation procedures, E-Way Finance has begun to bring the results of its operational strategy to fruition. In summary, prior to the Unified Extraordinary Transaction, the situation was as follows:

- E-Way Finance had 18 MW ready to build and more than 300 MW of projects that, having obtained positive opinions from the competent bodies, were at an advanced stage of discussion for the granting of final authorisations;
- Fucino Green held a portfolio of 48 MW, of which approximately 35 MW were under construction or already classified as ready to build (RTB), and 13 MW were under development. In addition, a strategic agreement had been concluded for the development of a further 140 MW on land made available by Bonifiche Ferraresi.

In view of the results achieved, the Bank, Alma Energia and Volt ESG recognised the need for a strategic realignment, aimed at redefining E-Way Finance's mission as an integrated Independent Power Producer (IPP). This transition will allow for direct management of the development, construction and ownership of the plants, limiting outsourcing to projects that exceed internal construction capacity. The common strategic goal is to maximise the value of E-Way Finance within the next three years by securing authorisations for more than 1

GW, a continuous expansion of the project portfolio, and the realisation of at least 300 MW of wind and photovoltaic plants.

This strategy is geared towards creating a solid base of recurring revenues and demonstrating delivery capacity, both in terms of development and installed capacity. With this in mind, in October 2024, the Bank entered into a new agreement with Alma Energia and Volt ESG, establishing the following priority actions (Steps):

1. implementation of a new corporate structure to align shareholders' interests, with the creation of specialised companies distinguishing themselves in their respective market segments and responding to investor needs. This reorganisation will be carried out through a Unified Extraordinary Transaction, comprising the reverse merger of Fucino Green into E-Way Finance, followed by the partial and proportional demerger of New E-Way Finance into four newly incorporated companies (Step 1);
2. termination of the co-development agreement with Valma ESG, aimed at the sale by 30 April 2025 of 100% of Valma ESG's quotas by Volt ESG and Alma Energia to New E-Way Finance (Step 2);
3. commencement of negotiations for the conclusion of agreements necessary for the construction of the Baselice wind power project (18 MW - Wind Power) (Step 3);
4. gradual creation of a new team dedicated to construction and operational management (Step 4);
5. incorporation of a vehicle dedicated to the development of storage projects, a synergistic activity with the origination capabilities of E-Way Finance and the experience gained by Volt ESG, especially in the United Kingdom (Step 5);
6. expansion of operations through the acquisition of RTB projects from third parties (Step 6);
7. commencement of negotiations for the establishment of partnerships with parties interested in minority interests (up to 49%) in the companies resulting from the demerger or in the SPVs that hold individual projects or portfolios (Step 7).

With reference to Step 1, the agreement provided for the completion of the Unified Extraordinary Transaction by 31 December 2024. As already stated, the Transaction provided for a reverse merger of Fucino Green into E-Way Finance and a simultaneous (but chronologically subsequent) partial and proportional demerger of E-Way Finance itself, in its post-merger configuration (New E-Way Finance), in favour of the following newly incorporated joint-stock companies:

- E-Way Wind (EWF-W): beneficiary of an advanced portfolio of wind power projects totalling 348 MW, intended for construction and operation under its ownership;
- E-Way Solar (EWF-S): the beneficiary of an advanced portfolio of photovoltaic projects amounting to 427.4 MW, which will be built and maintained under its ownership;
- E-Way Baselice 2.0 (EWF-B): beneficiary of the stake in the existing E-Way Baselice vehicle, which is responsible for the Baselice wind power project (18 MW), for which an investor who is interested in acquiring 49% of the shares has already been identified;

- HoldCo: beneficiary of all advanced projects not allocated to EWF-W and EWF-S, totalling 419.5 MW. Projects managed by HoldCo, once RTB status is achieved, can be sold on the market or transferred to EWF-W/EWF-S for implementation.

In implementation of the above, on 18 October 2024, the shareholders' meetings of E-Way Finance and Fucino Green, meeting in extraordinary session, approved, to the extent of their respective competences, the Unified Plan for the reverse merger of Fucino Green into E-Way Finance and the subsequent partial and proportional demerger of E-Way Finance.

On 23 December 2024, having verified that no creditors had raised objections within the terms established by law, the legal representatives of the companies involved executed the merger and demerger deed. The legal, accounting and tax effects of the Unified Extraordinary Transaction took effect from the date of the last of the registrations required by Articles 2504 and 2506-*quater* of the Italian Civil Code, i.e. from 24 December 2024.

In this renewed organisational set-up, New E-Way Finance, as the merging and demerged company, will continue to manage development activities, using most of its current resources and retaining ownership of projects in the preliminary stages (over 2 GW).

It will also position itself on the market as an independent consultant in the renewable energy sector, offering consultancy services and technical due diligence for purchase, sale and financing transactions. The company will also provide the necessary technical and administrative services to EWF-W, EWF-S, EWF-B and HoldCo under specific service contracts at market conditions. Following the Unified Extraordinary Transaction, Banca del Fucino, Alma Energia and Volt ESG hold, respectively, 34%, 33% and 33% of the capital of all the companies resulting from the transaction.

The new companies were recorded in the financial statements of Banca del Fucino at their fair value, equal to the exchange ratio valuation prepared by the expert during the merger and demerger and adjusted in the consolidated financial statements up to the residual fair value of the former E-Way Finance. In this regard, the Parent Company has engaged a leading advisor to assess the accounting treatment of the unified transaction carried out.

Communication of the funding plans for the two-year period 2024-2025

In January 2024, the Bank of Italy - Banking and Financial Supervision Department, Banking Supervision Service 2 - sent a communication concerning the funding plans of less significant banks for the two-year period 2024-2025 (hereinafter, the "Funding Plan 2024-2025").

The Parent Company defined the funding plans for the two-year period 2024-2025 and transmitted them to the Supervisory Board. Funding plans were defined taking into account the prior assessments carried out by the Parent Company's control structures and submitted to the Parent Company's Board of Directors and Board of Statutory Auditors.

At the date of this document, the new funding plan for the two-year period 2025-2026 is being prepared.

Start of the capitalisation process of Fucino Finance S.p.A.

The Board of Directors of the Parent Company in its meeting of 22 February 2024 and, subsequently, the Board of Directors of the subsidiary Fucino Finance S.p.A., in the Board meeting of 23 February 2024, resolved, in line with the Business Plan last approved in December 2023, to start the capitalisation process of the Intermediary for a total amount of EUR 15,000,000 with full subscription by the Parent Company.

On 6 March 2024, therefore, the Prior Notice was sent to the Bank of Italy in accordance with Bank of Italy Circular No. 288/2015 and subsequent updates provided for initiatives of this kind (the so-called “relevant transaction”).

On 19 April 2024, the Supervisory Authority gave notice of its favourable decision on the Company’s proposed capitalisation initiative.

Therefore, the Extraordinary Shareholders’ Meeting of Fucino Finance S.p.A., in its meeting of 11 June 2024, resolved to amend Article 5 of its Articles of Association, subject to full subscription by the Parent Company. As a result, the share capital of Fucino Finance S.p.A. is therefore equal to EUR 29,850,000, divided into a number of ordinary shares of equal value with a par value of one euro each.

Following the outcome of the shareholders’ meeting, the subsequent notifications were sent to the Supervisory Authority, again in accordance with the aforementioned regulatory provisions.

Update of the business plan of Fucino Finance S.p.A.

The Board of Directors of Fucino Finance, in its meeting of 29 July 2024, and that of Banca del Fucino S.p.a., in its meeting of 26 September 2024, updated the Company’s Business Plan (originally approved in December 2023) for the years 2024 - 2025.

Given the initial development drivers, the update was limited to the interest rate scenario, which appears to be more stable than at the time the original Plan was consolidated. The hypothetical scenario proved to be more favourable on average in terms of costs for Fucino Finance.

Reorganisation of the Igea Digital Bank operating model

The implementation of the Subsidiary’s new business plan called for an organisational review of the Bank in order to better understand the synergies to be generated within the Group.

To this end, in the course of 2024, the Group started activities to revise the operating model of the Igea Digital Bank, with a view to launching new products. To this end, the Parent Company coordinated the project for the evolution of the application infrastructure, operational processes and the reallocation of internal resources, the rationalisation of offices with a centralisation of resources at the Rome headquarters, and the entry of new professionals specialised in the Green world in line with the new business objectives.

In particular, it gave rise to:

- a consolidation of internal organisational controls on the credit division in order to take into account the specific operational and business characteristics and to enhance the skills and professionalism acquired;
- the centralisation of Organisation & IT supervision on the Parent Company.

For the Igea Digital Bank, the value proposition focuses on specific segments related to the world of energy transition and, in a broader sense, sustainability, leveraging the know-how accumulated in-house, particularly in the renewable energy sector.

Firstly, IDB's offer will be mainly aimed at supporting investments and strengthening SMEs engaged in the challenges of energy transition, with financing products mainly backed by public guarantees (MCC, SACE and ISMEA). The bank has already equipped itself with a new catalogue of highly specialised financing products, which were tested during 2024. The flagship product is the medium- to long-term financing of photovoltaic projects from 0.1 to 10MW (so-called "non-utility scale" plants), i.e. investments from EUR 200k to EUR 10M. This segment, where most of the authorisations are concentrated (thanks also to much faster administrative processes compared to so-called large scale or utility scale projects) and where the energy transition is in fact being played out, is today poorly covered by the traditional banking system. The large national and international banks certainly have significant expertise in the energy field, but this expertise is in fact concentrated in the project finance teams that are accessed with an average ticket of no less than EUR 25 million. Smaller transactions, on the other hand, are left to the network, which does not have the expertise to understand and structure them in the most efficient way, except by leveraging collateral and cash flows from other traditional activities.

Secondly, IDB's offer includes Advisor activities, designed with a view to building a one-stop-shop for SMEs in the energy transition sector and in particular in the segment of small and medium-sized renewable energy generation projects.

The most typical Advisory activities are:

- M&A mandates (buyside and sellside) for the sale of renewable energy projects or portfolios of plants already in operation;
- certification of financial plans for project submissions;
- debt advisory for large-scale projects (which do not fall under the Green Lending target).

The guidelines for the new business plan are currently being prepared and will be incorporated into the broader process of revising the Group's business plan.

Perpetual and irredeemable contribution on account of future capital increase of Igea Digital Bank S.p.A.

With a board resolution of 27 June 2024, Banca del Fucino S.p.A. proceeded, on 28 June last, pending the launch of the overall relaunch project of Igea Digital Bank S.p.A., to make a perpetual and irredeemable contribution on account of a future capital increase in favour of the Subsidiary amounting to EUR 5,000,000.00.

Opening of new branches

In line with the development path envisaged in the 2023-2025 Business Plan, during the 2024 financial year, the relevant procedures were initiated before the Supervisory Authority for the opening of four new branches. The initiative aims to strengthen the physical Network by establishing a presence in new high-potential territories and consolidating the Bank's presence in its traditional areas. As of 31 December 2024, two more branches were opened in Rome, a further branch in Palermo and, most recently, in Bologna.

Disposal of stake in REDD S.r.l.

At its meeting on 27 June 2024, the Bank's Board of Directors decided to dispose of its stake in REDD S.r.l. (originally acquired in 2021). In summary, in accordance with the relevant civil law regulations, the Bank's exit from the shareholding structure of the Investee Company was followed by the transfer of the "GEOREDD" business unit (the BUSINESS UNIT) to the Parent Company, an application that allows users to geolocate properties, identify them in the land registry, find out about the relevant urban planning regulations and, at the same time, consult the relevant documentation.

That said - without prejudice to the core projects of the REDD that will be pursued by the current governance and shareholders - the transfer of the above-mentioned Business Unit was advocated due to specific contextual opportunities, as the GEOREDD is well-suited to be used for:

- i) enhancing the ability to analyse and preliminarily select financing opportunities, with particular but not exclusive reference to the evaluation of real estate and renewable energy initiatives proposed by clients;
- ii) expanding the range of services offered to customers as part of the advisory activities historically provided by the Bank (and the Group) in the real estate and renewable energy sectors (taking into account prospective activities in the pipeline).

On 11 July 2024, the transaction for the disposal of Banca del Fucino S.p.A.'s stake in REDD S.r.l. was completed, with the simultaneous acquisition by Banca del Fucino of the business unit called "GEOREDD".

"Fucino Sme 2.0" Transaction

In the context of the Fucino SME 2.0 transaction, in May 2024, in order to strengthen the structural liquidity profile of Banca del Fucino, the Fucino SME 2024-1 transaction was finalised, which is an integration of the previous Fucino SME 2.0. Following the Bank's sale of a portfolio worth approximately EUR 306.6 million consisting of performing loans deriving from unsecured loans backed by MCC and SACE guarantees concluded with SMEs, the Transaction concerned the provision by JPMorgan Chase Bank of a new facility for an amount of EUR 230 million (hereinafter, also "**Senior Facility 2024**") - pursuant to Article 1(1)(b) of Italian Law no. 130/99 - which represented 73% of the Capital Structure and the issuance by the vehicle of a new Junior note (hereinafter, also "**Junior Note B2**"), including cash reserve, which represented the remaining 27%. It should be noted that the facility and the Junior Note disbursed and subscribed in the previous transaction (hereinafter also referred to as "**Senior Facility 2023**" and "**Junior Note B1**", respectively) have not been restructured. The facilities and notes disbursed/issued in 2023 and those disbursed/issued in 2024 are therefore to be understood as virtually separate and will be amortised following two different waterfall payments, both on a pro-rata basis.

In December 2024, with the same objective of the 2024-1 integration, a third portfolio worth approximately EUR 133.36m was sold by Banca del Fucino with performing loans resulting from unsecured loans backed by MCC and SACE guarantees concluded with SMEs as underlying assets. The Capital Structure was developed through a Top Up of the Senior Facility 2024 for an amount of EUR 100 million - pursuant to Article 1(1)(b) of Italian Law no. 130/99 - disbursed by JPMorgan representing approximately 73% of the Capital Structure, and an Up-Size of the Junior Note B2, maturing in November 2052, fully subscribed by Banca del Fucino

representing the remaining 27%. The Top Up and Up-Size were disbursed/issued on 12 December 2024 on an unrated and unlisted basis and held in dematerialised form at Monte Titoli. It should be noted that no changes have been made to the principal repayment structure of the Facility 2024, the Junior B2 Notes, the Facility 2023 and the Junior B1 Notes as a result of this integration.

Enhancing the merchant acquiring sector - Claudius Transaction

During 2023, the Parent Company deemed it appropriate to consider market opportunities in order to enhance the value of its so-called “merchant acquiring” division. After conducting the necessary investigations and assessing the context, in the second half of the year the Bank’s Board of Directors positively evaluated, most recently at its meeting of 22 September, the launch of a long-term partnership with the payment institute “WorldLine Merchant Service Italia S.p.A.”. (WorldLine Group - hereinafter, “WorldLine Italy” for short).

In October 2023, the so-called Sales and Purchase Agreement (“SPA”) setting out the key elements for the launch of the above-mentioned projects from a corporate perspective, to which was attached the outline of the Alliance Agreement, i.e., the agreement for the distribution of WorldLine’s merchant acquiring services with the Parent Company to be entered into upon the final closing of the corporate transaction itself.

The transfer of the business unit was completed on 29 December 2023 (effective date of the closing), in the context of which - in line with the provisions contained in the SPA - the Alliance Agreement was executed between the Parties.

The last-mentioned document relates to the exclusive promotion and placement agreement for merchant acquiring and ancillary services between Banca del Fucino (placement agent) and Worldline Italia, for a term of 5 years, which may be extended twice for a further 5 years each time at Worldline’s sole discretion.

In the context of the SPA, the purchase price - understood as the consideration that the Bank will receive for the Transaction described above - was set at EUR 25,000,000, paid at the closing of the Transaction (see above). This amount, consistent with the reference contractual structure, nine months after the closing was subject to an adjustment procedure based on the progress of the “migration” activities (completed in 2024) of the portfolio related to the transferred business unit. This adjustment led to the recognition of an additional EUR 2 million consideration to Banca del Fucino.

Project “Raisin”

As part of the initiatives aimed at expanding and diversifying the Banking Group’s sources of liquidity, during the 2023 financial year, functional activities were launched to access Raisin’s Retail Funding Platform.

The initiative enables the Bank to activate a new funding channel fed by the savings of current account holders located in Eurozone countries characterised by lower returns than the Italian market (initially in Germany). In particular, customers, after having opened a bank account with Raisin Bank, are enabled to open Time Deposits (with a duration of 3 to 24 months and a minimum denomination of EUR 10,000) with Banca del Fucino by operating directly on the Raisin Platform.

Vittoria IV securitisation

With reference to securitisation transactions on “third party” customers, it should be noted that on 29 February 2024, on one of these transactions, known as “Vittoria IV”, an event of default was recorded (non-payment of interest accrued on the Senior Notes held by the Bank for a contractually predefined time period). Following this event, commercial negotiations were undertaken with a view to divesting the Bank’s investment.. On 31 December 2024, a contract was signed for the sale of 100% of the senior class ABS notes held by the Bank denominated “*Series IV Up to Euro 70,000,000 Class A Asset Backed Floating Rate Partly Paid Notes due November 2030*”.

The transaction is part of the broader strategies of derisking on the Group’s “special” and impaired assets and, in particular, of deconsolidating by the year 2025 part of the Bank’s investments in securitisation notes with “healthcare receivables” as their underlying assets.

The Bank’s evaluations of the **purchase price** offered took into account the opportunity of divesting early from a transaction involving “special” assets with a longer duration - thereby realising RWA and collecting available liquidity for use and investment in line with the current business plan - but also taking into account the results of an independent legal due diligence commissioned in November 2024 on the assets underlying the securitisation, from which a number of additional elements emerged on the recovery prospects of the loans themselves (also in light of pending litigation) that foreshadowed an increase in the risk profile of the investment and generated greater uncertainty about the possibility of full recovery of the Bank’s exposure, thus justifying the discount to the nominal value of the notes. The choice of the purchasing party took into account the characteristics of the investor, already present in the securitisation and, consequently, fully aware of the nature of the transaction and the recovery prospects of the securitised loans.

Derisking activities and divestment scenarios

As part of the broader derisking strategy aimed at further improving the Banking Group’s asset quality, and taking into careful consideration the requests of the Supervisory Authority formalised in the Capital Decision transmitted on 15 January at the conclusion of the supervisory review and evaluation process (SREP), in 2024 a number of transactions were put in place to manage impaired portfolios.

On 13 December 2024, in order to support the subsidiary Igea Digital Bank in its strategic and operational repositioning as a bank oriented to the energy transition (“Green”) market, a transfer of impaired loans was carried out, which concerned a perimeter of positions for a total GBV of approximately EUR 27 million. The sale enabled the subsidiary to improve its credit indicators, albeit with a significant economic impact on impairments.

Following this transaction, a loan portfolio was identified in the Bank’s impaired exposures that could potentially be sold in 2025. For the purpose of calculating value adjustments, IFRS 9 requires that all information, available at the reporting date, on past events and current conditions, as well as forecasts of future economic conditions, be taken into account (i.e. “forward-looking”); in this respect, it is also possible to consider, within the context of the credit recovery scenarios, that relating to the sale of credit positions, without prejudice to the “Held To Collect” reference business model. Accordingly, in order to factor the

aforementioned “sales scenario” into the determination of the value adjustments as at 31 December 2024, an add-on component was determined, based on the market value with a view to non-recourse sale and the probability of such sale, in order to approximate the recoverable value of the exposures at market prices (“Add-On Sell”).

In summary, the process described above has led to:

- the identification of a perimeter of impaired loans to be evaluated in a sale scenario for a Gross Book Value of approximately 54% of the Group’s total Gross Book Value at the date, and a number of accounts equal to 2,630;
- the determination by a primary Advisor of a range of the Portfolio’s fair value; this valuation was carried out on the basis of methodologies developed by the most authoritative doctrine and used by best practice, which for simplicity can be aggregated into the following steps:
 - stock analysis;
 - definition of cluster analysis;
 - estimating cash flows using benchmark curves;
 - estimated fair value range (including management and legal costs component and WACC).
- the definition of a 90% probability of sale, defined primarily on the basis of the Group’s strategic objective;
- the determination of the amount of additional value adjustments, to be recognised in order to reflect a value as at 31 December 2024 resulting from the weighting of a 10% base (retention) scenario and a 90% sales scenario.

Purchase of a shareholding in Consorzi d’Italia S.p.A.

By resolution of the Board of Directors of 18 November 2024, the purchase of a shareholding (approx. 1.5% - 2%) in Consorzi d’Italia S.p.A. (“CAI”) was authorised.

The transaction is part of the group’s growth initiatives in the agricultural sector and in the areas in which the bank operates, with a particular focus on the Umbria region - growth that can be adequately supported by the investment in question and by the agreements that will consequently be concluded with CAI - as well as in the Emilia Romagna region, an area in which CAI’s activities are particularly widespread and, as is well known, an area in which the Bank and the Group have always had an interest in developing and expanding their business.

Auditing Company

With the approval of the financial statements as at 31 December 2023, the mandate of KPMG S.p.A. as independent auditor having expired, upon the reasoned proposal of the Board of Statutory Auditors in compliance with current regulations and at the outcome of the competitive procedure initiated pursuant to Italian Legislative Decree No. 39/2010 and the relevant European provisions, the Ordinary Shareholders’

Meeting resolved to appoint PricewaterhouseCoopers S.p.A. as the Bank's independent auditor for the nine-year period 2024/2032.

ECONOMIC RESULTS AND BALANCE SHEET AGGREGATES

Group Management Performance

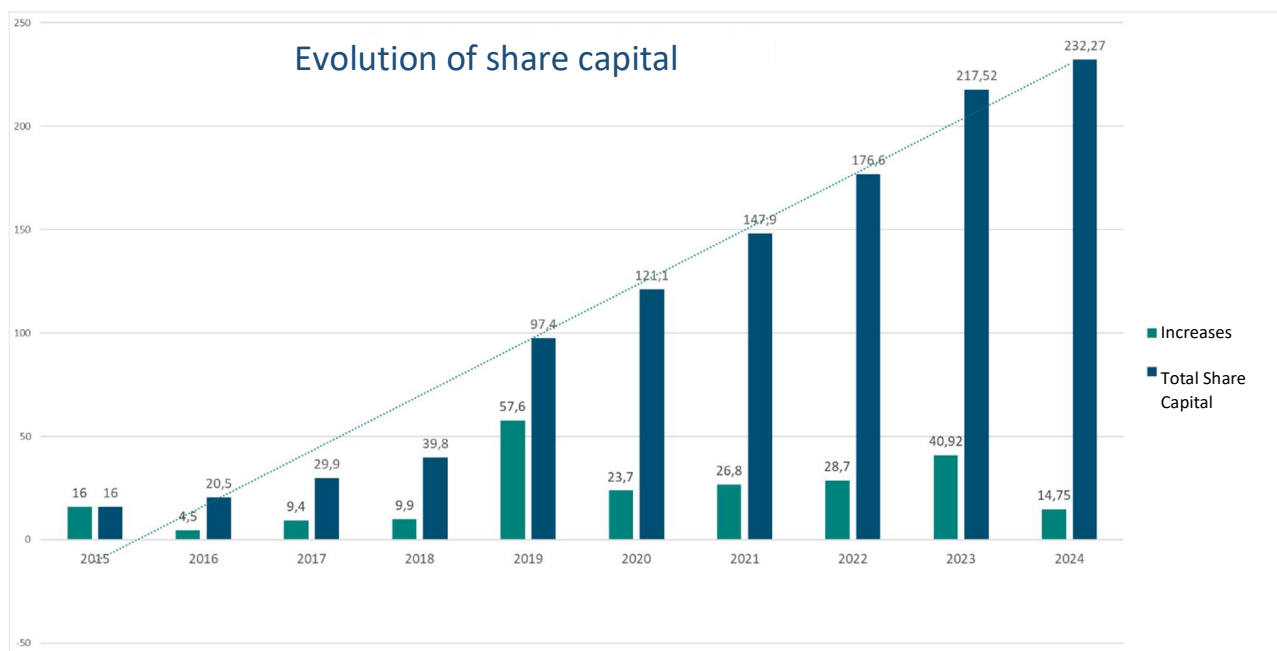
Methodological introduction

The consolidated balance sheet and profit and loss account are presented below in reclassified form, according to management criteria, in order to provide timely information on the Group's general performance based on economic and financial data that can be quickly and easily determined.

The following tables show, for comparative purposes, the financial data for the 2023 financial year and the corresponding differences compared to the 2024 financial year.

Management analysis

The 2024 financial year was characterised by a capital strengthening of Banca del Fucino, which increased its share capital to EUR 232.3 million. The past year saw the entry of new high-profile shareholders into the Parent Company's capital, completing the transition to a more stable and resilient shareholder structure, capable of ensuring that the Bank has adequate capital for its growth and balanced governance.



From a management perspective, the strong momentum generated by core business activities in 2024, which saw significant growth in key aggregates even compared to the previous year (which itself was already characterised by significant growth), was accompanied by a prudent provisioning policy.

More specifically, in the 2024 financial year, customers' deposits grew to EUR 3.9 billion (+11.61% compared to 31 December 2023), loans to customers increased to approximately EUR 2.6 billion (+13.22% compared to 31 December 2023), and total banking income exceeding EUR 7.7 billion, representing an increase of 16.55% compared to the previous financial year.

The above results are even more relevant when viewed from a longer-term perspective. It should be noted that as at 30 September 2018, the date on which negotiations for the merger with Igea Banca began, Banca del Fucino's direct deposit taking from customers amounted to EUR 821 million, while loans stood at EUR 979 million, 39% of which, or EUR 338 million, was represented by NPLs.

During the 2024 financial year, the extraordinary transaction concerning the "green segment" equity investments was particularly significant, which allowed the Parent Company to enhance the value of these assets.

As part of its mission to support the country's economy, it should also be noted that, in view of the measures provided for in the "Relaunch" Decree (Italian Decree-Law No. 34/2020) for the recovery of the construction sector, the Group has set up dedicated solutions not only for those who wish to assign their tax credits directly but also for companies that offer invoice discounts for the purchase of tax credits and their settlement, with predefined prices. The credit acquisition process is subject to detailed checks to demonstrate that the specific due diligence requirements have been effectively fulfilled. From the start of operations - carried out through the Investment Banking Division - until December 2024, the tax receivables already purchased or subscribed had totalled EUR 611 million. Net of decreases of EUR 79 million (attributable to offsets during the period, write-downs and fair value adjustments where applicable), tax receivables of EUR 532 million were recorded in the Financial Statements as at 31 December 2024 and included in item 130 Other assets of the Consolidated Balance Sheet. The group also brokered more than EUR 1,147 million with third-party assignees as at 31 December 2024.

The following is a breakdown of the Group's main profit and loss and balance sheet items as at 31 December 2024.

Key operating indicators

The key consolidated operating indicators are shown below:

ASSETS AND OPERATING VALUES	31/12/2024	31/12/2023
Direct deposit-taking	3,867,156	3,464,743
Indirect deposit-taking	1,223,745	838,114
<i>of which Asset Management</i>	419,978	408,020
<i>of which Assets under Administration</i>	803,767	430,094
Loans to customers	2,587,559	2,285,402
Shareholders' equity	291,954	268,488
CREDIT QUALITY INDICES	31/12/2024	31/12/2023
Net non-performing loans/Loans to customers	0.34 %	0.56 %
Net impaired loans/Loans to customers	5.02 %	5.62 %
Coverage of non-performing loans	78.47 %	60.39 %
Coverage of impaired loans	39.27 %	27.26 %
Gross NPL Ratio	7.94 %	7.52 %
BALANCE SHEET INDICES	31/12/2024	31/12/2023
Shareholders' equity/Loans to customers	11.28 %	11.75 %
Shareholders' equity/Direct Deposit-taking	7.55 %	7.75 %
Loans to customers/Total assets	49.07 %	45.70 %
Direct Deposit-taking/Total assets	73.33 %	69.28 %
EQUITY RATIOS	31/12/2024	31/12/2023
Total Capital Ratio	14.72 %	16.02 %
Tier 1 Ratio	13.55 %	14.46 %
CET 1	13.39 %	14.26 %
Leverage Ratio	4.61 %	4.39 %
LCR	152.82 %	177.16 %
NSFR	126.88 %	119.67 %
ROE	3.52 %	4.63 %
ROE on average SE	3.67 %	5.34 %
ECONOMIC VALUES	31/12/2024	31/12/2023
Primary Intermediation Margin	152,314	139,405
Intermediation margin from financial management	75,581	114,631
Cost/Income ³	77.16 %	72.32 %
Profit from current operations before tax	8,467	16,795
Profit (loss) for the year	10,276	12,441

³ Determined as the ratio between total Operating Costs and Intermediation Margin

Consolidated Economic Data

The reclassified consolidated profit and loss account

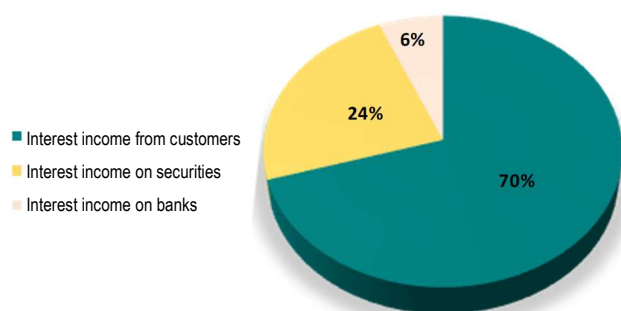
The financial data as at 31 December 2024 is shown below, aggregated and reclassified for ease of reading.

(in thousands of euros)	31/12/2024	31/12/2023	Absolute Change	% Change
Interest margin	87,319	85,564	1,756	2.05 %
Net commissions	26,146	24,905	1,241	4.98 %
Dividends	1,084	1,003	81	8.07 %
Net income from financial assets	37,764	27,933	9,831	35.19 %
Intermediation Margin	152,314	139,405	12,909	9.26 %
Net adjustments/write-backs	(76,733)	(24,774)	(51,959)	n/s
Financial management result	75,581	114,631	(39,051)	-34.07 %
Administrative expenses	(121,719)	(131,548)	9,829	-7.47 %
Net provisions for risks and charges	(3,502)	1,319	(4,820)	n/s
Other income (expenses)	18,468	38,788	(20,320)	-52.39 %
Value adjustments on tangible and intangible assets	(10,778)	(9,381)	(1,397)	14.89 %
Operating costs	(117,531)	(100,822)	(16,708)	16.57 %
Profits/losses from contractual amendments without derecognition	-	(2)	2	-96.33 %
Profit (Loss) from equity investments and investments	50,417	2,989	47,429	n/s
Current gross profit	8,467	16,795	(8,328)	-49.59 %
Income taxes	1,809	(3,463)	5,272	n/s
Net result	10,276	13,332	(3,056)	-22.92 %
Net profit attributable to the parent company	10,276	12,441	(2,165)	-17.40 %
Net profit attributable to non-controlling interests	-	(891)	891	-100.00 %

The interest margin

(in thousands of euros)	31/12/2024	31/12/2023	Absolute Change	% Change
Interest income from customers	151,134	126,966	24,169	19.04 %
Interest income on securities	50,274	41,994	8,280	19.72 %
Interest income on banks	13,521	11,107	2,414	21.73 %
Total Interest Income	214,930	180,067	34,862	19.36 %
Interest expenses from customers	92,876	58,537	34,339	58.66 %
Interest expense on securities	4,813	3,377	1,436	42.51 %
Interest expenses on banks	29,892	32,536	(2,643)	-8.12 %
Other interest expense	29	53	(24)	-45.76 %
Total Interest Expense	127,610	94,503	33,107	35.03 %
Interest Margin	87,319	85,564	1,756	2.05 %

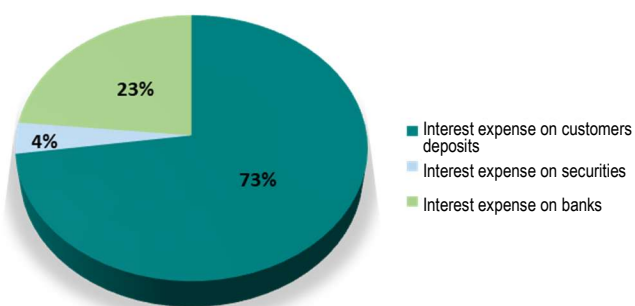
Interest income: breakdown



Interest income and similar revenues amounted to around EUR 214,930 thousand. Of the main interest items, EUR 151,134 thousand came from customers, EUR 13,521 thousand from banks and EUR 50,274 from securities owned.

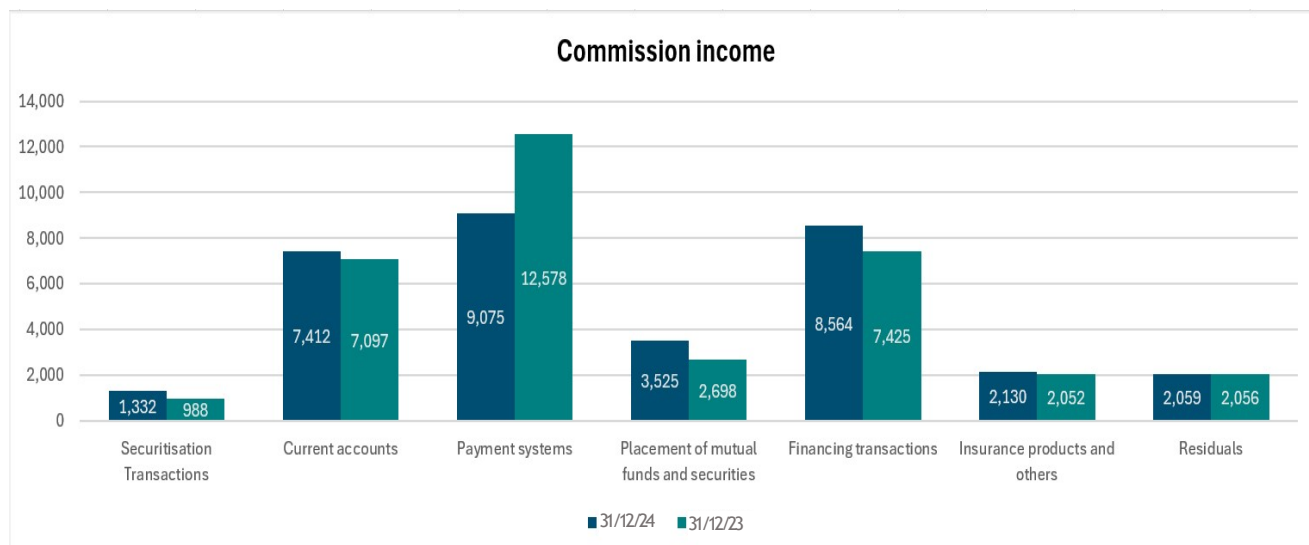
Interest expense and similar charges amounted to approximately EUR 127,610 thousand, of which EUR 92,876 thousand from customers, EUR 29,892 thousand from banks, and EUR 4,813 thousand on securities.

Interest expense: breakdown



As a result of the above, the **interest margin** amounted to over EUR 87,319 thousand.

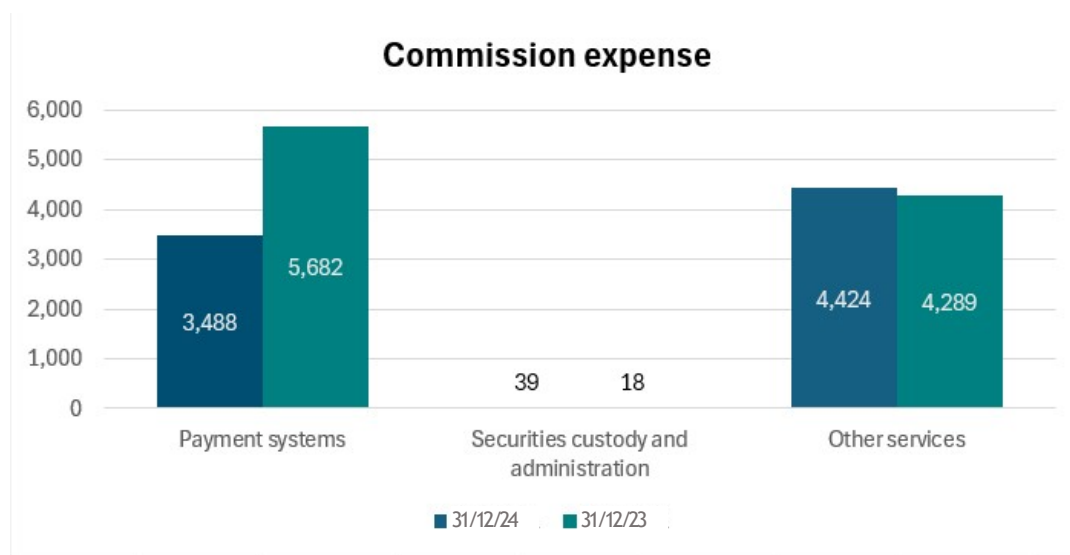
Net commissions



Total fee and commission income amounted to over EUR 34,097 thousand, of which EUR 1,332 thousand stemming from servicing and arranging activities for securitisation transactions carried out in previous financial years, EUR 7,412 thousand pertaining to current accounts, EUR 9,075 thousand pertaining to payment systems, EUR 3,525 thousand pertaining to the placement of mutual funds and securities, and EUR 2,130 relating to insurance products. The item “financing transactions” amounting to EUR 8,564 thousand includes EUR 6,251 thousand for the commission on the provision of funds. Other commissions income, amounting to EUR 2,059 thousand, mainly includes commissions on guarantees issued and other services.

Commission income	31/12/2024	31/12/2023	Absolute Change	% Change
Securitisation Transactions	1,332	988	344	34.83 %
Current accounts	7,412	7,097	314	4.43 %
Payment systems	9,075	12,578	(3,503)	-27.85 %
Placement of mutual funds and securities	3,525	2,698	827	30.64 %
Financing transactions	8,564	7,425	1,140	15.35 %
Insurance products and others	2,130	2,052	77	3.76 %
Residuals	2,059	2,056	3	0.16 %
Commission income	34,097	34,895	(798)	-2.29 %

Total commission expenses amounted to over EUR 7,951 thousand, of which EUR 3,488 thousand related to payment systems. This amount includes commission expenses paid for the granting of state guarantees within the framework of the “Covid” renegotiation transactions amounting to EUR 2,155 thousand.



Commission expense	31/12/2024	31/12/2023	Absolute Change	% Change
Payment systems	3,488	5,682	(2,194)	-38.61 %
Securities custody and administration	39	18	21	n/s
Other services	4,424	4,289	134	3.13 %
Commission expense	7,951	9,990	(2,039)	-20.41 %

As a result, **net commissions** amounted to over EUR 26,146 thousand.

(in thousands of euros)	31/12/2024	31/12/2023	Absolute Change	% Change
Commission income	34,097	34,895	(798)	-2.29 %
Commission expense	7,951	9,990	(2,039)	-20.41 %
Net commissions	26,146	24,905	1,241	4.98 %

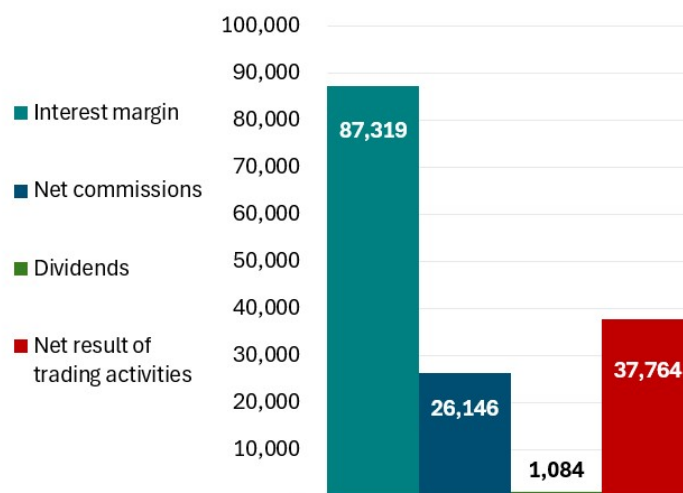
The result of financial management

The **intermediation margin** amounted to approximately EUR 152,314 thousand.

The **net result from financial assets**, amounting to approximately EUR 37,764 thousand, was positively impacted by approximately EUR 35,099 thousand by the positive result of financial assets measured at fair value with impact on the profit and loss account, which also includes the trading of tax receivables. It is also affected by the **gains on disposals**, amounting to approximately EUR 2,664 thousand, mainly related to the sale, during the year, of financial assets measured at fair value through other comprehensive income and also reflecting the impairment loss of the Keystone fund.

Dividends amounted to EUR 1,084 thousand.

Breakdown of Interest Margin



Net adjustments/reversals for credit risk and financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income were negative by approximately EUR 76,733 thousand.

This result reflects the derisking activities put in place during the financial year by the Group and the adjustments made on the basis of the safeguards put in place on impaired exposures, as described above. Therefore, it includes the aforementioned sale scenario of approximately EUR 25 million in provisions, determined as an estimated add-on component based on the market value in view of a non-recourse sale and the likelihood of such sale (“Add-On Sell”).

In addition, as a result of certain court cases involving a transferor of tax receivables with which the Bank operated, assessments were carried out in 2024 of the potential negative impact on the recoverability of certain receivables recorded as assets. On a tax receivables of approximately EUR 40 million, with the support of a primary Advisor, a value adjustment of approximately EUR 17.5 million was estimated.

Therefore, the **net result of financial management** amounts to approximately EUR 75,581 thousand.

Operating costs

(in thousands of euros)	31/12/2024	31/12/2023	Absolute Change	% Change
Administrative expenses	(121,719)	(131,548)	9,829	-7.47 %
- <i>personnel expenses</i>	(60,469)	(55,801)	(4,667)	8.36 %
- <i>other administrative expenses</i>	(61,250)	(75,747)	14,496	-19.14 %
Operating depreciation	(10,778)	(9,381)	(1,397)	14.89 %
Other net provisions (excluding credit risk adjustments)	(3,502)	1,319	(4,820)	n/s
- <i>of which on commitments and guarantees</i>	(72)	494	(566)	n/s
Other operating income/expenses	18,468	38,788	(20,320)	-52.39 %
Total operating costs	(117,531)	(100,822)	(16,708)	16.57 %

Administrative expenses amounted to about EUR 121,719 thousand, of which EUR 60,469 thousand related to personnel expenses and about EUR 61,250 thousand to other administrative expenses. With reference to “other administrative expenses”, the costs for activities related to the growth of the Group and for the management of tax receivables had a significant impact. The item is mainly affected by:

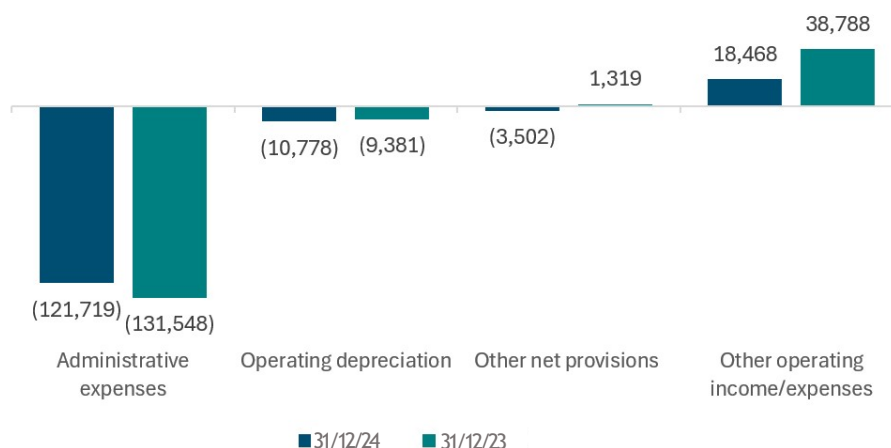
- expenses for new IT implementations in preparation for improving the efficiency of customer services;
- corporate, legal and tax consultancy costs incurred during the year for the implementation of new organisational supports systems, as well as for the development of new business channels. In particular, consultancy costs are concentrated on updating internal control system monitoring processes and on activities related to the management of tax receivables and new commercial and governance initiatives.

Total adjustments to property, plant and equipment and intangible assets amounted to approximately EUR 10,778 thousand, including amortisation relating to the rights of use acquired through leases, amounting to approximately EUR 5,322 thousand.

Total **other operating income and expenses** is positive for approximately EUR 18,468 thousand. This item is mainly impacted by revenues from customer expense recoveries and the balance of the sales price of the acquiring business unit to WLMSI in 2024, following the achievement of migration targets. This item also includes income from advisor activities. In detail, the item mainly comprises:

- Other income (EUR 23.5 million): EUR 12.9 million relating to recoveries of expenses from customers and insurance reimbursements, EUR 2.1 million for other net income from advisory and management of Ecobonus/Superbonus receivables, and EUR 7.6 million from the sale of the acquiring business unit to WLMSI and the TSA contract entered into with them;
- Other expenses (EUR 5.1 million): Approximately EUR 1 million relating to depreciation on incremental expenses on third-party assets, EUR 2.4 million relating to write-downs, and approximately EUR 1.7 million relating to other charges.

Operating costs



As a result, total operating costs amounted to EUR 117,531 thousand. Profits from equity investments refer to the profit arising from the exchange of equity investments following the reverse merger of Fucino Green into E-Way Finance and the subsequent partial demerger into the new four companies under significant influence E-Way Solar, E-Way Wind, HoldCo and E-Way Baselice 2.0 for a total of EUR 50,417 thousand.

Therefore, taking into account the profit/loss from equity investments, the profit before tax amounts to EUR 8,467 thousand.

Income taxes for the financial year increased the result for the financial year by EUR 1,809 thousand, and are mainly derived from:

- the recording of deferred tax assets recorded on the higher value adjustments on receivables classified under other assets;
- the recording of deferred taxes on the higher values recorded on “Green” equity investments;
- from the reversal of deferred tax assets previously recorded on the higher value adjustments on Loans to customers recorded on the first-time application of IFRS 9, in accordance with the cycle set out in the 2019 Budget Law (Italian Law No. 145 of 30 December 2018) and the 2020 Budget Law (Italian Law No. 160 of 27 December 2019).

The profit for the financial year thus amounts to approximately EUR 10,276 thousand.

Consolidated Balance Sheet Data

Reclassified consolidated balance sheet

(in thousands of euros)	31/12/2024	31/12/2023	Absolute Change	% Change
Cash and cash equivalents	25,360	28,752	(3,392)	-11.80 %
Loans measures at AC	3,020,520	2,995,280	25,239	0.84 %
- Loans to banks	432,961	709,879	(276,918)	-39.01 %
- Loans to customers	2,587,559	2,285,402	302,157	13.22 %
Other financial assets	1,328,220	1,262,800	65,420	5.18 %
- Measured at FV through profit or loss	37,887	45,044	(7,158)	-15.89 %
- Measured at fair value through other comprehensive income	645,731	332,062	313,668	94.46 %
- Measured at AC	644,602	885,693	(241,091)	-27.22 %
Equity investments	78,648	45,741	32,907	71.94 %
Tangible assets	109,736	116,964	(7,229)	-6.18 %
Intangible assets	3,667	3,944	(277)	-7.03 %
Tax assets	71,231	69,158	2,073	3.00 %
Assets held for sale	14,500	-	14,500	-
Other asset items	621,396	478,423	142,973	29.88 %
Total assets	5,273,277	5,001,063	272,214	5.44 %
Payables due to banks	944,693	1,085,486	(140,793)	-12.97 %
Lease payables	23,712	24,796	(1,085)	-4.37 %
Direct deposit-taking	3,867,157	3,464,743	402,413	11.61 %
- Payables due to customers	3,867,157	3,464,743	402,413	11.61 %
Financial liabilities held for trading	3,694	1,718	1,976	n/s
Hedging derivatives	83	123	(40)	-32.75 %
Provisions under liabilities	10,895	8,977	1,918	21.36 %
Tax liabilities	1,851	1,184	667	56.33 %
Other liabilities	129,237	145,546	(16,310)	-11.21 %
Total liabilities	4,981,321	4,732,574	248,747	5.26 %
Shareholders' equity	291,956	268,488	23,468	8.74 %
Total liabilities and shareholders' equity	5,273,277	5,001,063	272,214	5.44 %

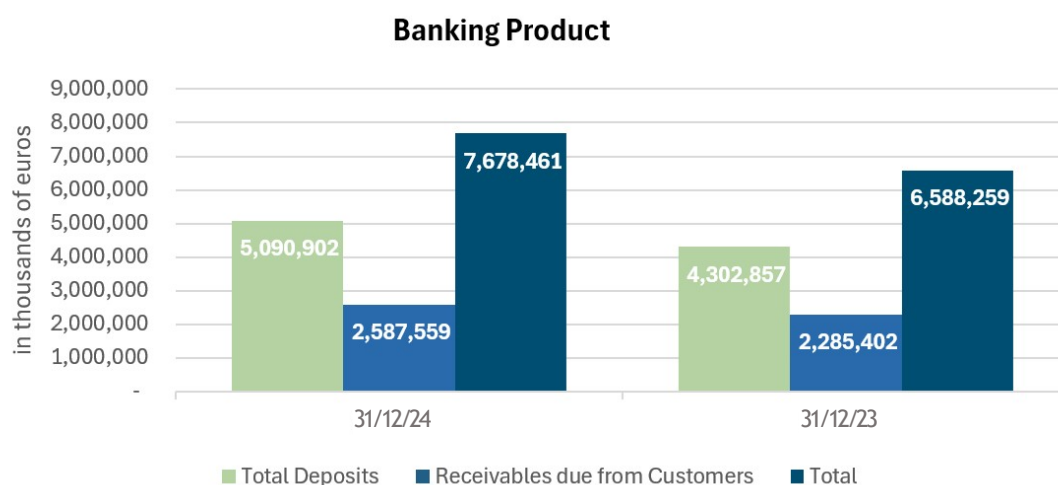
The following table shows the changes in the key balance sheet aggregates as at 31 December 2024.

The banking product

Banking Product (in thousands)	31/12/2024	31/12/2023	Absolute Change	% Change
Direct deposit-taking	3,867,157	3,464,743	402,413	11.61 %
Indirect deposit-taking	1,223,745	838,114	385,631	46.01 %
Total Deposits	5,090,902	4,302,857	788,045	18.31 %
Loans to customers	2,587,559	2,285,401	302,157	13.22 %
Banking Product (Customer)	7,678,461	6,588,258	1,090,202	16.55 %

The commercial development activities pursued led to further expansion in both total deposits and lending volumes, while maintaining a prudent approach to credit selection.

The banking product as at 31 December 2024 amounted to more than EUR 7,678,461 thousand.

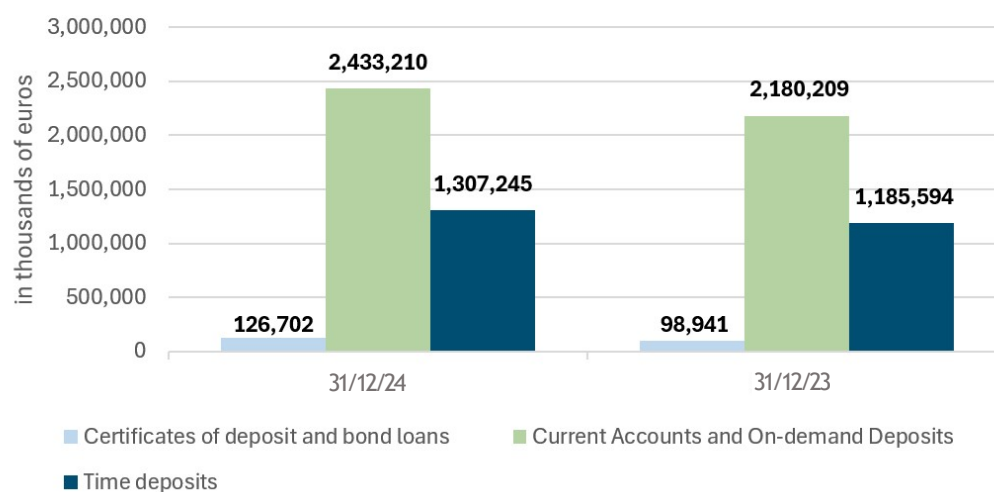


Total Deposits

(in thousands of euros)	31/12/2024	comp. %	31/12/2023	comp. %	Absolute Change	% Change
Certificates of deposit and bond loans	126,702	3.28 %	98,941	2.86 %	27,761	28.06 %
Current Accounts and On-demand Deposits	2,433,210	62.92 %	2,180,208	62.93 %	253,001	11.60 %
Time deposits	1,307,245	33.80 %	1,185,594	34.22 %	121,651	10.26 %
Direct deposit-taking from customers	3,867,157	100.00 %	3,464,743	100.00 %	402,413	11.61 %
Asset Management	419,978	34.32 %	408,020	48.68 %	11,958	2.93 %
Asset under Administration	803,767	65.68 %	430,094	51.32 %	373,674	86.88 %
Indirect deposit-taking	1,223,745	100.00 %	838,114	100.00 %	385,631	46.01 %
Total deposits	5,090,902		4,302,857		788,045	18.31 %

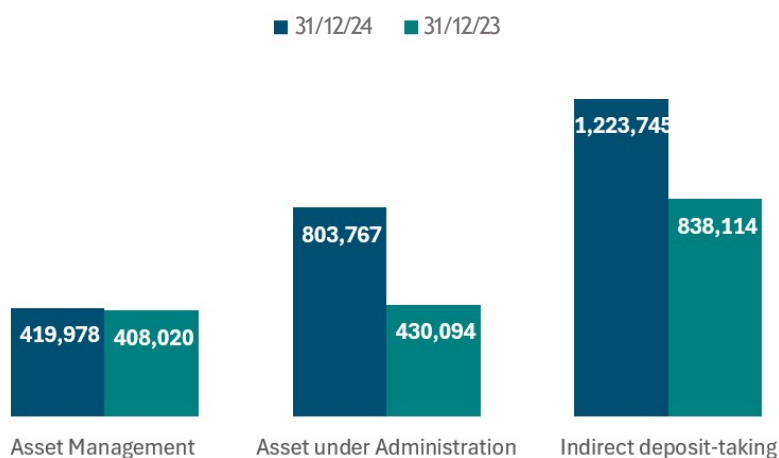
Direct deposit-taking as at 31 December 2024 amounted to over EUR 3,867,157 thousand and consisted mainly of current accounts and on-demand deposits, amounting to 62.92%.

Breakdown of Direct Deposit-taking



Indirect deposit-taking as at 31 December 2024 amounted to over EUR 1,223,745 thousand, with assets under administration accounting for 65.68% of the total. More specifically, assets under administration amounted to over EUR 803,767 thousand, while assets under administration totalled EUR 419,978 thousand.

Breakdown of Indirect Deposit-taking



Loans to customers

Loans to customers (in thousands of euros)	31/12/2024	comp. %	31/12/2023	comp. %	Absolute Change	% Change
Current accounts	333,304	12.88 %	274,624	12.02 %	58,680	21.37 %
Mortgages	1,727,690	66.77 %	1,611,242	70.50 %	116,448	7.23 %
Credit Cards and Personal Loans	247,055	9.55 %	134,127	5.87 %	112,929	84.20 %
Factoring	77,290	2.99 %	64,177	2.81 %	13,114	20.43 %
Other loans	202,218	7.82 %	201,232	8.81 %	987	0.49 %
Total loans to customers	2,587,559	100.00 %	2,285,402	100.00 %	302,157	13.22 %

Net loans to customers amounted to EUR 2,587,559 thousand as at 31 December 2024 and were mainly concentrated on mortgages, accounting for approximately 66.77%. The item other loans includes mainly advances granted for severance pay accrued to public employees.

Credit quality

(in thousands of euros)	31/12/2024				31/12/2023				Absolute	
Status	Gross exposure	Total adjustments	Net value	Coverage	Gross exposure	Total adjustments	Net value	Coverage	Assets	%
Non- performing loans	40,984	32,162	8,823	78.47 %	32,079	19,374	12,705	60.39 %	(3,882)	-30.56 %
Probable defaults	131,691	43,533	88,158	33.06 %	94,540	24,139	70,401	25.53 %	17,758	25.22 %
Past due exposures	41,147	8,275	32,872	20.11 %	50,097	4,663	45,434	9.31 %	(12,562)	-27.65 %
Impaired loans	213,823	83,970	129,853	39.27 %	176,715	48,176	128,540	27.26 %	38,612	42.94 %
Performing	2,478,625	20,918	2,457,707	0.84 %	2,173,435	16,574	2,156,862	0.76 %	300,845	13.95 %
Performing loans	2,478,625	20,918	2,457,707	0.84 %	2,173,435	16,574	2,156,862	0.76 %	300,845	13.95 %
TOTAL	2,692,448	104,889	2,587,559	3.90 %	2,350,151	64,749	2,285,402	2.76 %	302,158	13.22 %

Net impaired exposures (non-performing loans, defaulting and exposures past due) totalled EUR 129,853 thousand.

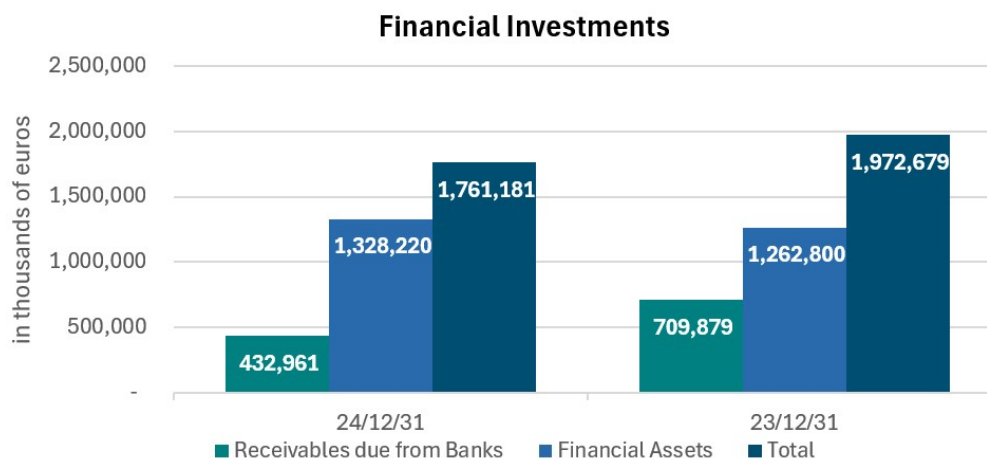
The total coverage of impaired loans is approximately 39.27% with a gross NPL ratio of 7.94%, compared to 7.52% in 2023.

Positions classified as probable default also include positions backed by state guarantees. Of these, the two largest have a gross countervalue of approximately EUR 30 million, and the procedure for the enforcement of the state guarantee was initiated in December 2023. It should be noted that net of the two positions mentioned above, the gross (management) NPL ratio stands at 6.93%.

The hedges and gross NPL ratio reflect the provisioning policy put in place in 2024 and incorporate the effects of the disposal scenarios applied on approximately 54% of the impaired portfolio.

Financial Investments and Net Financial Position

Financial Investments (in thousands of euros)	31/12/2024	31/12/2023	Absolute Change	% Change
Receivables due from Banks	432,961	709,878	(276,918)	-39.01 %
Financial Assets	1,328,220	1,262,800	65,420	5.18 %
Financial Investments	1,761,181	1,972,678	(211,498)	-10.72 %



Financial assets amounted to a total of EUR 1,328,220 thousand and consisted mainly of securities issued by governments, banks and financial companies.

Type of securities	31/12/2024	31/12/2023
Securities at amortised cost (HTC)	644,603	885,694
<i>Of which ABS securities</i>	144,962	185,983
<i>Of which government bonds</i>	462,185	653,474
Securities at fair value through profit or loss (FVTPL)	37,887	45,044
<i>Of which Policies</i>	3,667	3,614
<i>Of which ABS securities</i>	-	20
Securities at fair value through other comprehensive income (FVTOCI)	645,730	332,062
<i>Of which government bonds</i>	588,617	314,229
Total financial assets	1,328,220	1,262,800

Receivables due from Banks amounted to EUR 432,961 thousand, which, when compared with payables to banks resulted in a negative net financial position of EUR 511,732 thousand. Payables to central banks include payables for overnight auctions, while payables at maturity mainly include repurchase agreements with leading domestic and international counterparties, as well as the debt arising from the consolidation of the SME 2.0 vehicle to a primary banking counterparty for EUR 455 million.

(in thousands of euros)	31/12/2024	31/12/2023	Absolute Assets	Absolute %
Receivables due from central banks	316,711	589,012	(272,301)	-46.23 %
Receivables due from other banks	116,250	120,866	(4,617)	-3.82 %
- Current accounts and on-demand deposits	79,711	78,339	1,371	1.75 %
- Time deposits	36,539	42,527	(5,988)	-14.08 %
Total receivables (A)	432,961	709,878	(276,918)	-39.01 %
Payables to central banks	200,926	375,943	(175,017)	-46.55 %
Payables to other banks	743,767	709,543	34,224	4.82 %
- Current accounts and lifetime deposits	27,291	21,637	5,655	26.13 %
- Time deposits	716,476	687,886	28,590	4.16 %
- Lease payables	-	20	(20)	-100.00 %
Total payables (B)	944,693	1,085,486	(140,793)	-12.97 %
NET FINANCIAL POSITION (A-B)	(511,732)	(375,608)	(136,126)	36.24 %

Equity Investments

The value of the Group's equity investments as at 31 December 2024 amounted to EUR 78,648 thousand, reflecting the equity investments detailed below. The table below, for comparative purposes only, shows the equity investment previously held in REDD S.r.l., which was divested in July 2024 following the acquisition of the business unit called "GEOREDD". The new investments in the "Green segment" are also included, net of the deconsolidated company rete verde 20.

Company	31.12.2024	31.12.2023
REDD	-	786
E-WAY FINANCE	6,555	35,884
SEP	5,681	5,751
RETE VERDE 20	-	3,320
E-WAY WIND	23,919	-
E-WAY SOLAR	21,396	-
HOLDCO	19,121	-
E-WAY BASELICE 2.0	1,977	-
Total	78,648	45,741

The following is a summary of the main equity investments in Group companies, highlighting the most significant balance sheet, profit and loss and operating data as at 31 December 2024. With regard to the parent company Banca del Fucino, please refer to the separate financial statements in this report.

	Igea Digital Bak S.p.A.	Fucino Finance S.p.A.	E-Way Baselice S.p.A.	E-Way Solar S.p.A.	E-Way Wind S.p.A.	HoldCo S.p.A.	E-Way Finance S.p.A.	SEP S.p.A.
	31.12.24	31.12.24	31.12.24	31.12.24	31.12.24	31.12.24	31.12.24	31.12.24
Asset Items								
Cash and cash equivalents	6,968	1,787	-	151	-	1	65	-
Financial assets at fair value through profit or loss	3,327	-	-	-	-	-	-	-
Financial Assets at Amortised Cost	155,975	242,026	-	-	-	-	-	45
Tangible and intangible assets	1,911	78	1,156	18,439	4,256	5,081	10,859	25,077
Tax assets	11,062	113	211	881	223	68	23	2,961
Other assets	13,146	1,574	-	1,624	2,311	41	6,551	13,722
Total assets	192,389	245,578	1,367	21,095	6,790	5,191	17,498	41,805
Liabilities	31.12.24	31.12.24	31.12.24	31.12.24	31.12.24	31.12.24	31.12.24	31.12.24
Financial liabilities	170,688	218,362	-	7,484	2,591	4,447	-	-
Tax liabilities	5	8	-	3	-	2	562	-
Other liabilities	3,475	4,500	116	2,429	1,478	692	12,574	27,495
Staff severance pay	72	43	-	-	-	-	204	11
Provisions for risks and charges	10	23	-	-	-	-	-	-
Shareholders' equity	18,139	22,642	1,251	11,179	2,721	50	4,158	14,299
Total Liabilities	192,389	245,578	1,367	21,095	6,790	5,191	17,498	41,805
Profit and Loss Account Items	31.12.24	31.12.24	31.12.24	31.12.24	31.12.24	31.12.24	31.12.24	31.12.24
Interest margin	5,016	2,857	-	(94)	(91)	-	(733)	30
Net commissions	636	(354)	-	(1)	-	-	-	-
Gains (Losses) on disposal or repurchase	5	-	-	-	-	-	-	-
Net result of other financial assets and liabilities at fair value through profit or loss	(383)	-	-	-	-	-	-	-
Intermediation margin	5,274	2,503	-	(95)	(91)	-	(733)	30
Net value adjustments/write-backs	(3,787)	(266)	-	-	-	-	-	-
Financial management result	1,487	2,237	-	(95)	(91)	-	(733)	30
Operating expenses	(7,924)	(3,646)	(15)	(407)	(162)	(45)	(5,501)	(211)
Net provisions for risks and charges	(1)	131	-	-	-	-	-	-
Other income (expenses)	1,638	79	(1)	(8)	(4)	(5)	6,149	8
Gains (Losses) on disposal of investments	(3)	-	-	-	-	-	-	-
Current gross profit	(4,803)	(1,199)	(16)	(510)	(257)	(50)	(85)	(173)
Income taxes	(316)	-	-	-	-	-	(263)	-
Net result	(5,119)	(1,199)	(16)	(510)	(257)	(50)	(348)	(173)

	Igea Digital Bak S.p.A.	Fucino Finance S.p.A.
	31.12.24	31.12.24
CREDIT QUALITY INDICES		
Net non-performing loans/Loans to customers	0.36%	0.05%
Net impaired loans/Loans to customers	3.87%	0.14%
Coverage of non-performing loans	55.43%	74.06%
Impaired coverage	33.59%	48.45%
BALANCE SHEET INDICES	31.12.24	31.12.24
Shareholders' equity/Loans to customers	14.80%	9.36%
Shareholders' equity/Direct Deposit-taking	45.90%	-
Loans to customers/Total assets	63.69%	98.55%
Direct Deposit-taking / Total assets	20.54%	-
EQUITY RATIOS	31.12.24	31.12.24
Total Capital Ratio	24.41%	22.98%
Tier 1 Ratio	21.39%	22.98%
CET 1	21.39%	22.98%

Own funds and capital adequacy

As of 1 January 2014, the new harmonised rules for banks and investment firms contained in the EU Regulation (EU) No. 575/2013 (“CRR”) and EU Directive 2013/36/EU (“CRD IV”) of 26 June 2013, which transpose the standards defined by the Basel Committee on Banking Supervision (so-called Basel III framework) into the European Union, came into force. The Regulation and its technical standards are directly applicable in national legal systems and constitute the so-called Single Rulebook.

Total equity consists of Tier 1 capital (T1) and Tier 2 capital (T2); in turn, Tier 1 capital is the sum of Common Equity Tier 1 - (CET1) and additional Tier 1 (AT1).

The three aforementioned aggregates (CET1, AT1 and T2) are, therefore, determined by algebraically adding together the positive and negative elements they comprise, after taking into account the so-called “prudential filters”. The positive components counted in own funds are at the full disposal of the Bank, in order to be able to use them to meet the overall regulatory capital requirements on risks.

- ***Common Tier 1 capital (CET 1)***

Common Tier 1 capital, which represents the highest quality capital components, consists of the following elements: share capital, additional paid-in capital, retained earnings and capital reserves, valuation reserves, prudential filters, and deductions.

- ***Additional Tier 1 capital (AT 1)***

This aggregate includes perpetual bonds issued by the Parent Company that are similar to AT1 equity instruments.

- ***Tier 2 capital (T2)***

Subordinated liabilities whose contractual characteristics allow them to be classified in T2, including any related share premiums, constitute the capital elements of Tier 2 capital. Any own subordinated liabilities held also indirectly and/or synthetically and commitments to repurchase them, as well as T2 instruments, held also indirectly and/or synthetically, issued by other financial sector entities in which one holds or does not hold significant interests, are deducted from these items.

Pursuant to Article 26 of the CRR, interim or year-end profits before the shareholders’ meeting has taken a formal decision through the approval of the financial statements for the financial year may be accounted for provided that:

- the aforesaid profits have been approved by the Board of Directors and audited by the independent auditor of the Bank;
- all foreseeable charges and dividends have been deducted from those profits.

Therefore, the Group’s Own Funds are composed as detailed in the table below:

(in thousands of euros)	31/12/2024	31/12/2023
A. Common Equity Tier 1 (CET1) before application of prudential filters of which CET1 instruments subject to transitional arrangements	278,520 -	250,681 -
B. CET1 prudential filters (+/-)	(380)	(239)
C. CET1 before deductions and transitional effects (A +/- B)	278,140	250,441
D. Items to be deducted from CET1	(33,017)	(33,592)
E. Transitional Regime - Impact on CET1 (+/-)	4,200	4,260
F. Total Common Equity Tier 1 (CET1) (C - D +/- E)	249,323	221,109
G. Additional Tier 1 capital (AT1) before deductions and transitional effects of which AT1 instruments subject to transitional arrangements	3,140 -	3,140 -
H. Items to be deducted from AT1	-	-
I. Transitional Regime - Impact on AT1 (+/-)	-	-
L. Total Additional Tier 1 capital (AT1) (G - H +/- I) for leases	3,140	3,140
M. Tier 2 capital (Tier 2 -T2) before deductions and transitional effects of which T2 instruments subject to transitional arrangements	21,661 -	24,121 -
N. Items to be deducted from T2	-	-
O. Transitional Regime - Impact on T2 (+/-)	-	-
P. Total Tier 2 capital (Tier 2 -T2) (M - N +/- O)	21,661	24,121
Q. Total own funds (F + L + P)	274,124	248,370

It should be noted that the prudential minimum capital requirements for 2024 are as follows:

- Common Equity Tier 1 ratio: ("CET1 ratio") minimum: 4.5% + 2.5% Capital Conservation Buffer: ("CCB");
- minimum Tier 1 ratio: 6.0% + 2.5% CCB;
- minimum total capital ratio: 8% + 2.5% CCB.

As part of the supervisory review and evaluation process (SREP), on 9 January 2023 the Bank of Italy communicated (initiating the process) the new additional capital requirements for the Group - confirmed with the communication of 6 April 2023 - applicable starting from the consolidated supervisory reports referring to 30 June 2023, as reported below:

- Common tier 1 capital ratio (CET1) of 10.00%, comprising an Overall Capital Requirement (OCR) of 8.00%;
- Tier 1 ratio of 11.80%, comprising an Overall Capital Requirement (OCR) of 9.80%;
- Total Capital ratio of 14.20%, comprising an Overall Capital Requirement (OCR) of 12.20%.

The above capital ratios include the Target component (Pillar 2 Guidance - P2G) of 2.00%.

As at 31 December 2024, the capital ratios are as follows:

- Common Equity Tier 1 (CET1) Ratio of 13.39%;
- Tier 1 Capital Ratio of 13.55%;

- Total Capital Ratio of 14.72%.

As part of the supervisory review and evaluation process (SREP), on 4 November 2024 the Bank of Italy communicated (initiating the process) the new additional capital requirements for the Group - confirmed with the communication of 15 January 2025 - applicable starting from the consolidated supervisory reports referring to 31 March 2025, as shown below:

- Common tier 1 capital ratio (CET1) of 10.20%, comprising an Overall Capital Requirement (OCR) of 8.20%;
- Tier 1 ratio of 12.20%, comprising an Overall Capital Requirement (OCR) of 10.20%;
- Total Capital ratio of 14.70%, comprising an Overall Capital Requirement (OCR) of 12.70%.

The above capital ratios include the Target component (Pillar 2 Guidance - P2G) of 2.00%.

The Group is also required to comply with the capital buffer ratio for systemic risk; the ratio, set at 1% of risk-weighted exposures for credit and counterparty risk to residents in Italy, is to be built up gradually, with a buffer of 0.5 per cent of material exposures by 31 December 2024 and the remaining 0.5 per cent by 30 June 2025. Furthermore, as of 31 March 2025, the Group must adopt a capital ratio in the leverage metric at the consolidated level of 3% against the minimum regulatory requirements, in addition to a Target (Pillar 2 Guidance - P2G) component of 0.5%.

With regard to the individual Group Entities, the Supervisory Authority did not assign any specific additional requirements. Each Group entity, on an individual basis, is therefore required to comply with the minimum capital levels applicable to banking intermediaries and financial intermediaries, respectively.

The internal control system

The company's risks are managed within a specific organisational model that integrates methodologies and controls at various levels, all of which converge with the objectives of ensuring the efficiency and effectiveness of operational processes, safeguarding the integrity of company assets, protecting against losses, ensuring the reliability and integrity of information, and verifying that activities are carried out correctly in compliance with internal and external regulations.

The Internal Control System plays a central role in the company organisation:

- it represents a fundamental element of knowledge for corporate bodies in order to ensure full awareness of the situation and effective control of corporate risks and their interrelationships;
- it guides the changes in the company's strategic guidelines and policies and makes it possible to consistently adapt the organisational context;
- it oversees the functionality of management systems and compliance with Prudential Supervisory Provisions;
- it promotes the dissemination of a correct culture of risk, legality and corporate values.

In order to achieve this, the Internal Control System must in general:

- ensure the completeness, adequacy, functionality (in terms of efficiency and effectiveness), reliability of the risk management process and its consistency with the RAF;
- provide for widespread control activities at every operational segment and hierarchical level;
- ensure that any anomalies identified are promptly brought to the attention of appropriate levels of the company (to the corporate bodies, if significant) capable of promptly implementing the appropriate corrective measures;
- incorporate specific procedures to deal with the possible violation of operational limits.

In this context, the Igea Banca Group, as part of its process-based business risk analysis method, aims to clearly identify the control activities to be implemented, strengthened or maintained in order to ensure proper and efficient management of internal processes and activities. The underlying objective is to identify the controls deemed effectively necessary in a risk based approach, streamlining internal controls and directing auditing activities accordingly. For each identified risk, control techniques are identified which, if correctly applied, should minimise, or at least keep within acceptable limits, the effects produced by the occurrence of each risk.

The organisation of the Igea Banca Banking Group's internal control system is defined on the basis of the following principles:

- Widespread control responsibility at all levels of the organisation;
- Clear and unambiguous identification of tasks and responsibilities;

- Separation of Risk Control Functions;
- Comprehensiveness and traceability of controls;
- Proportionality of controls in relation to risk exposure;
- Adequate internal reporting.

These controls should be identified with the aim of mitigating the risks inherent in operational processes, both at branch and head office level, and consequently ensuring the proper conduct of business operations.

The overall system of operational process controls involves, in various roles, the body with strategic supervisory functions, the body with management functions, the body with control functions, the Governance Committees and all the Banking Group's personnel, constituting an integral part of day-to-day business.

With the issuing of the 40th update of the Circular 285/2013, the Bank of Italy transposed the guidelines formalised by the EBA in GL 2019/04 by requiring banks to equip themselves with a Level II Control Function (ICT & Security Risk Management) responsible for the management and supervision of ICT and security risks.

To this end, the ICT and Security Risk Control Function:

- contributes to the definition of the information security policy and is informed of any activity or event that materially affects the bank's risk profile, significant operational or security incidents, as well as any substantial changes to ICT systems and processes;
- is actively involved in projects for substantial changes to the information system and, in particular, in the risk control processes related to such projects.

Throughout the 2024 financial year, the Bank opted to outsource - with the appointment of a specific internal Contact Person for the outsourced function - the new ICT and Security Risk Control Function to a specialised company. Starting from January 2025, the Board of Directors, on the basis of the considerations contained in the "Report on Adaptation to the 40th update of Circular 285/13" (*Relazione sugli interventi di adeguamento al 40° aggiornamento della Circolare 285/13*) previously sent to the Bank of Italy on the possibility of maintaining this model or proceeding with a gradual internalisation of activities and related responsibilities, deemed it appropriate - with a resolution passed on 10 January 2025 - to proceed with the internalisation of the ICT & Security Risk Management Function, in line with the strengthening of internal specialist skills undertaken.

In view of the size and type of business carried out by the Group, the architecture of the Internal Control System today provides for:

- the maintenance within the Group of third-level (Internal Audit) and second-level (Risk Management, Compliance, ICT & Security Risk Management and Anti-Money Laundering) Control Functions;
- the centralisation of the 2nd and 3rd Level Control Functions on the Parent Company by resorting to intra-group outsourcing;
- the placement of the 2nd and 3rd level Control Functions under the direct authority of the Body with Strategic Supervisory functions;

- The appointment, within the Companies that, in the Parent Company's opinion, undertake risks considered significant for the Group as a whole, of specific Contact Persons who:
 - perform support tasks for the outsourced corporate control function on the Parent Company;
 - report to the Board of Directors of the subsidiary and report functionally to the Head of the respective Control Function of the Parent Company;
 - promptly report to the Head of the respective Control Function of the Parent Company any particular events or situations that may alter the risks generated by the subsidiary;
 - may be logistically located at the subsidiary or at the Parent Company;
- the establishment within the Parent Company of a Risk Committee with the function of supporting the Board of Directors in matters of Group risk management and control.

In order to ensure that the company's operations run smoothly, the internal control structure is therefore divided into the following three levels:

- line controls;
- risk management controls;
- internal audit activities.

According to the hetero-regulation regulations in force, "line controls" (so-called "first-level controls") are defined as controls aimed at ensuring the proper performance of operations.

First-level controls are carried out by the operational structures themselves (e.g. hierarchical, systematic and spot checks), also through units dedicated exclusively to control tasks reporting to the "Heads" of the operational structures or carried out as part of the back office; as far as possible, they are incorporated into IT procedures.

Operational structures are primarily responsible for the risk management process: in the course of day-to-day operations, these structures must identify, measure or assess, monitor, mitigate and report risks arising from ordinary business activities in accordance with the risk management process; they must ensure compliance with the established risk tolerance level and the procedures into which the risk management process is structured.

The purpose of line controls is:

- the clear accountability of the parties involved;
- a correct and complete identification of the necessary control measures to be adopted;
- the development and enhancement of a synergetic model of relations and functioning (both methodological and organisational) of the various control owners involved.

Line controls are governed by internal provisions (Regulations, Manuals, etc.) that identify specific tasks and responsibilities in this regard.

The controls on risk management and compliance (so-called "second-level controls"), are aimed at ensuring, *inter alia*, the proper implementation of the risk management process, compliance with the operational

limits assigned to the various Functions and the compliance of the company's operations with regulations, including self-regulatory ones.

The Functions in charge of these controls are distinct from the production functions; they contribute to the definition of risk governance policies and operational risk management processes.

The activity of internal auditing (so-called "third level control") is aimed at identifying anomalous trends, breaches of procedures and regulations, and periodically assessing the completeness, functionality, adequacy (in terms of efficiency and effectiveness) and reliability of the internal control system. The activity is also aimed at bringing possible improvements to the attention of corporate bodies, with particular reference to risk governance policies, operational risk management processes, and risk measurement and control tools.

The aforementioned levels of control (line, risk management and compliance, internal audit) constitute a single integrated system operated by different Functions, but complementary in terms of the objectives pursued, the characteristics of the system and the rules of operation.

Therefore, the link between the risk management and compliance control Functions and the internal audit Functions is important, as they have an integrated view of the entire business operations, grasping, with shared and complementary evaluation logics, the issues related to the correct control of business risks and to the effective and efficient functioning of the "operational machine", in relation to the evolution of the external and internal context.

With a view to integration and coordination within the Internal Control System, with the main purpose of defining and developing, according to risk-based approaches, risk assessment methodologies and tools as well as integrated reporting with reference to second and third level controls, shared methodologies and tools were developed among the Control Functions. Specifically, methodological guidelines were defined and implemented - with the support of a leading consultancy firm - in order to:

- carry out an Integrated Risk Assessment process, aimed at identifying and assessing the main risks to which the Group is or could be exposed, the manifestation of which could jeopardise the achievement of the defined strategic objectives;
- prepare the Integrated Dashboard, as a reporting tool containing the account of the activities carried out by the Control Functions and their outcomes;
- prepare the Integrated Master Plan, as a tool for monitoring and reporting on the status of resolution of critical issues detected in the control activities.

The Activities of the Legal and Corporate Affairs Department

During 2024, the Legal and Corporate Affairs Department provided full support to the Bank's corporate bodies and corporate structures (and other components of the Banking Group).

On a routine basis, the O.U.s set up within the Department, each within their respective spheres of competence, were responsible for the activities of:

- technical support to the main bodies in the examination of issues, mainly legal, of strategic importance related to regulatory affairs in the broadest sense;
- interface with the Supervisory Authority in the technical-operational dialogue with top management;
- support the Secretary of the Board of Directors of the two Group Banks in drafting the minutes of the Board meetings and, more generally, in organising the work of the Board, as well as coordinating the actions of other Bank Structures;
- technical assistance to all the corporate Structures by providing advice on the legal implications associated with the performance of their respective activities, with particular but not exclusive regard to the preparation and/or review of forms and contracts with customers, suppliers and partners of the Banking Group members;
- management of civil, criminal and administrative litigation, as well as mediation proceedings and legal disputes - with the exception of cases relating to the recovery of receivables due from third parties and labour disputes - concerning the members of the Banking Group, ensuring the defence of the interests of the members of the Banking Group;
- handling, with the support of the various corporate structures involved from time to time, the processing of the requests received from the Judicial Authorities and monitoring the activities carried out by the service provider for the management of foreclosures (ordinary and tax) at third parties where the components of the Banking Group benefiting from the service are third-party foreclosures.

The activities of the NPE Department

The NPE Department, in compliance with the provisions of the Internal Regulations and through the 2 Operational Units belonging to the Department (Non-Performing Loans Management O.U. and PD and UTP Management O.U.), ensured the protection of the Banking Group's interests through the following activities:

- handled the obligations related to the overall management of non-performing loans for credit recovery and litigation concerning the dispute over the receivable;
- has initiated, with the support of appointed external lawyers, legal proceedings and related procedures aimed at protecting and recovering the receivable as well as those to defend against litigation;
- handled of the formalities for the acquisition of collateral (judicial mortgages) to secure the receivable;
- managed non-performing loans (past due, forborne non-performing, and probable defaults), including through restructuring, repayment plans, out-of-court negotiations, and the restoration of impaired positions to performing status;
- handled, in collaboration with other relevant departments, the complex and laborious processes involved in the sale, securitisation, and transfer of impaired loans to third parties;
- collaborated, in concert with the other Functions concerned, in the processes related to the enforcement of the state guarantees protecting the positions concerned.

The Activities of the Performing Loans Department

During 2024, the Performing Loans Department was affected by several regulatory and procedural implementations aimed at ensuring the quality of credit analysis and management, improving its effectiveness and efficiency, as well as safeguarding guarantees with particular focus on “public guarantees”. In 2024, various bodies approved 7,113 positions for a total amount of approximately EUR 4,353 million in loans. The average resolution time, calculated from the date the Manager opened the proposal to the date it was closed with a resolution (positive or negative), was 15 calendar days on average, slightly higher than the previous figure for 2023 (14 days). In the course of the year, with the support of our Organisation O.U., an in-house dashboard was created to monitor internal reviews of revocable credit lines. The monitoring was activated in July and after adequate testing, it was extended to Area Managers for activities in their branches in January 2025. Over the observation period (21/07/2024 - 12/01/2025), overdue reviews decreased significantly, falling from 39.03% to 31.08% in terms of number of customers and from 36.18% to 31.64% by amount of credit lines. In the course of the current year, thanks also to the availability of the dashboard, which is updated daily, we have set ourselves the goal of reaching a 30% share on both clusters (customers and credit lines) in favour of the Network.

Credit Policies are set to undergo a significant change in 2025. New elements and the starting point for the definition of the Credit Policy Guidelines are:

1. Transition from quadrant approach to numerical approach - Indication of Geo-Sectoral Lending Thresholds (broken down by Region / Sector);
2. Extension of the reference sample - the sample to be analysed will be extended from Capital Companies to the entire Enterprise segment (Corporations, Cooperative Companies, Partnerships, Individual Firms);
3. Macro-sectoral review of the Model - with expansion from the current 21 macro-sectors;
4. Expansion of Determinant Drivers in the Identification of Strategic Directions - use of the following drivers for the identification of Thresholds:
 - Current level of Concentration of the specific macro-sector;
 - Geo-sectoral outlook (ERC forecasts);
 - Geo-sectoral NPE Ratio;
 - Geo-Sectoral ESG Factors Impact;
 - Geo-Sectoral Specific Targets.
5. Possible extension of the Model to other Group companies.

The activities of the Risk Management Function

During 2024, the Parent Company's Risk Management Function coordinated and regulated control activities at the Group level, carrying out, among other things:

- the preparation of the Banking Group's ICAAP/ILAAP 2024 Report and related templates 4;
- the updating of the Risk Appetite Framework documentation (RAF, RAS and Major Transactions (OMR) Policy) declined both at a consolidated level and at the level of individual banks belonging to the Group;
- the analysis and drafting of OMR opinions relating to major transactions carried out by the Group's Banks;
- the performance of periodic checks on first- and second-pillar risks (e.g. checks on liquidity indicators, compliance with capital ratios, RWA, monitoring activities on the credit portfolio, etc.);
- verifying the proper performance of performance monitoring on individual credit exposures, assessing the consistency of position classifications, the adequacy of provisions and the adequacy of the recovery process (in accordance with Bank of Italy Circular 285 - Supervisory Provisions for Banks);
- the participation of the working group with Cedacri and the other outsourced banks, in order to verify the results of the forward-looking PD calculation model developed in 2022, which uses Cerved's satellite model to determine expected losses in accordance with accounting standard IFRS 9;
- participation in the project activities included in the 2023-2025 three-year ESG Initiatives Plan, approved by the Parent Company's Board of Directors in March 2023 and shared with the Supervisory Authority;
- the definition of the process of Operational Risk Self-Assessment (OR-SA), aimed at the prospective identification and assessment of Operational Risk;
- support activities at the meetings of the Banking Group's Finance Committee and Products Committee, participation in the working group set up to prepare the strategic guidelines for the three-year period 2023-2025 of the parent company Banca del Fucino and the Banking Group, as well as in the newly-established Credit Quality Observatory;
- contributed to the conduct of the dual materiality analysis (Impact Analysis and Financial Materiality), in order to identify the material risks and opportunities that the Group is required to report on 31.12.2024 under the European CSRD Directive;
- participation in the working group set up to prepare the 2024-26 Business Plan of Igea Digital Bank.

Moreover, the Parent Company's Risk Management Function - in collaboration with the Budget Department - has provided for the periodic production of Public Disclosures, in compliance with the transparency disclosure requirements dictated by:

- the prudential supervisory provisions applicable to banks and collected in Bank of Italy Circular No. 285 of 17 December 2013;
- EU regulatory acts, in particular by EU Regulation No. 575/2013 (“CRR”) - Part Eight “Disclosure by Institutions” (Articles 431 - 455) and Part Ten, Title I, Chapter 3 “Transitional provisions for disclosure of own funds” (Article 492) - by Regulation (EU) No. 637/2021 and Directive 2013/36/EU (CRD IV), containing the guidance of the Basel Committee agreements (“Basel III”).

The Activities of the Compliance Function

Within the framework of the internal control system, the Compliance Function is entrusted with the tasks of analysing, measuring and monitoring the risk of non-compliance with regulations, understood as the risk of incurring judicial or administrative sanctions, significant financial losses or reputational damage as a result of breaches of mandatory rules (laws, regulations) or self-regulatory rules (e.g., by-laws, codes of conduct, self-regulatory codes). In relation to regulations characterised by particular technicalities (such as, for example, those relating to tax, financial statements, labour law and occupational safety), the Compliance Function is assigned “indirect” responsibility for the relevant safeguards - so-called “specialist” - reporting to the respective corporate structures. In accordance with the relevant regulatory provisions, the Compliance Function oversees, on the basis of a risk-based approach, the management of the risk of non-compliance with regard to business operations, verifying that internal procedures are adequate to prevent such risk.

The Compliance Function, established as an autonomous function systematically dedicated to compliance activities, is centralised at the Parent Company and is located within the Control Division; the relevant responsibility is assigned to the Head of the Control Division, who performs the function through the Compliance O.U. The Function is dedicated to the management of the risk of non-compliance with regulations for the three Companies of the Banking Group, in accordance with the provisions of the relevant Regulations, and reports directly to the Board of Directors and the Board of Statutory Auditors of the Companies themselves, as well as to the Group Risk Committee and the Supervisory Board, in compliance with the provisions of the “Group Information Flow Regulations”.

During 2024, the core activities falling within the competence of the Compliance Function continued, concerning - mainly - *ex-ante* control in the approval process of innovative projects and new products and services, advice to Corporate Bodies and Structures through the preparation of opinions and recommendations, as well as the ongoing monitoring of the regulations applicable to the Bank, with the consequent review of the Group’s procedural and contractual framework. In this latter respect, the Compliance Function carried out *ex ante* verification activities in relation to the updating and/or implementation of internal rules and regulations, in line with legislative and regulatory changes. The Function took part in the projects launched by the Group during the year due to changes in external reference regulations or on the basis of the Group’s business needs. In this context, for example, the Function was involved in the activities planned in the projects relating to (i) the changes made in the area of instant credit transfers, (ii) the adjustment to the new rules of the Benchmark Regulation and - among other interventions - the consequent introduction into the Italian Consolidated Law on Banking of Article

118-bis, (iii) the communication to the Bank of Italy system on the disallowance of unauthorised payment transactions, (iv) the definition of planned activities in the area of transparency, following the inspections carried out by the Authority in this area; (v) the Digital Operational Resilience Act (the so-called DORA); (vi) the sustainability statement (CSRD) reporting on the Group's ESG commitments and achievements. The Function also participated in the site meetings relating to the implementation phase of the Group's three-year ESG 2023-2025 Plan, approved on 29 March 2023 by the Parent Company's Board of Directors, that was drafted by taking into account supervisory expectations regarding climate and environmental risks.

In order to carry out the aforementioned advisory activities within its competence, the Compliance Function was called upon to participate - as is customary according to current internal procedures - in the meetings of the Group Products Committee, as well as the Finance Committee and the Management Committee, when items of interest were on the agenda; the Function also attended the periodic meetings of the "Observatory for the monitoring of usury risk controls", as well as the meetings of the "Outsourcing Technical Committee", at which the Function - together with the other Structures involved - is called upon to express a formal assessment of the outsourcing contract submitted to the Committee in accordance with the provisions of the Banking Group outsourcing policy.

The Function also carried out the *ex-post* control activities, on a sample basis, provided for in the Annual Plan, in order to verify the compliance of business operations with the internal procedures and processes in use within the Banking Group.

During the year, the Function collaborated in staff training activities, supporting staff in the definition of the compulsory training envisaged in the 2024 Training Plan, also contributing to the holding of some training courses in agreement with the relevant specialised structures (e.g. on remuneration policies and portability of payment services).

Lastly, the Function provided for the transmission of information flows to the corporate bodies and Functions concerned, in compliance with the relevant internal procedures, as well as to the Supervisory Authorities (Bank of Italy and Consob) when specific requests for data and information were received during 2024. Reference is made in particular to the activities carried out by the Function in relation to the remote and on-site inspection carried out by the Bank of Italy in the context of the Payment Account Directive (PAD) in the second quarter of 2024, the response to the requests made by the Bank of Italy to intermediaries on the subject of loans with a public guarantee, and the response sent to the same Authority in relation to the reconnaissance activity that had been launched by the regulator itself at the end of 2023 concerning the profiles of "protection in the field of the management of payment difficulties and the prevention of the risk of over-indebtedness, in order to acquire information on the procedures adopted by intermediaries to identify early and adequately manage relations with consumers with financial problems".

Finally, in compliance with the internal and external regulations governing the internal control system and the tasks assigned to the Compliance Function, the latter submitted to the corporate bodies - for subsequent transmission to the competent Supervisory Authorities - the annual report on the activities carried out and the activity schedule for the new year. The aforementioned report illustrates, in particular, the checks carried out, the results obtained, the weaknesses identified, and the related corrective measures adopted or to be adopted to remedy them, with reporting also on complaints received by Group companies.

The Activities of the Anti-Money Laundering Function

The Anti-Money Laundering Function (hereinafter also “the AML Function”, “the Function” or “the Anti-Money Laundering O.U.”, the “AML O.U.” or “the O.U.”) continuously verifies the adequacy of the process for managing money laundering and terrorist financing risks and the suitability of the internal control system by identifying the applicable rules on the prevention and combating of money laundering and terrorist financing, assessing their impact on internal processes and procedures and indicating the organisational and procedural solutions deemed most appropriate for managing and controlling the relevant risks.

The Function is located within the “Control Division” of the Parent Company Banca del Fucino, a Division - it should be recalled - established in June 2022 as part of the broader revision of the Banking Group’s Level II Control Functions. The Division in question now consists of five Organisational Units (“O.U.”), namely, in addition to the AML O.U., the Compliance O.U. the Credit and Investment Governance O.U. and the Risk Monitoring and Reporting O.U. (the latter two are branches of the Risk Management Function) and the ICT& Security RM O.U., recently established; each of the aforementioned O.U.s is led by a Head who, in turn, reports to the Head of the Control Division (who has been assigned the responsibilities provided for by the Supervisory Provisions in force for each of the Control Functions: the Head of the Control Division is therefore responsible for Risk Management, Compliance and Anti-Money Laundering). Until the implementation of the amendments, introduced in August 2023 to the Bank of Italy Measure on Organisation, Procedures and Internal Controls, the Head of the AML O.U. and the Head of the Control Division - the latter in his capacity as Company Head of Anti-Money Laundering - reported directly to the bodies with strategic supervision, management and control functions and the Group Risk & ALMS Committee. Following the publication of the aforementioned new legislation, the second paragraph of point 1.1. of the aforementioned Measure was reworded to provide that “the anti-money laundering function reports - directly or through the person responsible for anti-money laundering - to the bodies with strategic supervision, management and control functions and has access to all the recipient’s activities as well as to any information relevant to the performance of its duties. The recipients shall detail in the anti-money laundering policy the cases in which the anti-money laundering function reports to the corporate bodies directly or through the head of anti-money laundering and ensure that the function reports directly to the corporate bodies at least in the event of significant breaches and shortcomings”. The Parent Bank has opted for direct reporting of the Anti-Money Laundering Function to the Strategic Management and Supervision Function Body and to the Body with Control Function, detailing in its Policy the cases in which it is called upon to report directly or through the representative responsible for anti-money laundering. It should also be noted that in Part Two (“Organisational arrangements to safeguard against money laundering risks”) of the amended Measure, a new Section III-bis “Anti-Money Laundering Officer” has been inserted, which deals with the appointment, the requirements and conditions deemed necessary for the performance of this task, the details to be included in the policy as well as the description of the role and the tasks assigned to him/her.

With regard to the subsidiaries - i.e. Igea Digital Bank and Fucino Finance S.p.A. - the internal control system provides for the centralisation of the 2nd level control Functions on the Parent Company (placing them within the Control Division and assigning responsibility for the individual Functions to the Division Head) and the appointment, within each of the subsidiaries, of a specific Contact Person.

With specific reference to the tasks indicated at the beginning, in the reporting year the AML O.U. collaborated on updating the “Operational Manual for the Management of Public Guarantees”, a regulation enriched with specific provisions aimed, among other things, at strengthening internal control safeguards both in the phases of credit access and in the subsequent phases of monitoring the correct use of state subsidies. The latter is the subject of ex post controls on a sample basis, carried out on an annual basis by the Function (the results of which are reported to the Board of Directors of both Banca del Fucino and Igea Digital Bank).

As far as the implementation of internal processes and procedures is concerned, in the reporting year the Function continued its activities relating to the implementation of the G.I.An.O.S. diagnostic tool (in particular, with regard to the new functionalities with which it was implemented following the publication by the FIU of the Measure setting out the new anomaly indicators) as well as the new Faraday procedure (which, it should be noted, analyses transactions carried out by the Bank’s customers with the aid of artificial intelligence). Moreover, following the publication of the “Instructions of the Bank of Italy, COVIP, IVASS and MEF for the exercise of enhanced controls on the authorized intermediaries to counter the financing of companies producing antipersonnel mines, cluster munitions and submunitions”, of the new European Regulation on instant credit transfers and the “EBA Guidelines on information requirements in relation to transfers of funds and certain crypto-assets transfers under Regulation (EU) 2023/1113 (“Travel rule Guidelines”), the department took part in working groups organised by the Italian Banking Association and started discussions with the outsourcer Cedacri in order to be able to assess the appropriate adjustments to internal procedures in line with the new regulations. Finally, discussions continued with the outsourcer Cedacri in order to ensure ongoing work on the so-called “country lists” of the Institution to ensure the correct attribution of risk scores to customers who are residents or nationals of third countries considered to be at higher risk of money laundering according to the lists published by the European Union and the FATF, as well as to ensure the application of operational blocks for cases provided for by the regulations.

The O.U. also oversaw the periodic transmission of information flows to the corporate bodies in accordance with the timetable outlined in the self-regulation rules and, for each of the Institutions, the so-called “Annual Report” on the activities carried out in 2023, the results of the money laundering risk self-assessment exercise for 2023 and the semi-annual reporting of suspicious transaction reports.

In compliance with internal and external regulatory provisions, the O.U. oversaw the transmission to the Supervisory Authority of the periodic reports required by the reference legislation (including the surveys required by the FIU in recent years to monitor relations with Russian citizens).

In compliance with the principle of active cooperation, the O.U. acknowledged the requests for information received from the FIU on customer transactions as well as the requests forwarded by the MEF in relation to transactions potentially relevant under the Italian Anti-Money Laundering Decree. The U.O. also participated in the data collection activities requested of intermediaries by the Bank of Italy as part of the project for revising the methodologies for analysing the risk of money laundering and terrorist financing (so-called “AML Questionnaire”) and to the FIU’s “Survey on the quality of active cooperation of reporters”, as well as having overseen the transmission to the Italian Revenue Agency of the flows for the so-called “Tax Monitoring”.

The Function then carried out, in liaison with the Head of Suspicious Transaction Reporting, the checks on potential suspicious transactions to be sent to the FIU, with reference also to the appropriateness of the first-level assessments on customer operations. Again on the subject of suspicious transaction reporting, the Function analysed the communications transmitted by the FIU pursuant to Article 41(2) of Italian Legislative Decree No. 231/2007, relating to the “outcomes of non-significant suspicious transaction reports (no suspicious elements or low risk)”, promptly contacting the reporting Branches with a request to verify that no relevant information has been omitted. In addition, a check was carried out to verify compliance by the Branches with the instructions issued by the Company Delegate for the Reporting of Suspicious Transactions following the outcome of their assessment activities.

In the year under review, the O.U. then carried out its ordinary activities of support and advice to line structures, in particular through its involvement - in the cases provided for by internal regulations - in the authorisation process for establishing or maintaining relations with customers classified as “high risk”⁴. With reference to the enhanced verification process envisaged for relations with counterparties located in “high-risk” third countries, in addition to what has already been mentioned, monitoring of the updating of the lists published by the competent supranational bodies continued in order to ensure the timely updating of the applications in the manner described in the preceding paragraphs.

The O.U. also handled the verification of requests received from partner companies and related to shared customers as well as the transmission of specific information flows, where contractually established.

In addition, the O.U. continued to verify the relevant profiles in terms of reputation and potential money laundering risk, which, in accordance with internal regulations, the O.U. must carry out in advance on third parties to be contracted for the promotion and placement of the Bank’s products in compliance with the relevant regulatory provisions, on potential counterparties in securitisation transactions and initiatives presented by the Investment Banking Division, for counterparties of the so-called “Major Transactions”, as well as the initiatives presented by the Green Advisory Department.

The O.U. also participated in internal Committees, expressing its opinion in advance on potential money laundering risks related to the offering of new products and services.

In compliance with the provisions of the relevant internal policies, support activities to the Ethics Committee continued through the preparation of specific reports on any anti-money laundering profiles referring to potential shareholders of the Parent Company in relation to the capital increase transactions approved.

As part of the implementation of the anti-money laundering training plan, the O.U. collaborated with the Personnel Department, organising and participating in various sessions for staff according to their job description.

Finally, when preparing the Annual Report and Activity Plan for 2024, the O.U. carried out its periodic self-assessment of AML/CFT risks for the year 2023. As a result of the aforementioned self-assessment exercise, which was completed in April 2024, the overall residual risk was found to be “Low”.

The Activities of the Internal Audit Function

The Internal Audit activity represents the so-called third level of the Internal Control System. It is aimed, on the one hand, at monitoring, also by means of on-site checks, the regular progress of operations and the evolution of risks and, on the other hand, at assessing the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the organisational structure and the other components of the Internal Control System, bringing possible improvements to the attention of the corporate bodies.

In this context, it audits, inter alia, the Second Level Control Corporate Functions, assessing in particular the depth and accuracy of the audit plans, the quality of the reports produced by the Second Level Control Corporate Functions, the effectiveness of the corrective actions implemented after the audits and the possible detection of risk situations not identified by these functions. It also assesses the effectiveness of the RAF definition process, the internal consistency of the overall scheme and the compliance of the company's operations with the RAF and performs the annual review of the ICAAP/ILAAP process.

The Igea Banking Group's Internal Audit function is entrusted to the Internal Audit Function, which conducts assurance and consultancy activities aimed at improving the organisation's effectiveness and efficiency through:

- the evaluation of organisational and control systems, with regard to their establishment and operation profiles;
- the identification of risk factors, abnormal trends, violations of procedures and regulations, and the assessment of the adequacy of the overall internal control system;
- supporting the Corporate Bodies in defining the structure of internal controls, formulating proposals for improvements to the control, risk management and corporate governance processes.

The Internal Audit Function conducts its audits in accordance with the annual audit plan and on the basis of the principles set out in the Bank of Italy regulations.

Internal Audit carries out its activities, according to a risk based methodology, in the following areas:

- audits on corporate processes, aimed at verifying and assessing the adequacy and effectiveness of the system of controls governing the processes, procedures and organisational structures of Central Management in relation to corporate objectives, including the reliability and security of information systems and the business continuity plan;
- inspections of distribution networks, aimed at verifying the adequacy, functionality and compliance of the operational processes of the Bank's branches, including aspects of business conduct;
- remote control activities.

The Internal Audit Function also ensures the execution of specific actions that may be requested by Top Management, the Board of Statutory Auditors, the Supervisory Board pursuant to 231/01 and/or the Supervisory Authorities or arising from emerging risks related to new business development projects.

On a four-monthly basis, and promptly in the event of significant breaches, the Head of the Internal Audit Function submits to the corporate bodies a report on the activity performed, illustrating the checks carried out, the results obtained, the weaknesses detected, the mitigation actions shared with the structures and

the monitoring of the completion of the relevant action plans. Moreover, annually, in the final report on the activities carried out, the same Head reports on the completeness, adequacy, functionality and reliability of the internal control system.

In line with the model adopted by the Group, with regard to the audit activities relating to the subsidiaries Igea Digital Bank and Fucino Finance, contact persons were appointed to functionally report to the Head of Internal Audit of the Parent Company.

The audit plan adopted for the year 2024 covered, among others, the following main aspects:

- audit projects on the processes and activities carried out by the Group's central functions;
- on-site and remote verification interventions on the branch network;
- checks on the measures adopted with reference to the 231/2001 Organisational Model of the various Group companies;
- revision of the ICAAP/ILAAP Process;
- review of remuneration policies and practices;
- checks on outsourcing;
- assessments of the suitability, overall reliability and security of the information system;
- functioning of the internal system for reporting violations.

1. General Information

1.1 Criteria for drafting

BP-1

1.1.1. *General basis for preparation of the Sustainability Report*

This statement represents the Igea Banca Banking Group's Sustainability Report, prepared in accordance with Italian Legislative Decree no. 125 of 6 September 2024, which transposes the European Union's Corporate Sustainability Reporting Directive (CSRD). This document replaces what was previously provided for non-financial statements by Italian Legislative Decree No. no. 254 of 30 December 2016 and complies with the reporting standards developed by the European Financial Reporting Advisory Group (EFRAG). However, the Group will continue to closely follow the evolution of the updating process of the proposed amendment to the CSRD Directive, envisaged as part of the omnibus package, in order to assess possible changes regarding the scope of sustainability reporting requirements.

The Igea Banca Banking Group has adopted the implementation guides provided by EFRAG, including Implementation Guide 3: List of ESRS Data Points (IG-3), to ensure adequate translation of quantitative and qualitative disclosure requirements into relevant and measurable data. Quantitative elements are reported with the corresponding ESRS ID, ensuring transparency and traceability of information.

The Sustainability Report has been prepared on a consolidated basis and is therefore included in the Report on Operations, in accordance with Articles 2429 and 2435 of the Italian Civil Code and published together with the Consolidated Financial Statements. Reporting is annual and covers the time interval from 1 January 2024 to 31 December 2024. As this is the first year of application of the new regulations, there is no comparison with previous years. The Sustainability Report is also available on the website: <https://bancafucino.it/sito-istituzionale/investor-relations/documenti-societari>.

All data included in the Sustainability Report are subject to limited assurance, according to the SSAE criteria, in order to ensure the truthfulness and compliance of the information disclosed. The assurance is issued by the auditing company PricewaterhouseCoopers S.p.A. (PwC), which also carries out the statutory audit of the Igea Banca Banking Group.

This document also includes the section on the European Taxonomy for Sustainable Activities in accordance with EU Regulation 852/2020, which governs the classification of financial and industrial activities with a view to sustainable transition.

The Board of Directors of the Parent Company Banca del Fucino approved this Sustainability Report on 27 March 2025.

With reference to the scope of consolidation of the Sustainability Report, it should be noted that this coincides with that of the Consolidated Financial Statements of the Igea Banca Banking Group, represented by Banca del Fucino S.p.A, Igea Digital Bank S.p.A, and Fucino Finance S.p.A. The equity-accounted companies (E-Way Finance, E-Way Wind, E-Way Solar, E-Way Baselice 2.0, HoldCo) have been considered as

entities in the Group's value chain for the purposes of this disclosure, as they have significant ESG impacts, risks, and opportunities.

Conversely, Società Edilizia Pineto S.p.A., which is included in the scope of consolidation and valued with the equity method, does not have significant ESG impacts, risks, or opportunities.

This Sustainability Report covers the entire value chain of the Igea Banca Banking Group, including both upstream and downstream activities, with a specific focus on the most relevant sectors. In particular, the value chain represents the set of activities, resources and relationships that the Group relies on to create and deliver its products and services. It includes:

- The activities within the Banking Group;
- The dynamics along the supply, marketing and distribution chain;
- The financial, geographical, geopolitical and regulatory context in which the Group operates.

Specifically, the Group's internal activities represent all operational processes as a company independent of the business and include activities, resources and relationships that are part of its own operations such as human resources. It includes employees, partners, agents, real estate and hardware, as well as products and services offered by the Banking Group.

The upstream portion of the Igea Banca Group value chain, on the other hand, represents all operational processes relating to the supply chain. Upstream players provide the products or services used in the development of the Group's own products or services.

The downstream value chain represents all the Group's business processes and their supporting processes, including commercial relations. Downstream entities receive the products or services provided by the Group and consist mainly of private customers, companies, institutions, banks and finance companies.

In accordance with the provisions of section 7.7 of ESR5 1, concerning classified and sensitive information and information on intellectual property, know-how or results of innovation, it is hereby declared that the Group has not availed itself of the right to omit any information attributable to these areas.

Finally, the Group is also committed to ensuring timely and transparent disclosure to the market of upcoming developments and issues under negotiation that could affect the market or shareholders, including any financial news, material changes or other matters of strategic importance.

1.1.2. Disclosures in relation to specific circumstances

BP-2

The Igea Banca Banking Group, in line with ESRS standards, has structured its time horizons by distinguishing them into: short-term, corresponding to the annual consolidated financial statements in order to ensure consistency with the economic-financial data; medium-term, extending up to five years; and long-term, referring to periods longer than five years. This breakdown reflects the Group's business model and allows for an appropriate assessment of ESG impacts, risks and opportunities.

The Group uses measurement methodologies that are based on primary data directly from its own operations. Assessments of material impacts are conducted in accordance with ESRS requirements and take into account data available both internally and in the relevant market context. The analysis includes a detailed assessment of material risks and opportunities related to environmental, social and governance factors, identifying areas in which the Group is directly or indirectly involved.

The approach to ESG data management includes constant monitoring and regular updating of calculation methodologies, with a focus on transparency and consistency of reported data. This approach ensures alignment with the latest regulatory developments and industry best practices. Should a re-analysis of ESG data be necessary, this will be adequately documented in the official reporting.

As indicated by ESRS, sustainability reporting includes forward-looking information about events that may occur in the future and possible future actions by the Group. Forward-looking information is by its very nature subject to greater uncertainty in its measurement or evaluation than historical information.

Sources of estimation and outcome uncertainty

The Group made use of estimates with reference to the calculation of consumption and emissions, with particular reference to data from an office relating to the company Fucino Finance. For more details, please refer to the "Metrics and Targets" section of the "Climate Change" section.

It is also specified that the quantitative metrics and monetary amounts disclosed within this Sustainability Report are based on accurate data and are therefore not subject to a high level of measurement uncertainty.

Reporting errors in prior periods

As 2024 is the first year of application of the European Sustainability Reporting Standards (ESRS) in Sustainability Reporting, no comparative data were provided. Consequently, the provisions concerning the correction of errors and changes in the reporting of previous periods are not applicable. It should also be noted that all the information needed to meet ESRS requirements is included in the Report on Operations, with particular reference to the section on Sustainability Reporting. Therefore, there are no references to external documentation.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

The reporting of certain information was also conducted taking into account further internationally recognised regulations, standards and frameworks for sustainability reporting, including the EU Regulation

2020/852 on European Taxonomy, the UN Global Compact (UNGC) and the Greenhouse Gas Protocol (GHG Protocol).

Incorporation by reference

Disclosure Requirement	Description	Reference paragraph
GOV-1	Description of the members of the Board of Directors	Section “Corporate Bodies” of the Consolidated Financial Statements

Use of phase-in provisions in accordance with Appendix C of ESRS 1

The Group, not having exceeded the average number of 750 employees at the financial-year end, uses the “phase-in” for disclosures SBM-3_48 and; E1-6_11 paragraph 51 AR 46 (Scope 3); E1-9; and, in a partial manner, for the social disclosures of S1, S2, S3 and S4, postponing their full integration in subsequent financial years.

1.2 Governance

1.2.1. The role of the administrative, management and supervisory bodies

GOV-1

The Igea Banca Banking Group ensures sound and transparent governance through the active role of its administrative, management and supervisory bodies. These bodies oversee corporate strategy, risk management and the integration of ESG principles into the Group’s activities, ensuring compliance with regulations and the achievement of sustainability goals.

Governance of Banca del Fucino S.p.A.

Banca del Fucino S.p.A., the Parent Company of the Igea Banca Banking Group, falls within the category of “banks of minor dimension or operational complexity” and fully controls Igea Digital Bank S.p.A. and Fucino Finance S.p.A., the latter being registered in the single register pursuant to Article 106 of the Italian Consolidated Law on Banking (TUB).

Governance Structure

Banca del Fucino adopts a traditional management and control system, considered the most appropriate to ensure operational efficiency, proper management and effective supervision of internal risks. In this context, it should be noted that, within the governance of the Igea Banca Banking Group, there are no employee representatives within the corporate bodies.



Board of Directors

The Board of Directors (BoD) of the Bank consists of 12 members, of which:

- Executive members: 1 (Chief Executive Officer)
- Non-executive members: 11
- Independent directors: 5 (41.7%)
- Representation of the least represented gender: 4 members (33.3%)

The Ordinary Shareholders' Meeting of 6 May last, in compliance with the procedure set forth in Article 25 of the Articles of Association and taking into account the qualitative and quantitative composition deemed optimal *ex ante* as determined by the “outgoing” Board of Directors following the periodic self-assessment process conducted in compliance with the applicable industry regulations, in determining a composition of the Board of 12 (twelve) members, therefore appointed:

Members of the Board of Directors	
 Mauro Masi Chairman and Independent Director	 Francesco Maiolini Chief Executive Officer
Domenico Pimpinella Independent Director	Bernardino Lattarulo Director
Gabriella Corvino Director	Giulio Gallazzi Director
Susanna Levantesi Independent Director	Luca Bergamotto Director
Fabio Scaccia Director	Sonia Locantore Independent Director
Luigi Alio Director	Francesca Brunori Independent Director

All members of the Board of Directors have a high level of expertise and experience in the main areas of corporate governance, including economic and financial management, administration, corporate law, risk management and regulatory compliance. These skills, which are essential to ensure effective supervision of corporate strategies and risk profiles, are coupled with an in-depth knowledge of banking and finance industry dynamics and corporate management best practices.

Furthermore, in line with the evolution of the regulatory framework and the growing relevance of ESG (Environmental, Social & Governance) criteria in the definition of corporate strategies, the members of the Board of Directors have gained specific expertise in sustainability, environmental and social risk management, and the integration of ESG principles into corporate decisions. These skills have been further consolidated through training courses provided by the Igea Banca Group, with the aim of strengthening the Board's ability to effectively address and supervise the Bank's ESG policies and commitments.

Furthermore, it should be noted that at the outcome of the periodic self-assessment process of the Bank's Board of Directors - which served as the basis for determining the qualitative and quantitative composition of the Board deemed optimal *ex ante* - the opportunity has arisen to identify— in full compliance with applicable laws and the Articles of Association - a member to whom specific powers could be granted and who could be entrusted with the task of implementing the guidelines resolved upon by the Board in the exercise of his or her functions, in line with the previous Board.

Therefore, on 15 May 2024, the newly-elected Board of Directors of Banca del Fucino S.p.A. resolved to appoint Mr Francesco Maiolini as "Chief Executive Officer" (who already held this position in the three-year period 2021/2023), simultaneously granting him the relevant powers. At the same time, the Body entrusted

with the management and strategic supervision also appointed Domenico Pimpinella and Gabriella Covino as “Vice-Chairman”.

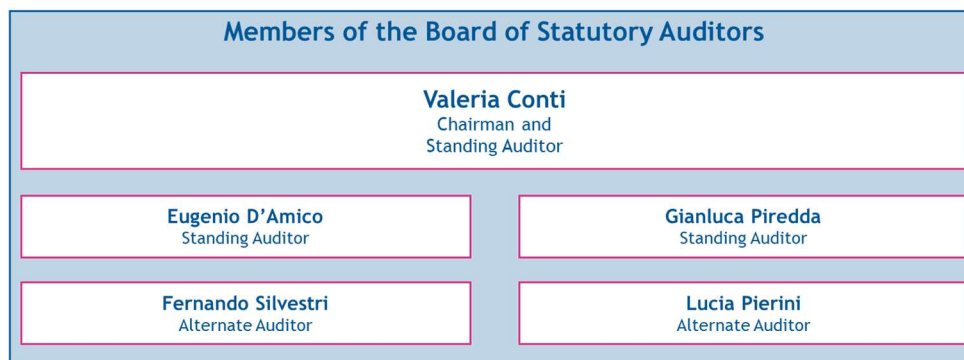
The Board of Directors exercises strategic supervision and management functions within the Bank and is responsible for guiding and monitoring the implementation of corporate objectives. Members are selected by means of slates submitted by shareholders, with criteria ensuring independence and gender diversity.

The Chairman of the Board of Directors is an independent member and has no management powers, while executive functions are assigned to the Chief Executive Officer.

Pursuant to Article 26 of the Articles of Association, the Board of Directors may delegate, within the limits set forth in Article 2381 of the Italian Civil Code and in the preceding article of the Articles of Association, part of its powers to the Chief Executive Officer appointed by the same Board, determining his/her powers. The Chief Executive Officer is responsible for implementing the resolutions of the Board of Directors.

Board of Statutory Auditors

With reference to the Control Body of Banca del Fucino S.p.A., for the three-year period 2024-2026, the Board of Statutory Auditors was appointed by the Ordinary Shareholders' Meeting of 6 May 2024 and is composed of 5 members, of which 3 are standing auditors and 2 are alternate auditors. Women account for 40% of the total. The current composition is shown below:



The Board of Statutory Auditors plays a crucial role in overseeing the integrity and transparency of the company's management, ensuring the adequacy of the internal control systems and compliance with the applicable regulations. To effectively fulfil these responsibilities, its members have strong backgrounds in auditing, corporate law, banking and financial regulations, risk management, and regulatory compliance.

In recent years, changes in the regulatory framework and growing attention to ESG (Environmental, Social & Governance) factors have made it essential to broaden the competences of the Board of Statutory Auditors, which has increasingly expanded its knowledge in environmental and social risk assessment, non-financial reporting, and the integration of ESG criteria into control and governance processes. Through training programmes promoted by the Igea Banca Group, the Board has strengthened its expertise in ESG matters, as well as its ability to monitor the application of sustainability principles, contributing to a corporate management that is increasingly aligned with the standards of accountability and transparency required by the market and regulations.

At the meetings of the Board of Directors on 4 June 2024 and of the Board of Statutory Auditors on 29 May 2024, an assessment was carried out to verify that the newly appointed members of the corporate bodies met the eligibility requirements set out in Italian Ministerial Decree No. 169/2020, in accordance with the new supervisory provisions set forth in Bank of Italy Measure of 4 May 2021 and in line with the self-regulatory legislation that transposed the "Guidelines on the Assessment of the Requirements and Criteria of Suitability for Corporate Officers of LSI (less significant institutions) banks financial intermediaries, credit consortia, IMELs, IPs, trust companies and depositor guarantee schemes" published on 13 November 2023 by the Bank of Italy.

On 18 June 2024, the relevant minutes and related documentation were forwarded to the Supervisory Authority for the relevant investigation.

On 11 October 2024, the Supervisory Authority notified its positive decision at the outcome of the competent investigation pursuant to the above-mentioned regulations.

Group Risk Committee and ESG Committee

The Bank has assigned the responsibilities of the ESG Committee to the Risk Committee, which oversees and steers the strategic sustainability plan, in line with regulations and corporate objectives. The main functions include:

- Monitoring the integration of climate and environmental risks into business strategies;
- Defining ESG policies and overseeing progress on material impacts, risks and opportunities;
- Ongoing training on ESG topics for the Group's management and executives.

Supervision of Impacts and Risks

The Board of Directors and the control bodies are responsible for ensuring that ESG risks and opportunities are integrated into decision-making and strategic processes. The main lines of responsibility include:

- Definition of ESG governance and environmental risk mitigation strategies;
- Monitoring the effectiveness of ESG initiatives through the Risk Committee;
- Coordination with the compliance function to ensure adequate regulatory oversight.

The Role of the Administrative, Management and Supervisory Bodies in Corporate Conduct

The Board of Directors and the Board of Statutory Auditors conduct an annual self-assessment activity, in accordance with Circular No. 285 (Title IV, Chapter 1, Section V), with the aim of:

- Verifying the correct and effective functioning of the bodies and the adequacy of their composition;
- Ensuring compliance with the supervisory provisions on corporate governance and their intended purposes;
- Encouraging the updating of internal regulations to ensure that the bodies are always adapted to the needs arising from the evolution of activities and the operating environment;
- Identifying the main weaknesses, stimulating board discussion on these aspects and define the necessary corrective actions;
- Strengthening the relationships of cooperation and trust between the members of the bodies;
- Encouraging the active participation of individual members, ensuring that everyone is fully aware of their role and responsibilities.

Self-assessment is carried out through interviews and/or the use of an anonymous, structured questionnaire administered to the Board members. The questionnaire, drawn up in a standardised format, contains questions on the composition and functioning of the bodies, thus making it possible to examine the suitability of the body as a whole and to assess the performance and characteristics of the individual members.

Responsibilities of Administrative, Management and Supervisory Bodies on Corporate Conduct

Administrative, management and supervisory bodies have specific responsibilities in the area of corporate conduct, reinforced by:

- Periodic self-assessment activities, ensuring constant monitoring of the adequacy of governance;
- Supervision of compliance with applicable regulations through continuous updating and adaptation to regulatory requirements;
- Capacity to analyse and manage business risks, with a focus on issues of compliance and ethical conduct;
- Governance monitoring and assessment tools, such as structured questionnaires to analyse the competence and effectiveness of the work of the members of the Board of Directors and the Board of Statutory Auditors;
- Promotion of an ethical corporate culture, through collaboration with internal control functions and the dissemination of best practices within the organisation.

Annual self-assessment and training activities ensure that members of the administrative, management and supervisory bodies are adequately prepared to address corporate governance challenges, ensuring continuous alignment between the Bank's strategy, compliance, and ethical values.

In defining and overseeing the strategic direction of the Igea Banca Group, the Group's Administration, Management and Supervisory Bodies promote a corporate culture based on the principles of ethics and sustainability, ensuring that corporate strategies and objectives are fully aligned with the ESG values and commitments adopted by the Group. In this context, the members of the Board of Directors and the Board of Statutory Auditors have the necessary skills to ensure responsible and sustainable management of the company's activities, in accordance with the value system and ethical principles that the Group supports and promotes.

1.2.2. Information provided to and sustainability issues addressed by the undertaking's administrative, management and supervisory bodies

Disclosure on the Supervision of Material Impacts, Risks and Opportunities

GOV-2

The Group recognises the importance of ensuring a continuous and structured flow of information to the administration, management and supervisory bodies, with the aim of monitoring the implementation of corporate sustainability policies and assessing their impacts, risks and opportunities.

The Group's Board of Directors and Board of Statutory Auditors are regularly informed about its performance, including information on relevant ESG impacts, risks and opportunities.

In particular, administrative, management and supervisory bodies receive periodic information on material impacts, risks and opportunities through a structured reporting and monitoring process. In particular:

- The Parent Company's Risk Committee has the task of analysing the effectiveness of risk management policies and the achievement of corporate objectives on a quarterly basis;
- The Board of Directors receives at least half-yearly updates on strategic and operational risks, as well as specific reports on ESG impacts;
- The Board of Statutory Auditors monitors compliance with the relevant regulations and assesses the effectiveness of actions taken to mitigate risks.

Information is provided by the heads of the compliance, risk management and internal audit functions, thus ensuring a constant flow of up-to-date data and scenario analyses.

During 2024, the Board of Directors met 21 times, addressing topics relating to sustainability and sustainability reporting on several occasions. In this regard, the Risk Committee is entrusted with the task of monitoring the progress of activities in the area of sustainability, focusing in particular on the coordination of projects initiated. To this end, the Committee:

- assesses the strategic initiatives in the ESG sphere proposed by the competent functions and approves their submission to the Board of Directors; this assessment takes into account the Group's priorities in the ESG sphere, also with reference to the assessment of the impacts of climate and environmental risks, prepared in coordination with the Risk Management function;
- verifies the impacts of the implementation of initiatives on the ESG plan and monitors their implementation, with reference to the projects approved and initiated by the Group;
- monitors the development of ESG and sustainability factors, also in the light of international guidelines and principles, market developments and industry best practices, and draws up guidelines and recommendations for the ESG project group and the relevant functions.

With reference to the above, the Risk Committee met 14 times during the 2024 financial year: at four of these meetings, the agenda concerned the ESG Three-Year Plan at the same time, ESG topics and matters were discussed in the context of the activities of the control functions.

The Board of Statutory Auditors also met 21 times during the 2024 financial year, examining issues related to sustainability reporting and internal controls over ESG activities, and receiving periodic reports on these matters.

For the list of material impacts, risks and opportunities addressed, please refer to chapter SBM-3 - Material Impacts, risks and opportunities and their Interaction with strategy and business model.

1.2.3. Integration of sustainability-related performance in incentive schemes

GOV-3

As part of an ongoing commitment to sustainability, the remuneration and incentive policies implemented by the Group take ESG (environmental, social and governance) factors into account and aim to ensure fairness and equal treatment in remuneration, paying particular attention to gender equality, within a meritocratic framework that enhances the value of human resources.

The Igea Banca Group's current remuneration policies pay attention to ESG factors as a whole, but do not currently include specific sustainability-related parameters (including those related to climate change as set out in ESRS E1-Climate Change) for determining incentives for members of the administrative, management and supervisory bodies.

The current remuneration system of the Igea Banca Group does not explicitly provide for incentive mechanisms linked to sustainability targets for members of the administrative, management and supervisory bodies. However, the Group has shown increasing interest in integrating ESG factors into its corporate strategy and business models. A gradual adjustment of the remuneration framework in line with regulatory and market developments is envisaged.

Currently, there is no specific percentage of variable remuneration directly linked to sustainability for the administrative, management and supervisory bodies. The possible integration of these aspects may be considered as part of the review of future remuneration policies.

The Group has embarked on a process of developing its remuneration and incentive system, with the aim of gradually aligning it with sustainability best practices. The Board of Directors periodically monitors these developments and may introduce remuneration criteria in the future that reflect the considerations described.

1.2.4. *Statement on due diligence*

GOV-4

Key elements of the due diligence

Core elements of the sustainability due diligence	Disclosure requirements	Paragraph
Embedding due diligence in governance, strategy and business model	GOV-2	1.2.2
	GOV-3	1.2.3
	SBM-3 and related topical references	1.3.3
Engagement with affected stakeholders	MDR-P	
	GOV-2	1.2.2
	SBM-2	1.3.2
	IRO-1 and related topical references	1.4.1
Identifying and assessing negative impacts on people and the environment	IRO-1 and related topical references	1.4.1
	SBM-3 and related topical references	1.3.3

Core elements of the sustainability due diligence	Disclosure requirements	Paragraph
Taking action to address negative impacts	MDR-A	
	E1-3	2.2.2.2
	S1-4	3.1.1.4
	S2-4	3.2.1.4
	S3-4	3.3.1.4
Tracking the effectiveness of these efforts	S4-4	3.4.1.4
	MDR-T	
	E1-4	2.2.3.1
	S1-5	3.1.2.1
	S2-5	3.2.2.1
	S3-5	3.3.2.1
	S4-5	3.4.2.1

Banca del Fucino's due diligence process is not a separate, formalised procedure, but is fully integrated into the Group's strategic framework and operating model. This approach allows due diligence to be incorporated into all business activities, with a focus on identifying and managing negative impacts.

Banca del Fucino addresses its material impacts through careful management and integrates them into its strategy and operating model. Furthermore, for each identified area, the Bank has developed specific policies, actions, targets and indicators to monitor and mitigate negative impacts over time.

1.2.5 Risk management and internal controls over sustainability reporting

GOV-5

The management of reporting activities is entrusted to the Budget Department, under the supervision of the Head of the Administration, Budget and Operations Division. After identifying the material sustainability topics, the aforementioned Department starts gathering information, sending requests to the managers of the relevant departments. Once the collection is complete, the Budget Department:

- aggregates the findings received in both qualitative and quantitative terms;
- verifies the completeness and accuracy of the data collected;
- verifies the conformity of the data collected with the Consolidated Financial Statements;
- carries out a final review of the Sustainability Report and shares it with the relevant Group structures.

The final draft, whose content has also been approved by the individual structures with which it was previously shared, is then submitted to the Head of the Administration, Budget and Operations Division for appropriate evaluation before submission to the Board of Directors. The latter approves the consolidated financial statements, including the Sustainability Report, for subsequent submission to the Shareholders' Meeting.

Upon approval of the Consolidated Financial Statements by the Board of Directors, the compliance of the sustainability reporting with current standards is certified, and the Auditing Company, after verifying the data and information contained therein, issues the assurance opinion of compliance with ESRS standards.

The entire process described above has been structured by the Group to ensure compliance with ESRS standards, ensuring fundamental requirements such as Relevance, Faithful Representation, Verifiability and Understandability of the information provided. Within this framework, the Budget Department is responsible for preparing the Group's annual sustainability reporting and coordinating the entire reporting process, in compliance with applicable regulations.

In order to ensure the accuracy of the information contained in its Sustainability Reports, the Igea Banca Banking Group has initiated the implementation of an internal control system aimed at mitigating risks on the reporting process of non-financial information. This system will identify risks and specific controls, the responsibility for which will be assigned to the relevant functions.

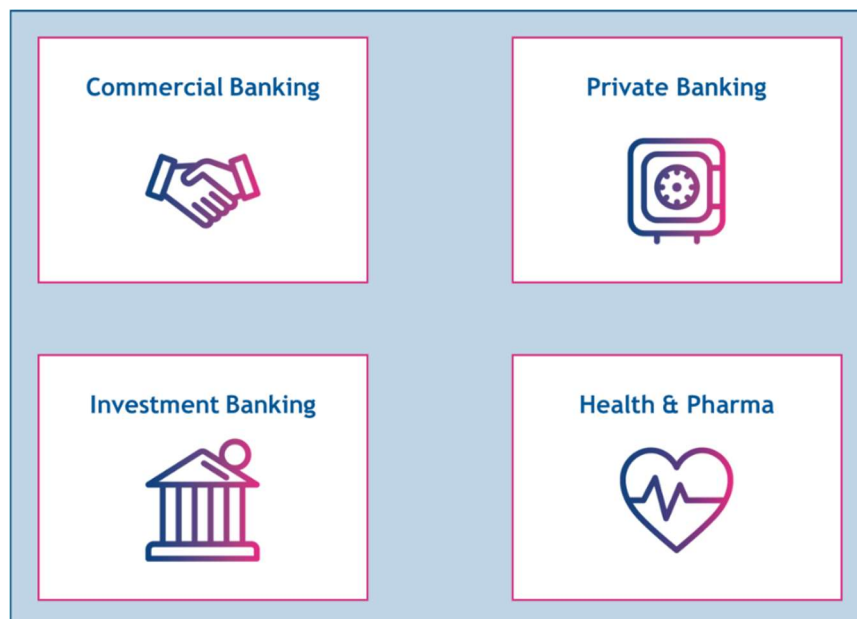
1.3 Strategy

1.3.1 Strategy, business model and value chain

**SBM-1**

Banca del Fucino, founded in 1923, is an Italian banking institution with an established presence in the country. As of 2024, the bank operates mainly in Lazio, Abruzzo, Sicily and Veneto, serving a diversified clientele that includes individuals, companies and institutions. The business model is divided into four main operational areas: Commercial Banking, with a commercial network dedicated to retail and corporate clients; Private Banking, which combines tradition and innovation in wealth management; Investment Banking⁴, with structured finance solutions for tailor-made support; and Health & Pharma, with specific financial solutions for the healthcare sector.

⁴ Following the abolition of the Investment Banking Division in July 2024, it was decided to reallocate the Factoring and Tax Credits Division to the Business Division (within Commercial Banking).



The Igea Banca Group does not operate in any of the sectors listed in ERS2 SBM-1 Strategy, Business Model and Value Chain, paragraph 40(d) (fossil fuels, chemical production, controversial weapons, cultivation and production of tobacco) and consequently has no revenues associated with these activities.

As at 31 December 2024, the total number of employees of the Igea Banca Banking Group was 573, of which 538 were employed by Banca del Fucino, 20 by Fucino Finance and 15 by Igea Digital Bank. All 573 employees work in Italy.

Banca del Fucino has made sustainability one of the pillars of its strategy, recognising that it is a key lever for value creation and long-term development. The Group is committed to increasingly integrating ESG criteria into its business model, with a focus on investments in the renewable energy sector. In this regard, the Bank has invested in five companies (E-Way Finance, E-Way Wind, E-Way Solar, E-Way Baseline 2.0, HoldCo), precisely as the Group's investment in the renewable energy sector, with the aim of approaching environmental sustainability and ecological transition.

In addition, it should be noted that in December 2023, Igea Digital Bank's new business plan was approved, which envisages its strategic repositioning and transformation into a bank dedicated to sustainability, capable of proposing a competitive offer of lending and advisory solutions at the service of energy transition and, more generally, sustainability. The guidelines for the new business plan are currently being prepared and will be incorporated into the broader process of revising the Group's business plan.

The Group takes a proactive approach in managing stakeholder relations, promoting initiatives to strengthen the sustainability of its investments and the involvement of financial and business partners. The aim is to increase the transparency and resilience of assets in a context of increasing focus on sustainability.

The Igea Banca Group's value chain extends upstream to its suppliers, which mainly include financial and technology service providers, and downstream to a diversified customer base that includes private individuals, companies and institutions, whose categories mainly cover the trade, construction and real estate sectors. The Group therefore positions itself as a financial intermediary, offering products and services that meet the needs of customers and contribute to the sustainable economic development of the

communities it serves. The Group's approach is to continuously assess the current and expected benefits for customers, investors and other stakeholders, ensuring alignment with the strategic objectives of sustainable growth.

1.3.2 *Interests and views of stakeholders*

Stakeholder engagement and double materiality analysis

SBM-2

The Igea Banca Banking Group considers dialogue with stakeholders an essential element for its strategy and business model, recognising that the active and structured involvement of stakeholders is the basis for sustainable and responsible management. This approach makes it possible not only to strengthen relations with stakeholders, but also to better understand their expectations and integrate their feedback into decision-making processes, contributing to continuous improvement of business activities.

In line with this vision, the Group has identified its main stakeholders through an internal analysis and benchmarking, classifying them into the following groups:

- Internal stakeholders: Employees, Partners and Shareholders;
- External stakeholders: Customers, Suppliers, Local Communities, Universities, State and Institutions, Regulatory Bodies, Trade Unions.

Stakeholder involvement represents for Banca del Fucino a structured and continuous process, integrated into corporate management and oriented towards building solid, transparent and lasting relationships. This process is developed through consolidated practices and moments of institutional discussion provided for by the applicable regulations, with the aim of intercepting expectations, fostering dialogue and promoting continuous improvement.

S1.SBM-2

Employees and collaborators, central players in the company strategy, are involved through internal communication tools, periodic meetings, organisational climate analyses, focus groups and digital platforms, such as the company intranet. These tools foster active participation, strengthen the sense of belonging and promote well-being at work. Trade unions are constantly involved through dedicated discussion tables, aimed at ensuring a balance between the needs of the organisation and the protection of workers' rights.

S2.SBM-2

In relation to the **workers in the value chain**, even in the absence of structured consultation processes, the Bank promotes relations based on criteria of transparency and contractual fairness, also on the basis of relations with the workers' representatives, oriented towards mutual improvement and the monitoring of the quality of the services entrusted.

S3.SBM-2

With regard to the **affected communities**, the Group promotes an open dialogue through events, local initiatives and meetings with representatives of institutions, the tertiary sector, the university world and

the territories in which the Group operates. These actions strengthen proximity to the socio-economic context and contribute to the development of projects with a positive impact on the community.

S4.SBM-2

The dialogue with **customers** is developed through customer satisfaction surveys, thematic meetings, social media, digital channels and a dedicated Customer Care service. Focus groups and complaint management systems complete the picture, helping to consolidate a relationship of trust and to constantly improve the product and service offering.

The engagement activities were aimed at:

- Identifying the most relevant ESG topics for stakeholders and the Group;
- Understanding how these topics impact the strategy and business model;
- Collecting suggestions and viewpoints useful for improving decision-making and resource allocation.

The results of stakeholder engagement were analysed and integrated into business processes, contributing to the updating of the double materiality analysis and the definition of strategic priorities. The information collected revealed a growing focus on issues of ecological transition, social inclusion and responsible governance, themes that will be central to the Group's future initiatives.

Implications for strategy and business model

Evidence from stakeholder engagement led the Group to consider possible updates to its strategy and business model, with a focus on:

- The implementation of new ESG initiatives to strengthen the commitment to sustainability;
- The enhancement of ESG impact reporting and measurement;
- The more structured integration of stakeholder concerns into governance processes.

Next steps and governance of involvement

The Group plans to continue its stakeholder engagement with an evolutionary approach, strengthening the dialogue with the different categories and broadening the scope of the analysis. Actions planned for the future include:

- The consolidation of the one-to-one interview process, with a broadening of the stakeholder base involved;
- The systematic integration of information gathered in decision-making processes and strategic plans;
- Continuous monitoring of the evolution of stakeholder expectations in order to ensure constant alignment between corporate strategy and the needs of the reference context.

The results of stakeholder engagement are periodically updated and shared with the Bank's administrative, management and supervisory bodies, thus ensuring full transparency and proper integration of ESG concerns into the Bank's strategic choices.

Through this network of interactions, the Group reinforces its commitment to an inclusive management model geared towards the creation of shared value and long-term sustainable growth.

As of 2025, the ESG O.U. is scheduled to start up, which intends to adopt a dynamic approach, intensifying the comparison with the different categories and broadening the scope of the analysis. Future initiatives include a key role in the coordination and management of sustainability-related initiatives within the Bank. In particular, the function will be responsible for directing and operationally coordinating the various structures involved in ESG projects, ensuring the execution of the activities assigned to the various organisational structures. In addition, in cooperation with the Special Corporate Finance and Incentives Department, it will review and update the ESG Strategy, defining the actions to be implemented and the related strategic targets.

Another key aspect of its work will be the monitoring of KPIs, aimed at verifying the achievement of set targets, and it will also be in charge of interactions with supervisory authorities, coordinating responses to regulatory consultations and communications on ESG topics.

Finally, it will be in charge of drafting the sustainability plan in line with the defined strategic objectives and will actively participate in national and European ESG working groups, such as the ABI working tables, representing the Bank at external events dedicated to sustainability.

1.3.3. Relevant impacts, risks and opportunities and their interaction with strategy and business model



Administrative, management and supervisory bodies integrate the analysis of material impacts, risks and opportunities into decision-making processes in the following ways:

- Strategic supervision: The Board of Directors reviews risk assessments and emerging opportunities to ensure alignment with corporate objectives and regulations;
- Decision-making on relevant transactions: before each strategic decision, a detailed analysis of potential impacts on sustainability, regulatory compliance and operational resilience is conducted;
- Risk management: The Risk Committee monitors and prevents possible threats to the Bank's stability, with a focus on ESG factors and regulatory changes;
- Involvement of the compliance function: The internal control structure supports the identification of emerging risks and the continuous improvement of mitigation strategies.

List of Material Impacts, Risks and Opportunities overseen by Governance Bodies

The governance bodies of Banca del Fucino monitor and manage a wide range of material impacts, risks and opportunities, including:

- Financial and operational risks, with a focus on capital stability, liquidity management and profitability;
- Regulatory impact and compliance, including adequacy to requirements imposed by the Bank of Italy and other regulatory authorities;
- ESG (environmental, social and governance) risks, including energy transition, management of CO2 emissions and sustainability of banking operations;
- Strategic growth opportunities, related to digital innovation, process efficiency and the development of sustainable financial products;
- Managing reputational risks, with a focus on business ethics, transparency and stakeholder trust.

The approach adopted by the Igea Banca Group ensures continuous and integrated control of these aspects, helping to strengthen the soundness of the business model and organisational resilience.

With reference to the risks and opportunities relevant to the Bank, an analysis was conducted to assess the possible occurrence of corresponding events during the year and to identify possible correlations with balance sheet, financial and economic items. This assessment showed that, for the 2024 financial year, the identified ESG risks and opportunities did not lead to significant financial impacts. Consequently, no significant current economic and financial effects attributable to these factors were noted.

In accordance with the prescribed phase-in, the Bank, for the purposes of this reporting, omits the information required by Disclosure Requirement SBM-3, para. 48(e), subject to transitional provision as set out in Appendix C of ESRS 1 (List of phased-in disclosure requirements).

E1.SBM-3

Banca del Fucino (Igea Banca Group) has adopted the methodology developed by Cerved for the identification and assessment of climate risk, in compliance with the CSRD and ESRS standards. This methodology, aligned with ECB guidelines, distinguishes climate risk into the two main components of physical risk and transition risk. The first comprises impacts arising from extreme weather events or gradual climate change that may affect the assets and operations of the funded counterparties. The second concerns the financial losses resulting from the transition process to a low-carbon economy, including regulatory, technological and market risk. The methodology makes it possible to quantify and monitor the exposure of funded counterparties to climate risks, ensuring regulatory compliance and improving the resilience of the business model. The methodology provides a structured framework for analysing the loan portfolio, assessing climate risks along the Bank's entire downstream value chain, as required by ESRS. The analysis did not include specific portions of the upstream operations and value chain for which reliable data and direct operational access were not available at the reporting date. Certain physical and transitional risks were not

taken into account if, in relation to the scope of operations and the scenarios applied, their significance was not justified.

Types of Climate-Related Risk and Scope of Resilience Analysis

The Bank's resilience analysis covers two main categories of climate risk. Physical risk includes both acute and chronic risks. The assessment considers all business units of the funded counterparties, geolocalising assets such as headquarters, branches and real estate pledged as collateral. Transition risk concerns the economic impact of climate regulations, the adoption of low-emission technologies and changes in market demand. The analysis combines a sectoral assessment with possible company-specific data to estimate the degree of vulnerability to ecological transition. The scope of analysis extends to the entire loan portfolio, focusing on the geographical and sectoral exposures most vulnerable to climate impacts, in accordance with ESRS requirements. The analysis was carried out during 2024, consistent with the preparation of this sustainability report.

Assumptions regarding the impact of the transition to a low-carbon economy concerned the possible trend in the energy mix, the evolution of consumption and the gradual adoption of enabling technologies, based on external references and qualitative assessments.

The time horizon used is consistent with that adopted for the scenario analysis conducted as part of impact management and covers the medium to long-term.

Methodology for Conducting the Resilience Analysis

The resilience analysis was conducted using a data-driven approach, integrating advanced predictive models for climate risk assessment with geolocation tools for the assets financed. The methodology employed authoritative data sources, including ISPRA, Copernicus, Eurostat, the EU Taxonomy and Cerved databases, ensuring alignment with market best practice and European reference standards. The analysis was structured on different time horizons, allowing for the assessment of immediate climate impacts, the evolution of the regulatory framework and the projection of climate risk in the long-term.

The methodology adopted involved calculating the portion of the loan portfolio exposed to a physical and transitional climate risk equal to or greater than 3, according to the Cerved classification. This approach made it possible to obtain a precise mapping of the risk associated with funded counterparties, distinguishing the most vulnerable exposures and integrating environmental considerations into the Bank's assessment processes. The analysis took into account both the potential impacts of extreme weather events and gradual climate change on the economic activities of counterparties, and the transition risks related to regulatory and market dynamics associated with decarbonisation. Uncertainties in the analysis are mainly due to evolving regulatory frameworks, market responses and the availability of counterparty environmental data.

Adaptive capacity was distinguished for short, medium and long-term horizons, in line with the time structure adopted for the scenario analysis.

The mitigation actions identified, and the corresponding resources were considered, where available and formalised, as part of the resilience analysis, taking into account their implementation status at the reporting date.

Resilience Analysis Results

Although the portion of the material portfolio does not exceed the defined materiality threshold of 15%, the sub-topics climate change mitigation and climate change adaptation were considered material, due to the increasing attention from regulators, including the Bank of Italy and the ECB, and market expectations regarding the integration of climate risks into value chain downstream management in the banking sector. Therefore, the analysis confirmed that, while not exceeding the materiality threshold, exposure to physical and transition risks requires careful monitoring, particularly for some counterparties located in geographic areas vulnerable to extreme weather events and for sectors with a high emissions intensity, which may be impacted by more stringent environmental policies. To ensure that these risks are adequately managed, the Bank is strengthening the safeguards in its lending processes, with a more structured ESG approach, including greater integration of climate indicators into risk models and more in-depth due diligence on funded counterparties.

Adaptability of the Climate Change Strategy

The Bank's climate risk management strategy focuses on the integration of monitoring and assessment tools to ensure an approach to mitigating exposure to physical and transitional risks. The management model provides for continuous updating of the portfolio classification, through the use of quantitative and qualitative indicators capable of identifying and anticipating the evolution of climate risks.

In line with industry best practices and the regulatory expectations of the Bank of Italy and the ECB, the strategy will include the implementation of policies aimed at reducing climate impact, through the introduction of ESG selection criteria in creditworthiness analyses and the integration of environmental risk assessment into risk pricing models.

The periodic monitoring of credit exposures and the updating of risk management strategies allow the Bank's business model to be aligned with regulatory sustainability requirements, ensuring more effective governance in managing climate issues and a structural integration of ESG principles into strategic choices.

S1.SBM-3

In the specific context of ESRs S1 - Own Workforce, this disclosure focuses on how environmental, social and governance (ESG) dimensions can influence human resources management, recruitment policies, and opportunities for professional growth and development. The proper integration of these aspects into the corporate strategy is crucial to ensure the long-term sustainability and resilience of the business model, as well as to improve transparency towards stakeholders. This section examines workforce-related impacts, risks and opportunities, as well as their interaction with strategic business choices.

All own workers that may be subject to material impacts by the company, including impacts directly related to its own operations, are included in the scope of this Sustainability Report and, in fact, have been covered in the double materiality analysis.

The Igea Banca Group has 573 employees, all covered by collective bargaining agreements. In contrast, the Group has no non-employees within its workforce.

Significant positive impacts relate to activities related to the development of workforce protection and skills. In particular, this refers to the promotion of well-being and social dialogue, the improvement of skills and the creation of an inclusive corporate climate.

In the double materiality process, material opportunities related to the material result impacts of the own workforce were identified, just as no relevant impacts on the own workforce were identified that could result from transition plans aimed at reducing negative impacts on the environment.

At the same time, with reference to the Igea Banca Group's own workforce, there are no operations with a serious risk of forced or compulsory labour, nor are there any countries or geographical areas affected by the Group's activities that are characterised by a serious risk of forced or compulsory labour.

Finally, there are no operations with a serious risk of child labour, or countries or geographical areas with a serious risk of child labour, in relation to the group's own workforce.

At the same time, with reference to the impacts identified in the double relevance analysis, no categories of workers were found to be particularly exposed to differential negative effects due to the context and/or activities performed.

It is also pointed out that the risks and opportunities found to be relevant relate to the entire own workforce.

S2.SBM-3

The Igea Banca Group includes in its reporting all workers in the value chain who may be significantly impacted by the Bank's activities, in accordance with ESRS 2 standards. The analysis conducted distinguishes between workers directly involved in company operations and those working along the value chain, with a specific focus on the sectors most exposed to risks. In particular, the construction sector, which accounts for a significant portion of the loan portfolio, was the subject of in-depth monitoring aimed at mitigating the risks of violations of safety regulations on construction sites.

The assessment covered both the negative impacts, such as non-compliance with safety and rights standards, and the opportunities arising from the implementation of initiatives to ensure decent and safe working conditions. To this end, the Group has developed stringent control and verification tools, actively involving workers' representatives. In this regard, the Memorandum of Understanding signed in 2024 with the main trade unions, including Fisac CGIL, First Cisl and Uilca, consolidates the Bank's commitment to promoting sustainable practices along the entire value chain and ensuring compliance with the applicable regulations.

S3.SBM-3

The Igea Banca Banking Group, through its parent company Banca del Fucino, has always shown a strong sense of responsibility towards the communities in which it operates. This commitment takes the form of a wide range of initiatives aimed at supporting the economic, social and cultural development of territories and communities, promoting innovation, inclusion and sustainable development. The Group's strategy, which is aligned with ESG (Environmental, Social, Governance) principles, is articulated in projects covering several areas: culture, entrepreneurship, sport, education and social cohesion. This vision is based on the realisation that the economic success of a banking institution must go hand in hand with the well-being of local communities and the enhancement of their specificities.

Over the years, Banca del Fucino has consolidated an integrated approach to sustainability, placing the creation of shared and lasting value at the centre of its activities. Its commitment to communities is not limited to simply providing banking services, but translates into concrete actions to stimulate local development, promote culture and sport, support entrepreneurship and foster social inclusion. The Group is convinced that stable and trusting relationships with the communities in which it operates are a key strategic lever for sustainable growth and building a better future for all stakeholders involved.

One of the fundamental pillars of the Group's sustainability strategy is support for culture, understood as a tool for personal and collective growth. To this end, Banca del Fucino has established numerous partnerships with prestigious cultural institutions, supporting events, exhibitions and initiatives that contribute to the enhancement of the territories' artistic and cultural heritage. This commitment also extends to supporting education and training, with programmes dedicated to the younger generation to foster access to knowledge and stimulate economic and social awareness.

The focus on innovation and entrepreneurship is another central area of the Group's action. By financing local projects and participating in initiatives aimed at fostering the development of small and medium-sized enterprises, Banca del Fucino actively contributes to the growth of the economic fabric of the territories in which it operates. These interventions are designed to meet the needs of businesses and to stimulate the creation of employment opportunities, with a special focus on digitisation and environmental sustainability.

Sport, understood as a vehicle for values such as respect, determination and inclusion, is another area in which the Bank invests with conviction. By sponsoring sports events and supporting teams and athletes, the Group promotes a healthy lifestyle and encourages active community participation. Particular attention is paid to youth sport and initiatives aimed at fostering the inclusion of people with disabilities, confirming a commitment to building a more equal and inclusive society.

Finally, social cohesion and support for the most vulnerable segments of the population are an indispensable aspect of the Group's mission. Through donations, volunteer projects and partnerships with third sector organisations, Banca del Fucino is committed to responding concretely to community needs, helping to reduce inequalities and promote collective well-being.

The Group's robust and transparent governance is structured to ensure the full integration of ESG principles into business strategies and daily operations. Decision-making bodies are committed to continuously monitoring the impact of their actions and setting clear and measurable targets to continuously improve their sustainability performance.

With this approach, Banca del Fucino presents itself not only as a credit institution, but as a true partner for the sustainable development of communities, helping to build a future in which economic growth, social progress and environmental protection are fully integrated. The commitment for 2024 and the years to come is to continue along this path, strengthening the initiatives already underway and identifying new opportunities to generate shared value, always respecting the principles of responsibility, transparency and innovation that guide the Group's actions.

The Igea Banca Banking Group operates mainly with Italian customers, who account for 99.9% of the total portfolio. The geographical distribution reflects the concentration of medium-sized enterprises throughout the country, with a more pronounced presence in the central-northern regions.

This configuration testifies to the strong territorial roots of the Group, which defines its growth strategies according to the needs of Italian companies and households. Constant monitoring of the portfolio's composition enables optimised risk management and supports strategic choices that are consistent with developments in the economic and financial environment.

1.4. Impacts, risks and opportunities management

1.4.1 Description of the processes to identify and assess relevant impacts, risks and opportunities

Double Materiality Analysis of Banca del Fucino

IRO-1

Materiality Analysis is a methodological process that allows the identification of material sustainability topics for an organisation and its stakeholders through an ongoing, structured dialogue between stakeholders. This process is essential to ensure transparent and regulation-compliant sustainability reporting, serving as a guiding tool for the development of Sustainability Reporting and for the integration of ESG criteria into corporate strategy.

The Group has adopted a rigorous and structured approach to defining material aspects, conducting the analysis in accordance with the new CSRD Directive and the European Sustainability Reporting Standards (ESRS). In particular, for 2024 Banca del Fucino implemented for the first time a comprehensive double materiality (or double relevance) analysis process, a methodological development that allows two interconnected aspects to be considered simultaneously:

- **Impact materiality (*inside-out*):** this perspective analyses the impacts, both positive and negative, current and potential, actual or prospective, that the bank's activities may generate on people and the environment in the short, medium and long-term. This assessment was conducted through an analysis of the bank's interactions with the socio-environmental context, taking into account factors such as climate risk management, social inclusion policies and corporate governance.
- **Financial materiality (*outside-in*):** this perspective focuses on the main risks and opportunities that ESG topics can generate on the bank itself, directly affecting its financial strength, capital position, earnings, cash flows, access to finance and cost of capital in the short, medium and long-term. The assessment included a quantitative and qualitative analysis of emerging ESG risks and their potential impact on the bank's profitability and strategy.

The double materiality analysis process involved three main macro-phases, represented below.

Phase 1: Understanding the Reference Context

This phase involved a structured assessment of the reporting scope and an in-depth analysis of the bank's business relationships and activities. The primary objective was to understand the positioning of Banca del

Fucino in the economic and regulatory context, identifying the connections between the bank and its key stakeholders and mapping the value chain in detail. The reporting scope analysis included all legal entities within the reporting boundary for the purposes of Sustainability Reporting. At the same time, a detailed assessment of the bank's activities and related business relations was carried out, including relations with customers, suppliers, and financial and non-financial institutions.

Understanding the value chain

The analysis of the Banca del Fucino value chain was conducted through a structured approach aimed at understanding the operational dynamics and interactions with the actors involved throughout the chain, distinguishing between upstream activities, internal operations and downstream processes. The primary objective was to identify the interconnections between the bank and its stakeholders, mapping economic flows and assessing risks and opportunities related to ESG impacts.

The analysis started with the segmentation of the value chain into three macro-areas. The upstream section included all operational processes related to the supply chain, including IT, professional and management service providers, as well as strategic partners for hardware and operational infrastructure. The in-depth study was supported by a detailed mapping of suppliers, examined through a qualitative and quantitative analysis based on the company's partition and the distribution of purchases by economic sectors. Clustering was carried out according to the ATECO code, allowing the main suppliers to be classified into specific categories in order to understand their economic and strategic weight in the bank's operations. This methodology made it possible to identify the most relevant sectors and to assess the bank's exposure to particular market segments.

Moving forward, the analysis covered the bank's internal operations, examining the business processes that support strategic and operational activities. Core assets such as personnel, credit management and bond issues were considered, as well as internal financial flows related to payments, deposits and advisory services. This assessment highlighted areas of efficiency and focus points that influence the resilience and sustainability of business operations.

Finally, the analysis of the downstream value chain included an in-depth study of the bank's customer portfolio and investments. Customer segmentation showed the distribution of financial loans, distinguishing between loans to private customers, companies and financial institutions. In particular, the analysis showed that 94.7% of total loans refer directly to the Banca del Fucino portfolio, while the remaining 5.3% are attributable to the subsidiaries Igea Digital Bank and Fucino Finance. At the same time, the assessment of the investment portfolio showed that 91% of the exposures related to government bonds, significantly reducing the potential ESG impact of such investments. This assessment made it possible to define the bank's level of alignment with sustainability topics and to identify possible room for improvement in the composition of financial assets.

The methodological approach adopted integrated a qualitative and quantitative analysis of the portfolio, by applying a segmentation by clusters and sectors. The mapping of ESG factors was carried out according to the UNEP FI (United Nations Environment Programme Finance Initiative) framework, a global initiative born out of the collaboration between the United Nations Environment Programme (UNEP) and the financial sector with the aim of integrating ESG principles into the strategies and operations of banks, insurance

companies and investors, which made it possible to identify the most relevant sustainability topics for each economic sector of reference. The materiality assessment was then determined by considering the proportion of material exposures to total exposures, with a materiality threshold being set at over 15%. This approach ensured an in-depth view of ESG impacts and opportunities for integrating sustainability into the bank's decision-making processes, strengthening alignment with European regulatory standards and industry best practices.

	UPSTREAM		OWN OPERATIONS		DOWNSTREAM	
DEFINITION	These represent all of the Bank's operational processes relating to the supply chain. Upstream players supply the products or services used in the development of the Bank's own products or services.		These represent all of the Bank's operational processes as a company, irrespective of the business. They include activities, resources and relationships that are part of the Bank's own operations, such as human resources.		These represent all of the bank's business processes and related support processes, including commercial relationships. Downstream entities receive products or services from the Bank.	
SCOPE	- IT service providers - Professional service providers - Management service providers		- Employees - Partners - Real estate - Hardware	- Credit - Wealth management - Bond issues	- Payments - Deposits - Consultancy - Digital	- Private customers - Business customers - Entities, institutions, banks, financial and non-financial companies, and others

Stakeholder identification

The identification of stakeholders followed a structured process to ensure the involvement of key stakeholders and their relevance to the bank's activities. Stakeholders were divided into key categories:

- Internal stakeholders: Employees, management, shareholders and governance bodies.
- External stakeholders: Customers, suppliers, financial institutions, regulators, local communities and ESG investors.

To ensure a comprehensive and detailed analysis, an analysis of the regulatory and market environment was conducted, including:

- Analysis of the internal context: Assessment of the bank's ESG policies, review of strategic documents and review of past sustainability reports.
- Analysis of the external context: Comparison with key industry benchmarks, analysis of competitor practices and positioning of the bank against ESG frameworks, including MSCI and SASB.

In detail, the MSCI ESG Ratings provide an assessment of the long-term resilience of companies with respect to sustainability issues, using the ESG Industry Materiality Map to represent the main sustainability topics and their impact on ESG ratings. The process therefore considered factors such as climate change (adaptation and mitigation), clean technology opportunities, carbon emissions and the environmental impact of financing and underwriting. In addition, the SASB (Sustainability Accounting Standards Board) has provided additional benchmark metrics through the Materiality Finder, a tool that simplifies research and

comparison across companies and sectors, allowing the identification of ESG issues with the greatest impact on financial performance. The analysis included key topics such as data security, business ethics, supply chain management and environmental impacts related to financing. The consolidation of the information gathered in this phase allowed for a precise definition of the reporting boundary and the bank's areas of interaction with the external context, ensuring a solid basis for the subsequent stages of the double materiality analysis.

Phase 2: Identification of Material IROs

The identification of material IROs was carried out through a structured methodological process based on a long list derived from ESRS standards, with a specific focus on ESG issues of greatest relevance to Banca del Fucino. The selection of material topics followed an integrated approach that combined regulatory sources, industry benchmarks and internal analyses.

List of material sustainability topics: Relevant ESG topics were selected through an in-depth analysis of internal documentation, including the Code of Ethics, the ESG Policy, the ESG Initiatives Plan and the Consolidated Non-Financial Statement 2023. In addition, supervisory regulatory expectations, ESRS guidelines and the market environment were taken into account through comparisons with the main competitors.

For each topic identified, a classification was made according to the ESRS 1 structure, with ESG topics being associated with one or more relevant sub-topics. The analysis included environmental topics (e.g. climate change, pollution, biodiversity), social topics (e.g. working conditions, diversity and inclusion, cyber security) and governance topics (e.g. business ethics, transparency and risk management).

Identification of IROs

After the material topics were identified, an in-depth analysis was conducted to identify the actual and potential impacts, risks and opportunities (IROs) related to each previously mapped issue. The methodology included:

1) Assessment of impacts: The assessment of impacts was conducted through a detailed analysis of the positive and negative effects associated with each material sub-topic, considering both current and potential impacts of the bank's activities on people and the environment. Particular attention was given to differentiating effects according to short, medium and long-term time horizons, thus ensuring a comprehensive view of the evolution of ESG topics over time. The analysis was based on a structured methodology that examined three key factors to assess the materiality of impacts:

- Magnitude of impact, i.e. the severity of the effect on the bank, the environment or society, distinguishing between very low, low, medium and high impacts.
- Scope of the impact, which measures the diffusion of the impact in terms of the number of stakeholders involved and territorial extent.

- Remediability of the impact, understood as the possibility of mitigating or reversing the negative effect, where applicable.

For actual negative impacts, materiality was assessed according to the severity of the impact, while for potential negative impacts, both severity and likelihood of occurrence were considered. For positive impacts, the assessment focused on the magnitude and extent of the impact for actual impacts, while for potential impacts, the likelihood of occurrence was also considered.

In particular:

- Very low impacts were defined as those with marginal and localised effects, requiring no significant corrective action.
- Low impacts include tangible but small effects that require ordinary corrective actions.
- Medium impacts are characterised by more significant effects, with tangible impacts on a broad category of stakeholders and the need for targeted interventions.
- The high impacts concern critical situations, with wide territorial and sectoral consequences, which are difficult to remedy.

The likelihood of impacts occurring has been categorised into four levels:

- Unlikely (probability <10%)
- Possible (10-50%)
- Likely (51-90%)
- Very likely (>90%)

The analysis also identified the point of origin of each impact along the value chain, specifying whether the effect had a direct impact on the bank's internal operations, supply chain, downstream value chain or all of the above. This assessment made it possible to precisely determine the priority areas for intervention and the mitigation strategies to be implemented to ensure effective and proactive management of ESG risks and opportunities.

2) Analysis of risks and opportunities The analysis of risks and opportunities was conducted through a structured methodology that made it possible to classify the main transition and physical risks and to identify strategic opportunities related to developments in sustainable finance and ecological transition.

ESG risk assessment: The analysis included a classification of risks according to their magnitude and likelihood of occurrence, with particular reference to three main categories:

- Transition risks: related to regulatory developments, changes in consumer preferences and transformations in business models induced by climate and sustainability policies.
- Physical risks: related to the effects of climate change, such as extreme weather events and environmental degradation, which may affect the bank's operations and the value of financed assets.

- Regulatory and reputational risks: arising from compliance with emerging ESG regulations and the impact on corporate reputation resulting from ineffective management of environmental and social topics.

The significance of the risks was assessed through a dual perspective:

- Qualitative approach: classification of risks according to their influence on the bank's financial and operational performance, considering the level of impact on losses, cash flows and operating costs.
- Quantitative approach: assessment of the level of financial exposure according to a four-level system: low (<5%), moderate (5-10%), significant (10-15%) and very significant (>15%).

The likelihood of occurrence was divided into four categories:

- Unlikely (<10%)
- Possible (10-50%)
- Likely (51-90%)
- Very likely (>90%)

Identification of ESG opportunities: In parallel, an analysis of ESG opportunities was carried out, with a focus on growth areas arising from the evolution of sustainable finance and responsible investment. The opportunities identified were divided into the following categories:

- Improved brand reputation: strengthening the perception of the bank through the adoption of transparent and effective ESG strategies.
- Increased stakeholder trust: strengthening the relationship with investors, customers and institutions by integrating sustainability criteria into decision-making processes.
- Talent attraction: development of inclusion and corporate welfare policies to attract and retain highly qualified and ESG-sensitive professionals.
- Expansion of the product range: launch of new sustainable financial instruments and positive impact investment solutions to support the ecological transition.

Also for ESG opportunities, an assessment based on impact magnitude and likelihood of occurrence was adopted, using the same criteria as for risks.

The combined analysis of risks and opportunities made it possible to identify priority areas of intervention for the bank, integrating the results into strategic planning and defining actions to mitigate risks and capitalise on ESG opportunities to improve resilience and competitiveness over the long-term.

Stakeholder Engagement and Validation

A key element of the process was the involvement of internal stakeholders, including the main corporate functions (e.g.: Internal Audit, Compliance, Operations, Risk Management and Corporate Finance, etc.).

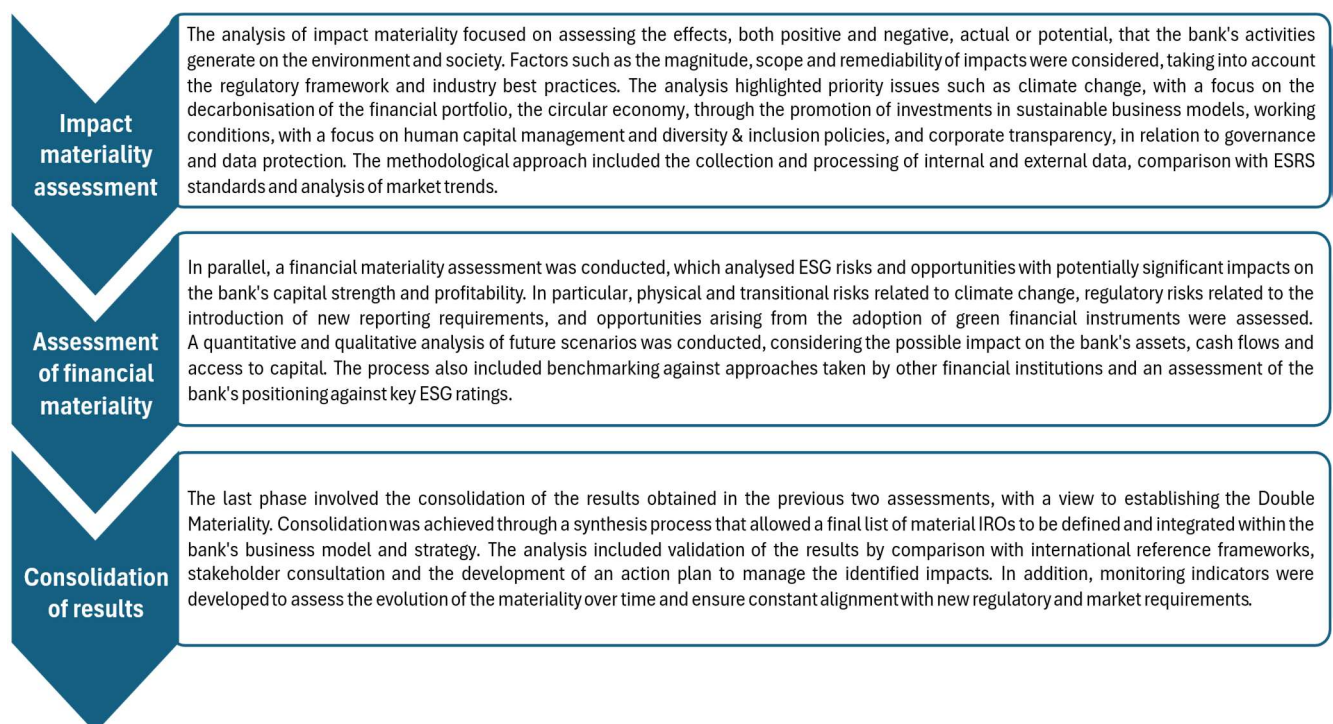
Through one-to-one interviews, it was possible to gather valuable insights to refine the selection of material topics and validate preliminary results.

To ensure the soundness of the analysis, specific rating scales were adopted to measure the magnitude, scope and remediability of impacts, as well as the likelihood and magnitude of financial risks. The validation process included comparison with ESG frameworks such as MSCI and SASB, as well as benchmarking with other financial institutions to ensure alignment with industry best practices.

The end result of this phase led to the definition of a short list of material IROs, which will form the basis for the subsequent phases of double materiality assessment and integration into the bank's business strategy.

Phase 3: Assessment of Current and Potential IROs

This phase involved a structured analysis of impact materiality and financial materiality, aimed at building a comprehensive and integrated framework of material Impacts, Risks and Opportunities (IROs) for the Igea Banca Group.



The material impacts resulting from the materiality assessment include climate risk, with particular reference to the effects of climate change on the loan portfolio and credit risk management, social issues related to corporate governance, with a focus on transparency and regulatory compliance, and digitisation, which impacts process optimisation and the protection of sensitive data. These factors significantly influence the bank's operational and strategic management, requiring continuous adaptation to regulatory and market developments.

The material risks and opportunities identified focus on the need to strengthen the bank's operational resilience when dealing with regulatory changes, the energy transition and the increasing importance of sustainability in financial investments. Opportunities emerge from the bank's ability to position itself as a

leader in sustainable finance by expanding its ESG product offering and improving its management of value chain and regulatory compliance risks.

The current and predicted effects of these impacts on the value chain and business model are reflected in greater integration of sustainability into decision-making processes and the creation of advanced ESG measurement tools. The bank is strengthening its climate and social risk management by adopting quantitative metrics for assessing the impact of investments and measuring ESG performance in its lending.

Sub-topic	Description of impacts	Current/ Potential	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Climate change mitigation	Positive impact: By investing in renewable energy projects, the company contributes to mitigating climate change and improving air quality and public health in the areas where these projects operate.	Current	Medium term = 2-5 years	Downstream value chain
	Positive impact: Promotion and active support for internal bank initiatives aimed at reducing environmental impact and making a concrete contribution to climate change mitigation.	Current	Medium term = 2-5 years	Own operations
	Negative impact: Generation of direct and indirect GHG emissions along the value chain.	Current	Short term = 1 year	All
	Positive impact: Use of renewable energy to reduce the environmental impact of the institution's premises and offices.	Current	Short term = 1 year	Own operations
	Positive impact: Promoting awareness and commitments related to climate change, support for energy efficiency initiatives and financial projects on renewable sources among counterparties in its value chain (financing, investments, internal and external communication campaigns, etc.) to accelerate the green transition in the coming years.	Current	Medium term = 2-5 years	Downstream value chain

Sub-topic	Description of impacts	Current /Potential	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Adaptation to climate change	Positive impact: The development of new products to support companies in adapting to climate change facilitates the climate transition of the territory in which the company operates.	Current	Medium term = 2-5 years	Downstream value chain
Energy	Positive impact: Promoting energy consumption through the use of renewable sources.	Current	Short term = 1 year	Own operations

Sub-topic	Description of impacts	Current/ Potential	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Resource inflows, including resource use	Positive impact: Adopt procedures and tools that improve efficiency and use of materials, thereby reducing environmental impact.	Potential	Medium term = 2-5 years	Own operations
Resource inflows, including resource use	Negative impact: Potential contribution to high resource inflows and use in material-intensive sectors, such as construction and manufacturing, in which the financed counterparties operate.	Potential	Medium term = 2-5 years	Downstream value chain
Resource outflows related to products and services	Negative impact: Potential contribution to high resource consumption and significant generation of material outflows by raw material-intensive sectors in which the financed counterparties operate.	Potential	Medium term = 2-5 years	Downstream value chain

Sub-topic	Description of impacts	Current Potential	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Equal treatment and opportunities for all	Positive impact: An inclusive corporate climate, characterised by anti-discrimination activities and corporate initiatives that promote diversity and inclusion, contributes to creating a positive working environment.	Current	Medium term = 2-5 years	Own operations
	Positive impact: Improving workers' skills through training and professional development activities, including general and technical programmes linked to personalised growth and assessment objectives (such as career development plans), increases employee motivation and fosters a stimulating and growth-oriented work environment.	Current	Medium term = 2-5 years	Own operations
Working conditions	Positive impact: Promoting employee well-being through dedicated activities and benefits has a significant positive impact by increasing employee motivation and reducing stress and turnover.	Current	Medium term = 2-5 years	Own operations
	Positive impact: Promoting dialogue with workers' associations and collective bargaining in order to define fair remuneration levels in line with the regulatory framework.	Current	Medium term = 2-5 years	Own operations

Sub-topic	Description of impacts	Current/ Potential	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Working conditions	Positive impact: Ensuring compliance with health and safety conditions in the workplace, as well as adequate training on the subject throughout the value chain, encourages companies to take greater responsibility for the prevention of accidents at work.	Current	Medium term = 2-5 years	Downstream value chain

Sub-topic	Description of impacts	Current Potential	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Economic, social and cultural rights of communities	Positive impact: Contributing to various social causes, such as financial education, health promotion and community development programmes, generates a positive socio-economic impact.	Current	Medium term = 2-5 years	Downstream value chain
	Positive impact: Improving access to credit and spreading financial literacy in communities, with a focus on young people through dedicated products and services, in order to facilitate economic development and investor confidence.	Current	Medium term = 2-5 years	Downstream value chain
	Positive impact: The bank is able to promote the development of young talent through partnerships with universities, offering training and professional growth opportunities to highly qualified young people within financial institutions, thus contributing to innovation and competitiveness in the sector.	Current	Medium term = 2-5 years	Downstream value chain

Sub-topic	Description of impacts	Current Potential	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Impacts related to information for consumers and/or end-users	Positive impact: The adoption of cybersecurity systems supported by clear, impartial and accessible advice, together with a dedicated feedback collection system, generates a strong relationship of trust with customers and promotes positive and transparent relationships with the bank.	Current	Medium term = 2-5 years	Downstream value chain
	Positive impact: Increased investment in innovative technologies to improve communication and information distribution to customers can increase consumer confidence and improve their overall experience.	Potential	Medium term = 2-5 years	Downstream value chain
	Negative impact: Data breaches, lack of transparency on the part of the bank and poor cybersecurity management lead to a loss of trust among consumers and partners, with the potential to drive away new users.	Potential	Medium term = 2-5 years	Downstream value chain
Social inclusion of consumers and/or end-users	Positive impact: Through the development of specific and personalised products for all social categories, including the most disadvantaged, the bank promotes access to its products and services for all consumers and end-users, increasing the level of satisfaction of their expectations.	Current	Medium term = 2-5 years	Downstream value chain

Sub-topic	Description of impacts	Current Potential	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Corporate culture	Positive impact: Maximisation of value creation and its distribution among shareholders and stakeholders.	Current	Medium term = 2-5 years	All
Whistleblower protection	Positive impact: Establishing procedures to protect whistleblowers who use the channels provided by the institution to raise concerns helps to create an inclusive environment that promotes the bank's value system.	Current	Short term = 1 year	Own operations
Supplier relationship management, including payment practices	Positive impact: Ensuring strong supplier relationships helps to create a stable and reliable collaborative environment, promoting operational efficiency.	Current	Medium term = 2-5 years	Supply Chain
Corruption and bribery	Positive impact: Organising meetings and training programmes on the issue of corruption raises stakeholder awareness of this issue and promotes a virtuous system of business conduct.	Current	Medium term = 2-5 years	Own operations

Sub-topic	Risk/opportunity description	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Climate change mitigation	Opportunity: Investment in projects aimed at using renewable energy.	Medium term = 2-5 years	Downstream value chain
	Transition risk linked to the value of the bank's real estate collateral resulting from non-compliance with the minimum energy efficiency requirements introduced by the European legislator. (Credit risk)	Medium term = 2-5 years	Downstream value chain
	Transition risk The decline in the creditworthiness of counterparties, influenced by the need to transition to a greener economy (e.g. carbon tax, technology costs and energy costs), may increase credit risk for the bank. (Credit risk)	Medium term = 2-5 years	Downstream value chain

Sub-topic	Risk/opportunity description	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Climate change adaption	Physical risk: Decrease in the creditworthiness of counterparties, influenced by the occurrence of physical risk events that require financed entities to incur additional expenses to repair damage (credit risk)	Short term = 1 year	Downstream value chain
Energy	Opportunity: Promote energy efficiency measures in its branches and head offices in order to strengthen the Group's reputation in the medium to long-term.	Medium term = 2-5 years	Own operations
Resource inflows, including resource use	Risk: Increased credit risk due to a decline in the creditworthiness of counterparties that do not comply with regulations relating to resource inflows, including resource use, and resource outflows connected to products and services (credit risk)	Medium term = 2-5 years	Downstream value chain

Sub-topic	Risk/opportunity description	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Equal treatment and opportunities for all	Opportunity: Promoting equal pay and gender equality policies can reduce staff turnover and increase employee loyalty, cutting recruitment and training costs (cost reduction and increased productivity).	Short term = 1 year	Own operations
	Opportunities: Promote training and skills development policies.	Short term = 1 year	Own operations
	Opportunity: Adopt and implement effective measures against violence and harassment in the workplace.	Short term = 1 year	Own operations
	Opportunity: Defining a policy for the inclusion of all people in the Group, actively listening to the needs and expectations of employees, and designing and delivering ad hoc inclusion initiatives for specific targets, co-designed with relevant stakeholders, can improve the bank's reputation and the level of satisfaction of the Group's stakeholders (e.g. employees).	Short term = 1 year	Own operations
Working conditions	Opportunity: Definition of appropriate policies to ensure adequate working conditions for the workforce (e.g. adequate pay, social dialogue, work-life balance, health and safety)	Short term = 1 year	Own operations
Economic, social and cultural rights of communities	Opportunity: Investing in initiatives that benefit the local community, such as sustainable development projects, can attract investors and improve long-term financial performance.	Medium term = 2-5 years	Own operations

Sub-topic	Risk/opportunity description	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Impacts related to information for consumers and/or end-users	Risk: Data security incidents or the compromise of sensitive personal information can generate costs resulting from legal action, fines, compensation and damages	Medium term = 2-5 years	Downstream value chain/own operations
Social inclusion of consumers and/or end-users	Opportunity: The development of inclusive financial services, such as micro-lending, low-cost bank accounts, and financial education programs, allows the bank to improve access to banking services and increase customer loyalty, resulting in higher margins	Medium term = 2-5 years	Downstream value chain
Corporate culture	Opportunity: Investing in a strong corporate culture based on ethical values, transparency and social responsibility can offer significant economic benefits. A positive environment that values employees and promotes responsible governance attracts better talent, reduces turnover costs and improves productivity. It can also strengthen the company's reputation, by attracting new ethically-minded investors and loyal customers, thus resulting in a long-term financial return.	Short term = 1 year	Own operations
	Risk: Operational risk associated with system breaches due to cybersecurity events	Short term = 1 year	Own operations

Sub-topic	Risk/opportunity description	Prevailing time horizon	Upstream value chain/own operations/downstream value chain
Corruption and bribery	Opportunity: Investing in continuous, in-depth training on corruption prevention can lead to a competitive advantage in the market. The bank can improve its reputation for transparency and integrity, thus attracting new investors and customers.	Short term = 1 year	Own operations

With reference to the risks and opportunities relevant to the Group, an analysis was conducted to determine whether any current economic, equity or financial effects attributable to these factors occurred during the financial year. The analysis performed did not identify any relevant current financial effects associated with the identified ESG risks and opportunities for 2024.

E1.IRO-1

The process of identifying and assessing impacts related to climate change was conducted following an impact assessment methodology, aligned with the CSRD Directive and thus ESRS standards, based on the analysis of documentation and the internal context, combined with the analysis of the Group's value chain. Impacts related to climate change, in order to assess their materiality, were also identified by positive or negative nature and assessed according to likelihood and correspondingly by magnitude and scope if positive, or by magnitude, scope and remediability if negative. During the process, the Group analysed its activities in order to identify sources of greenhouse gas emissions, both current and potentially relevant in the future. The analysis covered direct emissions (Scope 1) and indirect emissions from purchased energy (Scope 2), based on the energy carriers used and the operational characteristics of the company's locations. The analysis also considered the relevance of future emissions in relation to the evolution of energy consumption and the transition of the energy mix, adopting assumptions that are consistent with the reference scenarios.

Physical Risk Identification and Assessment Process

The identification of physical risk was conducted through a methodology that combines geospatial analysis tools with forecasting models based on established scientific data. Each funded counterpart was geolocalised, including both registered office and operational units, to determine the specific exposure to acute and chronic climate hazards. The analysis included an assessment of the evolution of risks over time, through forecast models considering climate scenarios to 2050, in line with projections provided by international bodies such as Copernicus and ISPRA. Short, medium and long-term time horizons were considered in order to ensure a comprehensive view of the possible evolution of physical risks. This approach ensured a detailed mapping of physical risk exposure, providing the Bank with useful tools for portfolio management and mitigation measures. The analysis also took into account the degree of exposure to weather events of the counterparties' physical locations, collateral properties and operational assets, based on geographical coordinates, in order to estimate the potential impact on assets and activities.

Transition Risk Identification and Assessment Process

Transition risk analysis was developed through a structured model that assesses the exposure of funded counterparties to regulatory, technological and market changes related to decarbonisation. The methodology involved a sectoral classification based on the ATECO/NACE code, which made it possible to associate each counterparty with its industry sector and determine its vulnerability to greenhouse gas emission reduction targets. The adoption of low-emission technologies was assessed as a mitigating factor, allowing a differentiation of risk between companies that have already started decarbonisation processes and those that are more exposed to the effects of future regulations. This approach made it possible to develop a detailed picture of transition risk, giving the Bank a clear view of the future impact of climate regulation on its portfolio. In addition, climate scenarios aligned with the goal of limiting global warming to within 1.5 °C were also considered in order to identify relevant transition events and estimate the degree of sensitivity of the Bank's assets and activities to these dynamics. The assessment distinguished between short-, medium- and long-term exposures and considered the degree to which certain assets were incompatible with climate neutrality targets, as well as the extent of efforts required to align them.

Reducing and improving consumption efficiency are strategic objectives for the Igea Banca Banking Group, which is committed to minimising the environmental impact of its operations. In fact, the Group has begun to take into consideration the risk factors associated with the efficient use of resources and has committed itself to disseminating and consolidating a culture of environmental protection, promoting responsible behaviour, and improving its processes in order to point out any shortcomings and intervene promptly in accordance with the applicable regulations. In addition, the Group conducted an analysis of its portfolio exposure in order to identify the impacts, risks and opportunities related to resource use, material efficiency and material flows in the financed assets, considering the sectors related to construction, real estate services and manufacturing, which account for the largest share of assets under management. Following this analysis, the Igea Banca Group's ESRS E5 commitment and strategy, which is currently being defined, will therefore consider both the Group's direct activities (e.g. internal operations, use of resources in buildings and branches) and financed activities (projects and supported enterprises), with particular attention to the following aspects: 1) Material inflows: types and quantities of raw materials used in the supported sectors, with a focus on the sustainable sourcing of resources (e.g. low-impact building materials, use of secondary raw materials in manufacturing); 2) Material outflows: end-of-cycle material management in the supported sectors, with a focus on recovery, reuse and recycling strategies, in line with the principles of the circular economy.

The Igea Banca Banking Group, in cooperation with its main IT service provider Cedacri, is developing an update of the assessment system adopted by the Credit function. In fact, the Group intends to implement adequate controls to assess and monitor the impacts of ESG factors within the credit process, integrating ESG criteria into the assessment of financed counterparties, with a specific focus on climate change (mitigation, adaptation and energy) and circular economy. The scenarios used come from scientifically recognised sources (e.g. IPCC, Copernicus) and have been selected to ensure coverage of plausible risks and uncertainties, taking into account public policies, macroeconomic trends, technological developments and the expected energy mix. Scenarios include narratives, quantitative parameters and time horizons that are in line with expected impacts and corporate strategic planning. The use of these scenarios is consistent with

the assumptions underlying the financial statement, as they are based on macro and sectoral assumptions aligned with the Group's strategic vision.

E2.IRO-1

As part of the double materiality analysis process conducted in 2024, the Group examined the potential impacts, risks and opportunities related to the issue of pollution, assessing them along the entire value chain. The analyses, with particular reference to the upstream and downstream phases, were developed on the basis of internally available information. There were no specific consultations with the communities concerned in relation to this issue. As a result of the assessments carried out, topics pertaining to the standard *ESRS E2 - Pollution* were not considered relevant.

E3.IRO-1

As part of the double materiality analysis process conducted in 2024, the potential impacts, risks and opportunities related to water and marine resource management along the entire value chain were examined. Assessments for upstream and downstream phases were made on the basis of available information. There was no consultation with the communities concerned on these topics. Topics related to the standard *ESRS E3 - Water and Marine Resources* were not relevant.

E4.IRO-1

The double materiality analysis process conducted in 2024 examined the potential impacts, risks and opportunities related to biodiversity and ecosystems along the entire value chain. Assessments for upstream and downstream phases were carried out on the basis of available information, without direct involvement of the affected communities. The Group's sites are not located in or near areas characterised by high sensitivity in terms of biodiversity, and no specific mitigation measures are therefore planned. For this reason, the topics under *ESRS E4 - Biodiversity and Ecosystems* were considered irrelevant.

E5.IRO-1

In order to identify the impacts, risks and opportunities related to resource use and the circular economy, the Group analysed its own activities and the activities carried out by the main players along the value chain, with the aim of identifying the most critical stages. The subsequent assessment of the impacts, risks and opportunities identified took into account the specificities of the companies that make up the Igea Banca Group, as well as the players in its value chain and the characteristics of the sectors in which they operate. Although the Group did not conduct consultations with the affected communities, the analysis described included the involvement of its top management and relevant functions.

G1.IRO-1

The Group adopts a structured process for identifying and assessing the impacts, risks and opportunities associated with business conduct, based on an analysis that considers specific criteria, including the banking sector in which it operates, its scope of operations, its organisational structure and the positioning of Group companies in the markets in which they operate.

The assessment is carried out through internal analysis tools, active involvement of key stakeholders and comparison with industry benchmarks. Furthermore, the Group adopts an integrated approach that considers the entire value chain, both upstream and downstream, to ensure effective monitoring of its operations and relationships with business partners.

The impacts, risks and opportunities identified concern in particular the strengthening of a corporate culture based on ethics, transparency and responsible governance, the improvement of data protection policies, the optimisation of relations with suppliers and the implementation of measures to combat corruption and money laundering. These aspects help to consolidate the Group's solidity, strengthening investor confidence and increasing competitiveness on the market.

**ESRS 2 IRO 2**

1.4.2. Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS Standard	Indicator number and description	Paragraph
General Information		1
ESRS 2	Basis for preparation	
	ESRS 2 BP-1	1.1.1 General basis for preparation of sustainability statements
	ESRS 2 BP-2	1.1.2 Disclosures in relation to specific circumstances
	Governance	
	ESRS 2 GOV-1	1.2.1 The role of the administrative, management and supervisory bodies
	ESRS 2 GOV-2	1.2.2 Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	ESRS 2 GOV-3	1.2.3 Integration of sustainability-related performance in incentive schemes
	ESRS 2 GOV-4	1.2.4 Statement on due diligence
	ESRS 2 GOV-5	1.2.5 Risk management and internal controls over sustainability reporting
	Strategy	
	ESRS 2 SBM-1	1.3.1 Strategy, business model and value chain
	ESRS 2 SBM-2	1.3.2 Interests and views of stakeholders
	ESRS 2 SBM-3	1.3.3 Material impacts, risks and opportunities and their interaction with strategy and business model
	Impacts, risks and opportunities management	
	ESRS 2 IRO-1	1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities
	ESRS 2 IRO-2	1.4.2 Disclosure requirements of the ESRS covered by the undertaking's sustainability statement
Environmental Information		2
EU Taxonomy		2.1
ESRS E1 Climate Change		2.2
E1 Climate Change	Governance	
	ESRS 2 GOV-3	1.2.3 Integration of sustainability-related performance in incentive schemes
	Strategy	
	ESRS E1-1	2.2.1.1 Transition plan for climate change mitigation
	ESRS 2 SBM-3	1.3.3 Material impacts, risks and opportunities and their interaction with strategy and business model
	Impacts, risks and opportunities management	
	ESRS 2 IRO-1	1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities
	ESRS E1-2	2.2.2.1 Policies related to climate change mitigation and adaptation
	ESRS E1-3	2.2.2 Actions and resources in relation to climate change policies
	Metrics and Targets	
	ESRS E1-4	2.2.3.1 Targets related to climate change mitigation and adaptation
	ESRS E1-5	2.2.3.2 Energy consumption and mix
	ESRS E1-6	2.2.3.3 Gross Scopes 1, 2, 3 and Total GHG emissions

ESRS Standard	Indicator number and description	Paragraph
ESRS E5 Resource use and Circular Economy		2.3
	Impacts, risks and opportunities management	
	ESRS 2 IRO-1	1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities
	ESRS E5-1	2.3.1.1 Policies related to resource use and circular economy
	ESRS E5-2	2.3.1.2 Actions and resources in relation to resource use and circular economy
	Metrics and Targets	
	ESRS E5-3	2.3.2.1 Targets related to resource use and circular economy
	ESRS E5-4	2.3.2 Resource inflows
Social Information		3
ESRS S1 Own Workforce		3.1
S1 Own workforce	Strategy	
	ESRS 2 SBM-2	1.3.2 Interests and views of stakeholders
	ESRS 2 SBM-3	1.3.3 Material impacts, risks and opportunities and their interaction with strategy and business model
	Impacts, risks and opportunities management	
	ESRS S1-1	3.1.1 Policies related to own workforce
	ESRS S1-2	3.1.1.2 Processes for engaging with own workers and workers' representatives about impacts
	ESRS S1-3	3.1.1.3 Processes to remediate negative impacts and channels for own workers to raise concerns
	ESRS S1-4	3.1.1.4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
	Metrics and Targets	
	ESRS S1-5	3.1.2.1 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	ESRS S1-6	3.1.2.2 Characteristics of the undertaking's employees
	ESRS S1-9	3.1.2.3 Diversity Metrics
	ESRS S1-12	3.1.2.4 Persons with disabilities
	ESRS S1-13	3.1.2.5 Training and skills development metrics
	ESRS S1-14	3.1.2.6 Health and safety metrics
	ESRS S1-17	3.1.2.7 Incidents, complaints and severe human rights impacts
ESRS S2 Workers in the value chain		3.2
S2 Workers in the value chain	Strategy	
	ESRS 2 SBM-2	1.3.2 Interests and views of stakeholders
	ESRS 2 SBM-3	1.3.3 Material impacts, risks and opportunities and their interaction with strategy and business model
	Impacts, risks and opportunities management	
	ESRS S2-1	3.2.1.1 Policies related to value chain workers
	ESRS S2-2	3.2.1.2 Processes for engaging with value chain workers about impacts
	ESRS S2-3	3.2.1.3 Processes to remediate negative impacts and channels for value chain workers to raise concerns
	ESRS S2-4	3.2.1.4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material

ESRS Standard	Indicator number and description	Paragraph
		opportunities related to value chain workers, and effectiveness of those action
	Metrics and Targets	
	ESRS S2-5	3.2.2.1 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS S3 Affected communities		3.3
S3 Affected communities	Strategy	
	ESRS 2 SBM-2	1.3.2 Interests and views of stakeholders
	ESRS 2 SBM-3	1.3.3 Material impacts, risks and opportunities and their interaction with strategy and business model
	Impacts, risks and opportunities management	
	ESRS S3-1	3.3.1.1 Policies related to affected communities
	ESRS S3-2	3.3.1.2 Processes for engaging with affected communities about impacts
	ESRS S3-3	3.3.1.3. Processes to remediate negative impacts and channels for affected communities to raise concerns
	ESRS S3-4	3.3.1.4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions
	Metrics and Targets	
	ESRS S3-5	3.3.2.1 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS S4 Consumers and end-users		3.4
S4 Consumers and end-users	Strategy	
	ESRS 2 SBM-2	1.3.2 Interests and views of stakeholders
	ESRS 2 SBM-3	1.3.3 Material impacts, risks and opportunities and their interaction with strategy and business model
	Impacts, risks and opportunities management	
	ESRS S4-1	3.4.1.1 Policies related to consumers and end-users
	ESRS S4-2	3.4.1.2 Processes for engaging with consumers and end-users about impacts
	ESRS S4-3	3.4.1.3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
	ESRS S4-4	3.4.1.4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
	Metrics and Targets	
	ESRS S4-5	3.4.2.1 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
Governance Information		4
ESRS G1 Business conduct		4.1
G1-Business Conduct	Governance	
	ESRS 2 GOV-1	1.2.1 The role of the administrative, management and supervisory bodies
	Impacts, risks and opportunities management	
	ESRS G1-1	4.1.1 Business conduct policies and corporate culture
	ESRS G1-2	4.1.1.2 Management of relationships with suppliers

ESRS Standard	Indicator number and description	Paragraph
	ESRS G1-3	4.1.1.3 Prevention and detection of corruption and bribery
	Metrics and Targets	
	ESRS G1-4	4.1.2.1 Incidents of corruption or bribery

Below is a list of the disclosure requirements the Group has fulfilled in preparing its sustainability statement.

Disclosure requirements and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Paragraph
ESRS 2 GOV-1 Board's gender diversity, paragraph 21(d)	Annex I, Table 1, Indicator No. 13		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		1.2.Governance
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		1.2.Governance
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Annex I, Table 3, Indicator No. 10				1.2.Governance
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40(d)(i)	Annex I, Table 1, Indicator No. 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1 - Qualitative information on Environmental risk and Table 2 - Qualitative information on Social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Not relevant for the Group
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40(d)(ii)	Annex I, Table 2, Indicator No. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		Not relevant for the Group
ESRS 2 SBM-1 Participation in activities related to controversial weapons, paragraph 40(d)(iii)	Annex I, Table 1, Indicator No. 14		Article 12(1) of Delegated Regulation (EU) 2020/1818(7) and Annex II of Delegated Regulation (EU) 2020/1816		Not relevant for the Group
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40(d)(iv)			Article 12(1) of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated		Not relevant for the Group

Disclosure requirements and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Paragraph
			Regulation (EU) 2020/1816		
ESRS E1-1 Transition Plan to reach climate neutrality by 2050, paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	2.2.1 Strategy
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16(g)		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12(1)(d) to (g) and (2) of Delegated Regulation (EU) 2020/1818		Not relevant for the Group
ESRS E1-4 GHG emission reduction targets, paragraph 34	Annex I, Table 2, Indicator No. 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate Change transition risk: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		Not relevant for the Group
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Annex I, Table 1, Indicator No. 5 and Annex I, Table 2, Indicator No. 5				Not relevant for the Group
ESRS E1-5 Energy consumption and mix, paragraph 37	Annex I, Table 1, Indicator No. 5				2.2.3 Metrics and Targets
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex I, Table 1, Indicator No. 6				Not relevant for the Group
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Annex I, Table 1, Indicators Nos. 1 and 2	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate Change	Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818		2.2.3 Metrics and Targets

Disclosure requirements and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Paragraph
		transition risk: Credit quality of exposures by sector, emissions and residual maturity			
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Annex I, Table 1, Indicator No. 3	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate Change transition risk: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818		2.2.3 Metrics and Targets
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	Subject of omission due to transitional provision
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Subject of omission due to transitional provision
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66(c)		Article 449a of Regulation (EU) No 575/2013; paragraphs 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Subject of omission due to transitional provision
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67(c)		Article 449a of Regulation (EU) No 575/2013; paragraph 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy			Subject of omission due to transitional provision

Disclosure requirements and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Paragraph
		efficiency of the collateral			
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities, paragraph 69			Annex II to Delegated Regulation (EU) 2020/1818		Subject of omission due to transitional provision
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Annex I, Table 1, indicator No. 8; Annex I, Table 2, indicator No. 2; Annex 1, Table 2, indicator No. 1; Annex I, Table 2, indicator No. 3				Not relevant for the Group
ESRS E3-1 Water and marine resources, paragraph 9	Annex I, Table 2, Indicator No. 7				Not relevant for the Group
ESRS E3-1 Dedicated policy, paragraph 13	Annex I, Table 2, Indicator No. 8				Not relevant for the Group
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Annex I, Table 2, Indicator No. 12				Not relevant for the Group
ESRS E3-4 Total water recycled and reused, paragraph 28(c)	Annex I, Table 2, Indicator No. 6.2				Not relevant for the Group
ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29	Annex I, Table 2, Indicator No. 6.1				Not relevant for the Group
ESRS 2 IRO-1 - E4 paragraph 16(a)(i)	Annex I, Table 1, Indicator No. 7				Not relevant for the Group
ESRS 2 IRO-1 - E4 paragraph 16 (b)	Annex I, Table 2, Indicator No. 10				Not relevant for the Group
ESRS 2 IRO-1 - E4 paragraph 16 (c)	Annex I, Table 2, Indicator No. 14				Not relevant for the Group
ESRS E4-2 Sustainable land / agriculture practices or policies, paragraph 24(b)	Annex I, Table 2, Indicator No. 11				Not relevant for the Group
ESRS E4-2 Sustainable sea/ocean use practices or policies, paragraph 24(c)	Annex I, Table 2, Indicator No. 12				Not relevant for the Group
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Annex I, Table 2, Indicator No. 15				Not relevant for the Group
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Annex I, Table 2, Indicator No. 13				Not relevant for the Group

Disclosure requirements and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Paragraph
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Annex I, Table 1, Indicator No. 9				Not relevant for the Group
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour, paragraph 14(f)	Annex I, Table 3, Indicator No. 13				Not relevant for the Group
ESRS 2 - SBM3 - S1 Risk of incidents of child labour, paragraph 14(g)	Annex I, Table 3, Indicator No. 12				Not relevant for the Group
ESRS S1-1 Human rights policy commitments, paragraph 20	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				3.1.1 Impacts, risks and opportunities management
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		Not relevant for the Group
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Annex I, Table 3, Indicator No. 11				Not relevant for the Group
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Annex I, Table 3, Indicator No. 1				3.1.1 Impacts, risks and opportunities management
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32(c)	Annex I, Table 3, Indicator No. 5				3.1.1 Impacts, risks and opportunities management
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Annex I, Table 3, Indicator No. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		3.1.2 Metrics and Targets
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88(e)	Annex I, Table 3, Indicator No. 3				3.1.2 Metrics and Targets
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	Annex I, Table 1, Indicator No. 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		Not relevant for the Group
ESRS S1-16 Excessive CEO pay ratio, paragraph 97(b)	Annex I, Table 3, Indicator No. 8				Not relevant for the Group
ESRS S1-17 Incidents of discrimination, paragraph 103(a)	Annex I, Table 3, Indicator No. 7				3.1.2 Metrics and Targets

Disclosure requirements and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Paragraph
ESR S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104(a)	Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Not relevant for the Group
ESRS 2 SBM-3 - S2 Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	Annex I, Table 3, Indicators Nos. 12 and 13				Not relevant for the Group
ESRS S2-1 Human rights policy commitments, paragraph 17	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				3.2.1 Impacts, risks and opportunities management
ESRS S2-1 Policies related to value chain workers, paragraph 18	Annex I, Table 3, Indicators Nos. 11 and 4				3.2.1 Impacts, risks and opportunities management
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Not relevant for the Group
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		Not relevant for the Group
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Annex I, Table 3, Indicator No. 14				Not relevant for the Group
ESRS S3-1 Human rights policy commitments, paragraph 16	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				3.3.1 Impacts, risks and opportunities management
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Not relevant for the Group
ESRS S3-4 Human rights issues and incidents, paragraph 36	Annex I, Table 3, Indicator No. 14				Not relevant for the Group

Disclosure requirements and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Paragraph
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	In Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				3.4.1 Impacts, risks and opportunities management
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Not relevant for the Group
ESRS S4-4 Human rights issues and incidents, paragraph 35	Annex I, Table 3, Indicator No. 14				Not relevant for the Group
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Annex I, Table 3, Indicator No. 15				Not relevant for the Group
ESRS G1-1 Protection of whistle-blowers, paragraph 10(d)	Annex I, Table 3, Indicator No. 6				4.1.1 Impacts, risks and opportunities management
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24(a)	Annex I, Table 3, Indicator No. 17		Annex II to Delegated Regulation (EU) 2020/1816		Not relevant for the Group
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24(b)	Annex I, Table 3, Indicator No. 16				4.1.2 Metrics and Targets

2. Environmental information

2.1 The European Taxonomy of Environmentally Sustainable Activities - Disclosure pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation)

2.1.1 Introduction to European Taxonomy

The European Taxonomy, established by Regulation (EU) 2020/852 and subsequently expanded through Delegated Regulations, is a key tool for achieving the objectives of the European Green Deal. It defines a classification framework to identify economic activities that are considered environmentally and climate sustainable.

With effect from 1 January 2022, Article 8 of the Taxonomy Regulation introduced a disclosure requirement for companies subject to the Non-Financial Reporting Directive (NFRD) 2014/95. These companies must declare how and to what extent their activities are related to those deemed environmentally sustainable.

To determine the sustainability of an economic activity, Regulation (EU) 2020/852 identifies six key environmental objectives:

- Climate change mitigation;

- Climate change adaption;
- Sustainable use of marine resources;
- Transition to a circular economy model;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.

The Regulation also establishes four criteria that an economic activity must meet to qualify as environmentally sustainable:

- Contribute significantly to the achievement of at least one of the six environmental objectives above;
- Do No Significant Harm (DNSH principle) to other environmental objectives;
- Be carried out in compliance with the minimum safeguards set out in Article 18 of Regulation (EU) 2020/852;
- Comply with the Technical Screening Criteria established by the Climate Delegated Act and the Environmental Delegated Act.

2.1.2 Methodological Approach

Article 10 of Delegated Regulation (EU) 2021/2178 regulates the manner in which Key Performance Indicators (KPIs) are to be reported, imposing an obligation on financial firms, including credit institutions, to provide detailed information as of 1 January 2024 through KPIs.

For the 2024 financial year, the Igea Banca Group conducted an analysis based on its prudential consolidation in order to report on the following indicators:

- **Green Asset Ratio (GAR):** this indicator measures the share of the credit institution's assets allocated to or invested in the financing of Taxonomy-compliant economic activities, comparing it to the total assets within the scope;
- **KPI for off-balance sheet exposures:** this KPI represents a complementary indicator that expresses the level of alignment to the Taxonomy of exposures managed by the undertaking, highlighting the extent to which they contribute to directing financial flows towards environmentally sustainable activities.

The methodological specifications for the calculation and reporting of these indicators are contained in Annex V of Delegated Regulation (EU) 2021/2178. For the calculation of the Green Asset Ratio, the Regulation lays down precise provisions on on-balance sheet exposures, stipulating that the indicator must include the following categories of financial assets:

- a) Financial assets measured at amortised cost;
- b) Financial assets measured at fair value through other comprehensive income;
- c) Investments in subsidiaries;
- d) Investments in joint ventures and associates;
- e) Financial assets designated at fair value through profit or loss, as well as financial assets that are mandatorily measured at fair value in the same manner;
- f) Real estate collaterals acquired by credit institutions by taking possession in exchange for the cancellation of debts.

At the same time, Annex V states that the following assets should be excluded from the numerator of the Green Asset Ratio:

- a) Financial assets held for trading;
- b) On-demand interbank loans;
- c) Exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU.

2.1.3 Eligibility Analysis and Green Asset Ratio (GAR) calculation approach

Taxonomy KPIs are calculated as the weighted average of financing activities, taking into account the share of eligible economic activities aligned to the EU Taxonomy for each counterparty. In continuity with the analyses conducted during the previous reporting year, the identification of companies subject to Sustainability Reporting obligations was carried out following the methodological process described below:

- Consultation of the Consob list of companies obliged to publish the Non-Financial Statement, with particular attention paid to the Group's exposures to financial and non-financial companies based in Italy;
- Checking whether European financial counterparties publish sustainability reports on their respective websites. Where the information identified was not considered sufficient, these companies were considered exempt from the reporting obligation;
- Automatic exclusion of exposures to both financial and non-financial counterparties operating outside the EU.

The determination of the eligibility and alignment quotas of the bank's exposures to companies subject to CSRD reporting obligations was based on the relevant eligibility and alignment percentages that were published within the respective sustainability statements, identifying the KPI shares broken down by environmental objective.

In accordance with the provisions of Delegated Regulation (EU) 2021/2178, the calculation of the Green Asset Ratio (GAR) excludes specific categories of exposures, including exposures to central governments, central banks, supranational issuers, non-reporting companies, derivatives, the trading book and on-demand interbank loans.

For exposures related to debt securities, equity instruments, loans and advances granted to non-financial undertakings, the assessment of eligibility and alignment was made by weighting the gross carrying value of the exposures according to two parameters: the share of eligible and aligned annual turnover (Turnover) and the share of eligible and aligned annual capital expenditure (Capex).

With regard to exposures for the 2024 financial year, the Igea Banca Group has calculated that the Turnover-based alignment percentage is 0.35%. The Capex-based percentage amounts to 0.46%. These values were determined by considering the gross carrying value of the total assets within the scope of application. However, for the purposes of this calculation, exposures to central governments, central banks, supranational issuers and those included in the trading book were excluded.

With reference to the presentation of the data for the 2023 financial year, it should be noted that these have been restated following a refinement of the calculation methodology, which allows for greater comparability of the data with those reported for the 2024 financial year.

2.1.4 Qualitative Analysis

The integration of sustainability into the corporate strategy and transparency in the disclosure of non-financial information are key elements for the Group. The commitment is geared towards ensuring full compliance with regulatory reporting requirements, while fostering an integrated approach to the management of environmental topics in internal processes. In order to ensure an accurate assessment of the eligibility and alignment of assets with the EU Taxonomy, the Group has taken appropriate measures within the timeframe prescribed by the applicable regulations. These actions made it possible to collect and analyse data on counterparties in a detailed manner that complies with the disclosure requirements set out in the relevant regulations.

During 2024, the Group defined a specific strategic approach to strengthen its commitment to sustainability. One of its priority objectives is the repositioning of IGEA Digital Bank as a Green Digital Bank, characterised by a highly competitive offer of financial products and solutions geared towards the ecological transition. Commitments to sustainability are also reflected in the increase of the Banking Group's exposures to companies engaged in environmentally sustainable activities compared to the previous reporting year.

2.1.5 Results obtained

Below are the templates that comply with regulatory requirements, within which the results of the analyses conducted during the year are reported.

0 Summary of KPIs to be disclosed by credit institutions pursuant to Article 8 of the Taxonomy Regulation - 2024

Figures in millions of euros		Total green assets (1)	KPI (based on counterparty turnover)	KPI (based on counterparty CapEx)	% coverage (of total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and point 1.1.2 of Annex V)	% of assets excluded from the GAR denominator (Article 7(1) and point 1.2.4 of Annex V)
Main KPI	GAR (green asset ratio) for the stock	11.74	0.3%	0.4%	73.8%	59.7%	26.2%

Figures in millions of euros		Total green assets	KPI (based on counterparty turnover)	KPI (based on counterparty CapEx)	% coverage (of total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and point 1.1.2 of Annex V)	% of assets excluded from the GAR denominator (Article 7(1) and point 1.2.4 of Annex V)
Additional KPIs	GAR (flow)*	8.44	0.5%	0.8%	97.9%	93.0%	2.1%
	Financial guarantees	10	0.0%	0.0%			
	Financial assets under management	0	0.0%	0.0%			

1 Assets for the calculation of GAR Stock Turnover 2024

Millions of euros		Total (gross) carrying amount	2024													
			Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which to taxonomy-relevant sectors (taxonomy-eligible)						Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)						Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying		
GAR - Assets covered in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	747,61	203,78	11,23	-	0,10	1,73	0,07	0,00	-	0,00	0,59	1	-	-	0,01
2	Financial firms	59,32	6,61	2,62	-	0,02	0,29	0,06	0,00	-	0,00	0,00	-	-	-	-
3	Credit institutions	57,86	6,10	2,53	-	0,02	0,20	0,06	0,00	-	0,00	0,00	-	-	-	-
4	Loans and advances	36,75	2,01	2,00	-	-	-	0,03	-	-	-	-	0	-	-	-
5	Debt securities, including UoP	15,99	2,75	0,43	-	0,01	0,18	0,03	-	-	-	-	0	-	-	-
6	Equity instruments	5,12	1,33	0,10	-	0,00	0,03	0,00	0,00	-	0,00	0,00	0	-	-	-
7	Other financial companies	1,46	0,51	0,08	-	-	0,08	-	-	-	-	-	-	-	-	-
8	of which investment companies	1,46	0,51	0,08	-	-	0,08	-	-	-	-	-	-	-	-	-
9	Loans and advances	0,90	-	-	-	-	-	-	-	-	-	-	0	-	-	-
10	Debt securities, including UoP	0,56	0,51	0,08	-	-	0,08	-	-	-	-	-	0	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-
16	of which insurance companies	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-
20	Non-financial enterprises	32,74	7,80	4,25	-	0,08	1,45	0,01	0,00	-	0,00	0,59	0,51	-	-	0,01
21	Loans and advances	17,85	4,21	2,84	-	-	0,29	0,00	-	-	-	0,59	1	-	-	0,01
22	Debt securities, including UoP	5,91	1,77	0,38	-	-	0,10	0,01	0,00	-	0,00	-	0	-	-	-
23	Equity instruments	8,98	1,82	1,03	-	0,08	1,05	0,00	-	-	-	-	0	-	-	-
24	Households	624,48	#####	4,36	-	-	-	-	-	-	-	-	-	-	-	-
25	of which loans secured by residential property	213,68	189,38	4,36	-	-	-	-	-	-	-	-	-	-	-	-
26	of which loans for building renovation	4,75	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local government funding	31,07	-	-	-	-	-	-	-	-	-	-	0	-	-	-
29	Building financing	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-
30	Financing of other local public administrations	31,07	-	-	-	-	-	-	-	-	-	-	0	-	-	-
31	Guarantees obtained by taking possession: residential and non-residential properties	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-
32	Other assets excluded from the numerator for GAR calculation (included in the denominator)	3,145,67	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and non-financial enterprises	255,62	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD reporting requirements	1,999,71	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	1,987,75	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans secured by non-residential real estate	98,59	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans for building renovation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	9,97	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	1,99	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Third country counterparties not subject to NFRD reporting requirements	3,72	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	1,71	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	2,01	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Derivatives	0,19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	On-demand interbank loans	58,17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Cash and cash assets	26,09	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Other asset categories (e.g. Goodwill, goods, etc.)	802,18	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Total GAR assets	3,893	204	11	-	0	2	0	0	-	0	1	1	-	-	0
49	Assets not included for GAR calculation	1,379,99	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Central governments and supranational issuers	1,061,06	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Exposure to central banks	315,98	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Trading portfolio	2,95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Total assets	5,273	204	11	-	0	2	0	0	-	0	1	1	-	-	0
Off-balance sheet exposures - companies subject to NFRD disclosure requirements																
54	Financial guarantees	0,04	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Financial assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1 Assets for the calculation of GAR Stock Turnover 2024

Millions of euros		2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + ACC + WTR + CE + PPC + BIO)				
		Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				
		Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				
		Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying		
GAR - Assets covered in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0.75	-	-	-	0.00	-	-	-	0.01	-	-	-	205	12	-	0	2
2	Financial firms	0.03	-	-	-	0.00	-	-	-	-	-	-	-	7	3	-	0	0
3	Credit institutions	0.03	-	-	-	0.00	-	-	-	-	-	-	-	6	3	-	0	0
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	2	2	-	-	-
5	Debt securities, including UoP	0.02	-	-	-	-	-	-	-	-	-	-	-	3	0	-	0	0
6	Equity instruments	0.01	-	-	-	0.00	-	-	-	-	-	-	-	1	0	-	0	-
7	Other financial companies	-	-	-	-	-	-	-	-	-	-	-	-	1	0	-	-	0
8	of which investment companies	-	-	-	-	-	-	-	-	-	-	-	-	1	0	-	-	0
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	1	0	-	-	0
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial enterprises	0.72	-	-	-	0.00	-	-	-	0.01	-	-	-	8	4	-	0	2
21	Loans and advances	0.07	-	-	-	-	-	-	-	-	-	-	-	5	3	-	-	0
22	Debt securities, including UoP	-	-	-	-	0.00	-	-	-	-	-	-	-	2	0	-	-	0
23	Equity instruments	0.65	-	-	-	-	-	-	-	0.01	-	-	-	2	1	-	0	1
24	Households	-	-	-	-	-	-	-	-	-	-	-	-	189	4	-	-	-
25	of which loans secured by residential property	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-	-
26	of which loans for building renovation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local government funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Building financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Guarantees obtained by taking possession: residential and non-residential properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Other assets excluded from the numerator for GAR calculation (included in the denominator)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and non-financial enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD reporting requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans secured by non-residential real estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans for building renovation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Third country counterparties not subject to NFRD reporting requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	On-demand interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Cash and cash assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Other asset categories (e.g. Goodwill, goods, etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1 Assets for the calculation of GAR Stock Turnover 2023

Millions of euros		Total (gross) carrying amount	2023													
			Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + ACC + WTR + CE + PPC + BIO)					
			Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)					
			Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)					
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying	
1	GAR - Assets covered in both numerator and denominator	646	195	5	-	1	1	1	0	-	-	196	5	-	1	1
2	Financial firms	64	4	1	-	1	0	1	0	-	-	5	1	-	1	0
3	Credit institutions	51	2	1	-	-	0	-	-	-	-	2	1	-	-	0
4	Loans and advances	43	1	1	-	-	-	-	-	-	-	1	1	-	-	-
5	Debt securities, including UoP	4	0	0	-	-	0	-	-	-	-	0	0	-	-	0
6	Equity instruments	4	1	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial companies	13	2	0	-	1	0	1	0	-	-	2	0	-	1	0
8	of which investment companies	9	1	0	-	1	0	1	0	-	-	2	0	-	1	0
9	Loans and advances	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	8	1	0	-	1	0	1	0	-	-	2	0	-	1	0
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance companies	4	1	0	-	0	0	-	-	-	-	1	0	-	0	0
17	Loans and advances	4	1	0	-	0	0	-	-	-	-	1	0	-	0	0
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial enterprises	27	6	4	-	-	0	-	-	-	-	6	4	-	-	0
21	Loans and advances	23	5	3	-	-	0	-	-	-	-	5	3	-	-	0
22	Debt securities, including UoP	4	1	0	-	-	0	-	-	-	-	1	0	-	-	0
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	515	185	-	-	-	-	-	-	-	-	185	-	-	-	-
25	of which loans secured by residential property	204	185	-	-	-	-	-	-	-	-	185	-	-	-	-
26	of which loans for building renovation	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local government funding	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Building financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Guarantees obtained by taking possession: residential and non-residential properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Other assets excluded from the numerator for GAR calculation (included in the denominator)	2,791	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and non-financial enterprises	213	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD reporting requirements	1,768	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	1,533	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans secured by non-residential real estate	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans for building renovation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	190	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Third country counterparties not subject to NFRD reporting requirements	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Derivatives	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	On-demand interbank loans	62	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Cash and cash assets	29	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Other asset categories (e.g. Goodwill, goods, etc.)	714	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Total GAR assets	3,436	195	5	-	1	1	1	0	-	-	196	5	-	1	1
49	Assets not included for GAR calculation	1,543	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Central governments and supranational issuers	949	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Exposure to central banks	588	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Trading portfolio	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Total assets	4,979	195	5	-	1	1	1	0	-	-	196	5	-	1	1
Off-balance sheet exposures - companies subject to NFRD disclosure requirements																
54	Financial guarantees	29	0	0	-	-	-	0	-	-	-	0	0	-	-	-
55	Financial assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1 Assets for the calculation of GAR Stock CapEx 2024

Millions of euros		Total (gross) carrying amount	2024											
			Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)	
			Of which to taxonomy-relevant sectors (taxonomy-eligible)						Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)	
			Of which environmentally sustainable (taxonomy-aligned)						Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)	
				Of which use of proceeds	Of which transitional	Of which qualifying				Of which use of proceeds	Of which qualifying		Of which use of proceeds	Of which qualifying
1	GAR - Assets covered in both numerator and denominator													
2	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	747.61	210	15	-	0	3	3	0	-	0	0	-	-
3	Financial firms	59.32	7	1	-	0	1	0	0	-	0	0	-	-
4	Credit institutions	57.86	6	1	-	0	0	0	0	-	0	0	-	-
5	Loans and advances	36.75	2	0	-	-	-	0	-	-	-	-	-	-
6	Debt securities, including UoP	15.99	3	0	-	0	0	0	-	-	-	-	-	-
7	Equity instruments	5.12	1	0	-	0	0	0	0	-	0	0	-	-
8	Other financial companies	1.46	1	0	-	-	0	-	-	-	-	-	-	-
9	of which investment companies	1.46	1	0	-	-	0	-	-	-	-	-	-	-
10	Loans and advances	0.90	0	0	-	-	-	-	-	-	-	-	-	-
11	Debt securities, including UoP	0.50	1	0	-	-	0	-	-	-	-	-	-	-
12	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
17	of which insurance companies	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Non-financial enterprises	32.74	14	9	-	0	2	3	0	-	0	0	-	-
22	Loans and advances	17.85	7	5	-	-	1	0	0	-	0	0	1	-
23	Debt securities, including UoP	5.91	3	2	-	0	0	0	0	-	0	0	-	-
24	Equity instruments	8.98	4	2	-	0	1	3	-	-	-	-	-	-
25	Households	624.48	189	4	-	-	-	-	-	-	-	-	-	-
26	of which loans secured by residential property	213.68	189	4	-	-	-	-	-	-	-	-	-	-
27	of which loans for building renovation	4.75	-	-	-	-	-	-	-	-	-	-	-	-
28	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Local government funding	31.07	-	-	-	-	-	-	-	-	-	-	-	-
30	Building financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Financing of other local public administrations	31.07	-	-	-	-	-	-	-	-	-	-	-	-
32	Guarantees obtained by taking possession: residential and non-residential properties	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Other assets excluded from the numerator for GAR calculation (included in the denominator)	3,145.67	-	-	-	-	-	-	-	-	-	-	-	-
34	Financial and non-financial enterprises	255.62	-	-	-	-	-	-	-	-	-	-	-	-
35	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD reporting requirements	1,999.71	-	-	-	-	-	-	-	-	-	-	-	-
36	Loans and advances	1,087.75	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans secured by non-residential real estate	98.59	-	-	-	-	-	-	-	-	-	-	-	-
38	of which loans for building renovation	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Debt securities	9.97	-	-	-	-	-	-	-	-	-	-	-	-
40	Equity instruments	1.99	-	-	-	-	-	-	-	-	-	-	-	-
41	Third country counterparties not subject to NFRD reporting requirements	3.72	-	-	-	-	-	-	-	-	-	-	-	-
42	Loans and advances	1.71	-	-	-	-	-	-	-	-	-	-	-	-
43	Debt securities	2.01	-	-	-	-	-	-	-	-	-	-	-	-
44	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Derivatives	0.19	-	-	-	-	-	-	-	-	-	-	-	-
46	On-demand interbank loans	58.17	-	-	-	-	-	-	-	-	-	-	-	-
47	Cash and cash assets	26.09	-	-	-	-	-	-	-	-	-	-	-	-
48	Other asset categories (e.g. Goodwill, goods, etc.)	802.18	-	-	-	-	-	-	-	-	-	-	-	-
49	Total GAR assets	3,893	210	15	-	0	3	3	0	-	0	0	-	-
50	Assets not included for GAR calculation	1,379.99	-	-	-	-	-	-	-	-	-	-	-	-
51	Central governments and supranational issuers	1,061.06	-	-	-	-	-	-	-	-	-	-	-	-
52	Exposure to central banks	315.98	-	-	-	-	-	-	-	-	-	-	-	-
53	Trading portfolio	2.95	-	-	-	-	-	-	-	-	-	-	-	-
54	Total assets	5,273	-	-	-	-	-	-	-	-	-	-	-	-
55	Off-balance sheet exposures - companies subject to NFRD disclosure requirements	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Financial guarantees	0.04	0	0	-	-	-	0	-	-	-	-	-	-
57	Financial assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-

1 Assets for the calculation of GAR Stock CapEx 2024

Millions of euros		2024																		
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + ACC + WTR + CE + PPC + BIO)						
		Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)						
		Of which environmentally sustainable (taxonomy-aligned)		Of which environmentally sustainable (taxonomy-aligned)		Of which environmentally sustainable (taxonomy-aligned)		Of which environmentally sustainable (taxonomy-aligned)		Of which environmentally sustainable (taxonomy-aligned)										
		Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying				
	GAR - Assets covered in both numerator and denominator																			
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0	-	-	-	0	-	-	-	-	-	-	-	213	15	-	0	3		
2	Financial firms	-	-	-	-	-	-	-	-	-	-	-	-	7	1	-	0	1		
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	6	1	-	0	0		
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	2	2	-	-	-		
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	3	0	-	0	0		
6	Equity instruments	0	-	-	-	-	-	-	-	-	-	-	-	1	0	-	-	-		
7	Other financial companies	-	-	-	-	-	-	-	-	-	-	-	-	1	0	-	-	0		
8	of which investment companies	-	-	-	-	-	-	-	-	-	-	-	-	1	0	-	-	0		
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	0	0	-	-	-		
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	1	0	-	-	0		
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
16	of which insurance companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
20	Non-financial enterprises	0	-	-	-	0	-	-	-	-	-	-	-	17	9	-	0	2		
21	Loans and advances	0	0	-	-	-	-	-	-	-	-	-	-	7	6	-	-	1		
22	Debt securities, including UoP	0	-	-	-	0	-	-	-	-	-	-	-	3	2	-	0	0		
23	Equity instruments	1	-	-	-	0	-	-	-	0	-	-	-	8	2	-	0	1		
24	Households	-	-	-	-	-	-	-	-	-	-	-	-	18g	4	-	-	-		
25	of which loans secured by residential property	-	-	-	-	-	-	-	-	-	-	-	-	18g	4	-	-	-		
26	of which loans for building renovation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
28	Local government funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
29	Building financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
31	Guarantees obtained by taking possession: residential and non-residential properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
32	Other assets excluded from the numerator for GAR calculation (included in the denominator)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
33	Financial and non-financial enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
34	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD reporting requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
35	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
36	of which loans secured by non-residential real estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
37	of which loans for building renovation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
38	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
39	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
40	Third country counterparties not subject to NFRD reporting requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
41	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
42	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
44	Derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
45	On-demand interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
46	Cash and cash assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
47	Other asset categories (e.g. Goodwill, goods, etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
48	Total GAR assets	0	-	-	-	0	-	-	-	-	-	-	-	213	15	-	0	3		
49	Assets not included for GAR calculation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
50	Central governments and supranational issuers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
51	Exposure to central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
52	Trading portfolio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
53	Total assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Off-balance sheet exposures - companies subject to NFRD disclosure requirements																				
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	0	0	-	-	-		
55	Financial assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

1 Assets for the calculation of GAR Stock CapEx 2023

Millions of euros		Total (gross) carrying amount	2023																
			Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				TOTAL (CCM + ACC + WTR + CE + PPC + BIO)						
			Of which to taxonomy-relevant sectors (taxonomy-eligible)						Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)						
			Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)								
GAR - Assets covered in both numerator and denominator																			
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	646	199	8	-	0	1	0	0	-	-	-	-	199	8	-	0	1	1
2	Financial firms	64	4	1	-	0	0	-	-	-	-	-	-	4	1	-	0	0	0
3	Credit institutions	51	2	0	-	0	0	-	-	-	-	-	-	2	0	-	0	0	0
4	Loans and advances	43	0	0	-	-	-	-	-	-	-	-	-	0	0	-	-	-	-
5	Debt securities, including UoP	4	0	0	-	0	0	-	-	-	-	-	-	0	0	-	-	0	0
6	Equity instruments	-	4	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial companies	13	3	1	-	0	0	-	-	-	-	-	-	3	1	-	0	0	0
8	of which investment companies	9	2	1	-	0	0	-	-	-	-	-	-	2	1	-	0	0	0
9	Loans and advances	1	0	0	-	-	-	-	-	-	-	-	-	0	0	-	-	-	-
10	Debt securities, including UoP	8	2	1	-	0	0	1	0	-	-	-	-	3	1	-	0	0	0
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance companies	4	1	0	-	0	0	-	-	-	-	-	-	1	0	-	0	0	0
17	Loans and advances	4	1	0	-	0	0	-	-	-	-	-	-	1	0	-	0	0	0
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial enterprises	27	10	7	-	0	1	0	0	-	-	-	-	10	7	-	0	1	1
21	Loans and advances	23	8	6	-	-	1	0	0	-	-	-	-	8	6	-	-	1	1
22	Debt securities, including UoP	4	2	1	-	0	0	-	-	-	-	-	-	2	1	-	0	0	0
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	515	185	-	-	-	-	-	-	-	-	-	-	185	-	-	-	-	-
25	of which loans secured by residential property	204	185	-	-	-	-	-	-	-	-	-	-	185	-	-	-	-	-
26	of which loans for building renovation	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local government funding	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Building financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Guarantees obtained by taking possession: residential and non-residential properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Other assets excluded from the numerator for GAR calculation (included in the denominator)	2,791	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and non-financial enterprises	213	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD reporting requirements	1,768	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	1,533	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans secured by non-residential real estate	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans for building renovation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Third country counterparties not subject to NFRD reporting requirements	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Derivatives	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	On-demand interbank loans	62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Cash and cash assets	29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Other asset categories (e.g. Goodwill, goods, etc.)	714	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Total GAR assets	3,436	199	8	-	0	1	0	0	-	-	-	-	199	8	-	0	1	1
49	Assets not included for GAR calculation	1,543	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Central governments and supranational issuers	949	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Exposure to central banks	588	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Trading portfolio	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Total assets	4,979	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures - companies subject to NFRD disclosure requirements																			
54	Financial guarantees	29.48	0	0	-	-	-	0	-	-	-	-	-	0	0	-	-	-	-
55	Financial assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1 GAR - Sector Information Turnover 2024

	Breakdown by sector - NACE 4-digit level (code and brand)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and Marine Resources (WTR)		Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)		TOTAL (CCM + ACC + WTR + CE + PPC + BIO)	
		Non-financial undertakings (subject to the NFRD)		Non-financial undertakings (subject to the NFRD)		Non-financial undertakings (subject to the NFRD)		Non-financial undertakings (subject to the NFRD)		Non-financial undertakings (subject to the NFRD)		Non-financial undertakings (subject to the NFRD)		Non-financial undertakings (subject to the NFRD)	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		(in thousands of euros)	Of which environmentally sustainable (CCM)	(in thousands of euros)	Of which environmentally sustainable (CCA)	(in thousands of euros)	Of which environmentally sustainable (WTR)	(in thousands of euros)	Of which environmentally sustainable (CE)	(in thousands of euros)	Of which environmentally sustainable (PPC)	(in thousands of euros)	Of which environmentally sustainable (BIO)	(in thousands of euros)	Of which environmentally sustainable (CCM + ACC + WTR + CE + PPC + BIO)
1	A1.1 Growing of non-perennial crops	-	-	-	-	-	-	-	-	-	-	-	-	5.2	-
2	C28.9 Manufacture of other special-purpose machinery	-	-	-	-	-	-	-	-	-	-	-	-	0.7	-
3	D.35.1 Electric power generation, transmission and distribution	-	1.8	-	-	-	0.5	-	-	-	-	-	-	15.0	2,27
4	H49.5.0 Transport via pipeline	-	0.1	-	-	-	-	-	-	-	-	-	-	0.4	0,10
5	F.41.1.0 Development of building projects	-	0.1	-	0	-	-	-	-	-	-	-	-	0.5	0,15
6	C.29.1.0 Manufacture of motor vehicles	-	0.1	-	-	-	-	-	-	-	-	-	-	1.2	0,11
7	C.30.3.0 Manufacture of air and spacecraft and related machinery	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
8	G.47.1.9 Other retail sale in non-specialised stores	-	-	-	0	-	-	-	-	-	-	-	-	4.0	0,00
9	C27.1.2 Manufacture of electricity distribution and control apparatus	-	0.0	-	-	-	0.0	-	-	-	-	-	-	0.1	0,04
10	C29.3.2 Manufacture of parts and accessories for motor vehicles	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-
11	G46.9.0 Non-specialised wholesale trade	-	-	-	-	-	-	-	-	-	-	-	-	0.3	-
12	H49.1.0 Passenger rail transport, interurban	-	1.0	-	-	-	-	-	-	-	-	-	-	1.7	1,00
13	H52.2.1 Support activities for transportation	-	1.1	-	-	-	-	-	-	-	-	-	-	2.8	1,09
14	H53.1.0 Postal activities under universal service obligation	-	0.0	-	-	-	-	-	-	-	-	-	-	0.6	0,01

2 GAR - Sector Information CapEx 2024

	Breakdown by sector - NACE 4-digit level (code and brand)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and Marine Resources (WTR)		Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)		TOTAL (CCM + ACC + WTR + CE + PPC + BIO)	
		Non-financial undertakings (subject to the NFRD)		Non-financial undertakings (subject to the NFRD)		Non-financial undertakings (subject to the NFRD)		Non-financial undertakings (subject to the NFRD)		6		Non-financial undertakings (subject to the NFRD)		Non-financial undertakings (subject to the NFRD)	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		(in thousands of euros)	Of which environmentally sustainable (CCM)	(in thousands of euros)	Of which environmentally sustainable (CCA)	(in thousands of euros)	Of which environmentally sustainable (WTR)	(in thousands of euros)	Of which environmentally sustainable (CE)	(in thousands of euros)	Of which environmentally sustainable (PPC)	(in thousands of euros)	Of which environmentally sustainable (BIO)	(in thousands of euros)	Of which environmentally sustainable (CCM + ACC + WTR + CE + PPC + BIO)
1	A1.1 Growing of non-perennial crops	-	-	-	-	-	-	-	-	-	-	-	-	5.17	-
2	C28.9 Manufacture of other special-purpose machinery	-	0.01	-	-	-	-	-	-	-	-	-	-	0.67	0.01
3	D.35.1 Electric power generation, transmission and distribution	-	5.67	-	0.90	-	-	-	-	-	-	-	-	15.02	6.57
4	H49.5.0 Transport via pipeline	-	0.11	-	-	-	-	-	-	-	-	-	-	0.38	0.11
5	F.41.1.0 Development of building projects	-	0.21	-	0.04	-	-	-	-	-	-	-	-	0.52	0.24
6	C.29.1.0 Manufacture of motor vehicles	-	0.23	-	0.04	-	-	-	-	-	-	-	-	1.21	0.26
7	C.30.3.0 Manufacture of air and spacecraft and related machinery	-	-	-	0.00	-	-	-	-	-	-	-	-	0.07	0.00
8	G.47.1.9 Other retail sale in non-specialised stores	-	-	-	-	-	-	-	-	-	-	-	-	3.95	-
9	C27.1.2 Manufacture of electricity distribution and control apparatus	-	0.05	-	-	-	0.01	-	-	-	-	-	-	0.13	0.05
10	C29.3.2 Manufacture of parts and accessories for motor vehicles	-	-	-	-	-	-	-	-	-	-	-	-	0.24	-
11	G46.9.0 Non-specialised wholesale trade	-	-	-	-	-	-	-	-	-	-	-	-	0.35	-
12	H49.1.0 Passenger rail transport, interurban	-	1.39	-	0.04	-	-	-	-	-	-	-	-	1.69	1.43
13	H52.2.1 Support activities for transportation	-	1.55	-	0.04	-	-	-	-	-	-	-	-	2.77	1.59
14	H53.1.0 Postal activities under universal service obligation	-	0.03	-	-	-	-	-	-	-	-	-	-	0.56	0.03

3 KPI GAR (stock) Turnover 2024

% (against total assets covered in the denominator)		2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)			
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)			
	Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			
	GAR - Assets covered in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	5%	0.29%	0%	0,0%	0%	0.00179%	0.0001%	0.0000%	0.0001%	0.01511%	0.0131%	0.0000%	0.0001%
2	Financial firms	0.1697%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	Credit institutions	0.1566%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	Loans and advances	0.0517%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	0.0707%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	0.0343%	0%		0%	0%	0%	0%		0%		0%		0%
7	Other financial companies	0.0131%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which investment companies	0.0131%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0.0000%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0.0131%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0.0000%	0%		0%	0%	0%	0%		0%		0%		0%
12	of which management companies	0.0000%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0.0000%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0.0000%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0.0000%	0%		0%	0%	0%	0%		0%		0%		0%
16	of which insurance companies	0.0000%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0.0000%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0.0000%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0.0000%	0%		0%	0%	0%	0%		0%		0%		0%
20	Non-financial enterprises	0.2004%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
21	Loans and advances	0.1083%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
22	Debt securities, including UoP	0.0454%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	Equity instruments	0.0467%	0%		0%	0%	0%	0%	0%	0%				0%
24	Households	4.8642%	0.11%	0%	0%	0%	0%	0%	0%	0%				
25	of which loans secured by residential property	0.0000%	0.11%	0.00%	0%	0%	0%	0%	0%	0%				
26	of which loans for building renovation	0.0000%	0.00%	0.00%	0%	0%	0%	0%	0%	0%				
27	of which motor vehicle loans	0.0000%	0%	0%	0%	0%								
28	Local government funding	0.0000%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Building financing	0.0000%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Financing of other local public administrations	0.0000%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Guarantees obtained by taking possession: residential and non-residential properties	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	Total GAR assets	5.23%	0.29%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%

3 KPI GAR (stock) Turnover 2024

% (against total assets covered in the denominator)		2024																			
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + ACC + WTR + CE + PPC + BIO)							
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)							
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)							
			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying				
	GAR - Assets covered in both numerator and denominator																				
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0.019%	0.0000%	0.0000%	0.0000%	0.00009%	0.0000%	0.0000%	0.0000%	0.00015%	0.0000%	0.0000%	0.0000%	5.27%	0.30154%	0.0000%	0.0025%	0.0448%			
2	Financial firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
3	Credit institutions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
6	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%			
7	Other financial companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
8	of which investment companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
11	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%			
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
15	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%			
16	of which insurance companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
19	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%			
20	Non-financial enterprises	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
23	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%			
24	Households	0%	0%	0%	0%									5%	0%	0%	0%	0%			
25	of which loans secured by residential property	0%	0%	0%	0%									0%	0%	0%	0%	0%			
26	of which loans for building renovation	0%	0%	0%	0%									0%	0%	0%	0%	0%			
27	of which motor vehicle loans																0%	0%	0%	0%	0%
28	Local government funding	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
29	Building financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
30	Financing of other local public administrations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
31	Guarantees obtained by taking possession: residential and non-residential properties	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
32	Total GAR assets	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.234%	0.30%	0.00%	0.00%	0.04%			

3 KPI GAR (stock) Turnover 2023

% (against total assets covered in the denominator)		2023													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + ACC + WTR + CE + PPC + BIO)			
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)			
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)			
			Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
	GAR - Assets covered in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	5.69%	0.15%	0.00%	0.02%	0.02%	0.00%	0.00%	0.00%	0.00%	5.69%	0.15%	0.00%	0.02%	0.02%
2	Financial firms	0.12%	0.04%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%	0.04%	0.00%	0.02%	0.00%
3	Credit institutions	0.07%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.03%	0.00%	0.00%	0.00%
4	Loans and advances	0.03%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.03%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%
7	Other financial companies	0.06%	0.01%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.01%	0.00%	0.02%	0.00%
8	of which investment companies	0.04%	0.01%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.01%	0.00%	0.02%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.04%	0.01%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.01%	0.00%	0.02%	0.00%
11	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	of which insurance companies	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Non-financial enterprises	0.17%	0.11%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.17%	0.11%	0.00%	0.00%	0.01%
21	Loans and advances	0.15%	0.10%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.15%	0.10%	0.00%	0.00%	0.01%
22	Debt securities, including UoP	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	Households	5.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.39%	0.00%	0.00%	0.00%	0.00%
25	of which loans secured by residential property	5.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.39%	0.00%	0.00%	0.00%	0.00%
26	of which loans for building renovation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	Local government funding	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Building financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Guarantees obtained by taking possession: residential and non-residential properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	5.69%	0.15%	0.00%	0.02%	0.02%	0.01%	0.00%	0.00%	0.00%	5.69%	0.15%	0.00%	0.02%	0.02%

3 KPI GAR (stock) CapEx 2024

% (against total assets covered in the denominator)		2024											
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)		
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)		
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)		
			Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	5.394%	0.374%	0.000%	0.003%	0.075%	0.083%	0.003%	0.000%	0.001%	0.000%	0.000%	0.000%
2	Financial firms	0.182%	0.024%	0.000%	0.001%	0.014%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
3	Credit institutions	0.164%	0.021%	0.000%	0.001%	0.011%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
4	Loans and advances	#REF!	0.052%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
5	Debt securities, including UoP	0.077%	0.012%	0.000%	0.001%	0.009%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
6	Equity instruments	0.035%	0.004%		0.000%	0.001%	0.000%	0.000%		0.000%	0.000%		0.000%
7	Other financial companies	0.019%	0.004%	0.000%	0.000%	0.003%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
8	of which investment companies	0.019%	0.004%	0.000%	0.000%	0.003%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
9	Loans and advances	0.135%	0.000%	0.000%	0.000%	0.018%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
10	Debt securities, including UoP	0.014%	0.004%	0.000%	0.000%	0.003%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
11	Equity instruments	0.000%	0.000%		0.000%	0.000%	0.000%	0.000%		0.000%	0.000%		0.000%
12	of which management companies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
13	Loans and advances	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
14	Debt securities, including UoP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
15	Equity instruments	0.000%	0.000%		0.000%	0.000%	0.000%	0.000%		0.000%	0.000%		0.000%
16	of which insurance companies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
17	Loans and advances	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
18	Debt securities, including UoP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
19	Equity instruments	0.000%	0.000%		0.000%	0.000%	0.000%	0.000%		0.000%	0.000%		0.000%
20	Non-financial enterprises	0.348%	0.237%	0.000%	0.001%	0.061%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
21	Loans and advances	0.179%	0.135%	0.000%	0.000%	0.018%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
22	Debt securities, including UoP	0.068%	0.039%	0.000%	0.006%	0.006%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
23	Equity instruments	0.100%	0.063%		0.000%	0.038%	0.000%	0.000%		0.000%	0.000%		0.000%
24	Households	4.864%	0.112%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%			
25	of which loans secured by residential property	4.864%	0.112%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%			
26	of which loans for building renovation	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%			
27	of which motor vehicle loans	0.000%	0.000%	0.000%	0.000%	0.000%							
28	Local government funding	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
29	Building financing	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
30	Financing of other local public administrations	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
31	Guarantees obtained by taking possession: residential and non-residential properties	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
32	Total GAR assets	5.394%	0.374%	0.000%	0.003%	0.075%	0.083%	0.003%	0.000%	0.000%	0.000%	0.000%	0.000%

3 KPI GAR (stock) CapEx 2024

% (against total assets covered in the denominator)		2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + ACC + WTR + CE + PPC + BIO)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)										
	Of which use of proceeds	Of which qualifying		Of which use of proceeds	Of which qualifying		Of which use of proceeds	Of which qualifying		Of which use of proceeds	Of which qualifying		Of which use of proceeds	Of which transitional	Of which qualifying			
	GAR - Assets covered in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	5.478%	0.377%	0.000%	0.003%	0.076%
2	Financial firms	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.182%	0.024%	0.000%	0.001%	0.014%
3	Credit institutions	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.164%	0.021%	0.000%	0.001%	0.011%
4	Loans and advances	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	#REF!	0.052%	0.000%	0.000%	0.000%
5	Debt securities, including UoP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.077%	0.012%	0.000%	0.001%	0.009%
6	Equity instruments	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.035%	0.004%		0.000%	0.001%
7	Other financial companies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.019%	0.004%	0.000%	0.000%	0.003%
8	of which investment companies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.019%	0.004%	0.000%	0.000%	0.003%
9	Loans and advances	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.135%	0.000%	0.000%	0.000%	0.018%
10	Debt securities, including UoP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.014%	0.004%	0.000%	0.000%	0.003%
11	Equity instruments	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.000%
12	of which management companies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
13	Loans and advances	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
14	Debt securities, including UoP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
15	Equity instruments	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.000%
16	of which insurance companies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
17	Loans and advances	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
18	Debt securities, including UoP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
19	Equity instruments	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.000%
20	Non-financial enterprises	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.348%	0.237%	0.000%	0.001%	0.061%
21	Loans and advances	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.179%	0.135%	0.000%	0.000%	0.018%
22	Debt securities, including UoP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.068%	0.039%	0.000%	0.006%	0.006%
23	Equity instruments	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.000%	0.000%		0.000%	0.100%	0.063%		0.000%	0.038%
24	Households	0.000%	0.000%	0.000%	0.000%									4.864%	0.112%	0.000%	0.000%	0.000%
25	of which loans secured by residential property	0.000%	0.000%	0.000%	0.000%									4.864%	0.112%	0.000%	0.000%	0.000%
26	of which loans for building renovation	0.000%	0.000%	0.000%	0.000%									0.000%	0.000%	0.000%	0.000%	0.000%
27	of which motor vehicle loans													0.000%	0.000%	0.000%	0.000%	0.000%
28	Local government funding	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
29	Building financing	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
30	Financing of other local public administrations	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
31	Guarantees obtained by taking possession: residential and non-residential properties	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
32	Total GAR assets	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	5.478%	0.377%	0.000%	0.003%	0.075%

3 KPI GAR (stock) CapEx 2023

% (against total assets covered in the denominator)		2023														Portion of total assets covered	
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + ACC + WTR + CE + PPC + BIO)					
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					
		Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying			
	GAR - Assets covered in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	5.80%	0.24%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	5.80%	0.24%	0.00%	0.00%	0.03%	12.97%	
2	Financial firms	0.12%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.12%	0.02%	0.00%	0.00%	0.01%	1.28%	
3	Credit institutions	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	1.03%	
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.86%	
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%	
6	Equity instruments	0.04%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%		0.00%	0.00%	0.09%	
7	Other financial companies	0.07%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.07%	0.02%	0.00%	0.00%	0.01%	0.25%	
8	of which investment companies	0.05%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.02%	0.00%	0.00%	0.00%	0.18%	
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	
10	Debt securities, including UoP	0.05%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.02%	0.00%	0.00%	0.00%	0.16%	
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	
16	of which insurance companies	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.07%	
17	Loans and advances	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.07%	
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	
20	Non-financial enterprises	0.29%	0.21%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.29%	0.21%	0.00%	0.00%	0.03%	0.54%	
21	Loans and advances	0.24%	0.18%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.24%	0.18%	0.00%	0.00%	0.03%	0.46%	
22	Debt securities, including UoP	0.05%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.03%	0.00%	0.00%	0.00%	0.09%	
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	
24	Households	5.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.39%	0.00%	0.00%	0.00%	0.00%	10.35%	
25	of which loans secured by residential property	5.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.39%	0.00%	0.00%	0.00%	0.00%	4.09%	
26	of which loans for building renovation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
28	Local government funding	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.79%	
29	Building financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.79%	
31	Guarantees obtained by taking possession: residential and non-residential properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
32	Total GAR assets	5.80%	0.24%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	5.80%	0.24%	0.00%	0.00%	0.03%	69.02%	

4 KPI GAR (flow) Turnover 2024

% (against the flow of total eligible assets)		2024											
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)		
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)		
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)		
			Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	Financial firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	Credit institutions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%		0%
7	Other financial companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which investment companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%		0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%		0%
16	of which insurance companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%		0%
20	Non-financial enterprises	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%		0%
24	Households	0%	0%	0%	0%	0%	0%	0%	0%	0%			
25	of which loans secured by residential property	2%	0%	0%	0%	0%	0%	0%	0%	0%			
26	of which loans for building renovation	0%	0%	0%	0%	0%	0%	0%	0%	0%			
27	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%			
28	Local government funding	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Building financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Financing of other local public administrations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Guarantees obtained by taking possession: residential and non-residential properties	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	Total GAR assets	1%	0.5486%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

4 KPI GAR (flow) Turnover 2024

% (against the flow of total eligible assets)		2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + ACC + WTR + CE + PPC + BIO)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	0%	0%	0%
2	Financial firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	Credit institutions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%
7	Other financial companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which investment companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%
16	of which insurance companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%
20	Non-financial enterprises	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%
24	Households	0%	0%	0%	0%									0%	0%	0%	0%	0%
25	of which loans secured by residential property	0%	0%	0%	0%									2%	0%	0%	0%	0%
26	of which loans for building renovation	0%	0%	0%	0%									0%	0%	0%	0%	0%
27	of which motor vehicle loans													0%	0%	0%	0%	0%
28	Local government funding	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Building financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Financing of other local public administrations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Guarantees obtained by taking possession: residential and non-residential properties	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	Total GAR assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0,55%	0%	0%	0%

4 KPI GAR (flow) CapEx 2024

% (against the flow of total eligible assets)		2024													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				
			Of which use of proceeds	Of which transitional	Of which qualifying		Of which use of proceeds	Of which qualifying		Of which use of proceeds	Of which qualifying				
	GAR - Assets covered in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	3.44%	0.78%	0.00%	0.01%	4.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
2	Financial firms	0.25%	0.03%	0.00%	0.00%	0.71%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
3	Credit institutions	0.25%	0.03%	0.00%	0.00%	0.71%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
5	Debt securities, including UoP	0.19%	0.03%	0.00%	0.00%	0.68%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
6	Equity instruments	0.06%	0.00%		0.00%	0.03%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
8	of which investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	
20	Non-financial enterprises	0.91%	0.64%	0.00%	0.00%	4.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
21	Loans and advances	0.50%	0.51%	0.00%	0.00%	1.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
22	Debt securities, including UoP	0.06%	0.02%	0.00%	0.00%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
23	Equity instruments	0.48%	0.16%		0.00%	2.77%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	
24	Households	2.28%	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					
25	of which loans secured by residential property	2.28%	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					
26	of which loans for building renovation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%									
28	Local government funding	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
29	Building financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
31	Guarantees obtained by taking possession: residential and non-residential properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
32	Total GAR assets	3.27%	0.78%	0.00%	0.10%	0.17%	0.17%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

4 KPI GAR (flow) CapEx 2024

% (against the flow of total eligible assets)		2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + ACC + WTR + CE + PPC + BIO)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				
			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying		Of which use of proceeds	Of which transitional	Of which qualifying		
	GAR - Assets covered in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.44%	0.78%	0.00%	0.01%	4.80%
2	Financial firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	0.03%	0.00%	0.00%	0.71%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	0.03%	0.00%	0.00%	0.71%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%	0.03%	0.00%	0.00%	0.68%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.06%	0.00%		0.00%	0.03%
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%
20	Non-financial enterprises	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.91%	0.64%	0.00%	0.00%	4.09%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.51%	0.00%	0.00%	1.10%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.02%	0.00%	0.00%	0.22%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.48%	0.16%		0.00%	2.77%
24	Households	0.00%	0.00%	0.00%	0.00%									2.28%	0.11%	0.00%	0.00%	0.00%
25	of which loans secured by residential property	0.00%	0.00%	0.00%	0.00%									2.28%	0.11%	0.00%	0.00%	0.00%
26	of which loans for building renovation	0.00%	0.00%	0.00%	0.00%									0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans													0.00%	0.00%	0.00%	0.00%	0.00%
28	Local government funding	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Building financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Guarantees obtained by taking possession: residential and non-residential properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.27%	0.78%	0.00%	0.10%	0.17%

5 KPIs for off-balance sheet exposures (Stock) Turnover 2024

% (against total eligible off-balance sheet assets)		2024													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				
			Of which use of proceeds	Of which transitional	Of which qualifying				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying	
1	Financial guarantees (KPI related to financial guarantees)	0%	0%	-	-	-	0%	0%	-	-	-	-	-	-	-
2	Financial assets under management (KPI related to financial assets under management)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

% (against total eligible off-balance sheet assets)		2024											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)			
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)	-	-	-	-	-	-	-	-	-	-	0%	0%
2	Financial assets under management (KPI related to financial assets under management)	-	-	-	-	-	-	-	-	-	-	-	-

5 KPIs for off-balance sheet exposures (Stock) CapEx 2024

% (against total eligible off-balance sheet assets)		2024														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)					
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)	0%	0%	-	-	-	0%	0%	-	-	-	-	-	-	-	-
2	Financial assets under management (KPI related to financial assets under management)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

% (against total eligible off-balance sheet assets)		2024													
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + ACC + WTR + CE + PPC + BIO)	
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)	
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)	
		Of which use of proceeds		Of which qualifying		Of which use of proceeds		Of which qualifying	Of which use of proceeds		Of which qualifying	Of which use of proceeds		Of which transitional	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)	-	-	-	-	-	-	-	-	-	-	-	-	0%	0%
2	Financial assets under management (KPI related to financial assets under management)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

5 KPIs for off-balance sheet exposures (Flow) Turnover 2024

% (against total eligible off-balance sheet assets)		Reporting date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)			
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)			
			Of which use of proceeds	Of which transitional	Of which qualifying		Of which use of proceeds	Of which transitional	Of which qualifying		Of which use of proceeds	Of which transitional	Of which qualifying	
1	Financial guarantees (KPI related to financial guarantees)	0%	0%				0%	0%						
2	Financial assets under management (KPI related to financial assets under management)													

% (against total eligible off-balance sheet assets)		Reporting date T																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + ACC + WTR + CE + PPC + BIO)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				
		Of which use of proceeds		Of which qualifying		Of which use of proceeds		Of which qualifying		Of which use of proceeds		Of which qualifying		Of which use of proceeds		Of which transitional		Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)													0%	0%			
2	Financial assets under management (KPI related to financial assets under management)																	

5 KPIs for off-balance sheet exposures (Stock) CapEx 2024

% (against total eligible off-balance sheet assets)		2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)			
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)					Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)			
			Of which use of proceeds	Of which transitional	Of which qualifying		Of which use of proceeds	Of which transitional	Of which qualifying		Of which use of proceeds	Of which transitional	Of which qualifying	
1	Financial guarantees (KPI related to financial guarantees)	0%	0%				0%	0%						
2	Financial assets under management (KPI related to financial assets under management)													

% (against total eligible off-balance sheet assets)		2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + ACC + WTR + CE + PPC + BIO)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-eligible)				
		Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				Portion of total covered assets that finance sectors relevant to the taxonomy (taxonomy-aligned)				
		Of which use of proceeds		Of which qualifying		Of which use of proceeds		Of which qualifying		Of which use of proceeds		Of which qualifying		Of which use of proceeds		Of which transitional		Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)													0%	0%			
2	Financial assets under management (KPI related to financial assets under management)																	



Templates in accordance with Annex XII of Delegated Regulation 2021/2178 - **Additional information on nuclear energy and fossil gas activities**

Template 1- Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety.	Yes
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes

Template 2- Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Amount and proportion ((the information is to be presented in monetary amounts and as percentages) Turnover based						Amount and proportion ((the information is to be presented in monetary amounts and as percentages) CapEx based					
		CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3,378	0.00%	3,378.00	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	7 001	0.00%	7,001	0.00%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2,027	0.00%	-	0.00%	-	0.00%	1,689	0.00%	-	0.00%	-	0.00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	11,225,723	0.29%	11,223,277	0.29%	4,473	0.00%	14,668 876	0.38%	14,538,845	0.37%	131,720	0.00%
8	Total applicable KPI	11,231,127	0.29%	11,226,655	0.29%	4,473	0.00%	14,677 565	0.38%	14,545,845	0.37%	131,720	0.00%

Template 3 - Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount and proportion ((the information is to be presented in monetary amounts and as percentages) Turnover based						Amount and proportion ((the information is to be presented in monetary amounts and as percentages) CapEx based					
		CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	9,607	0.00%	1,500	0.00%	-	0.00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	257,344	0.01%	257,344	0.01%	-	0.00%	142,038	0.00%	14,687	0.00%	-	0.00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	2,027	0.00%	-	0.00%	-	0.00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	1,000	0.00%	1,000	0.00%	-	0.00%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 in the numerator of the applicable KPI	10,973,783	0.28%	10,969,310	0.28%	4,473	0.00%	14,522,894	0.4%	14,528,658	0.4%	131,720	0.00%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	11,231,127	0.29%	11,226,655	0.29%	4,473	0.00%	14,677,565	0.4%	14,545,845	0.4%	131,720	0.00%

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Amount and proportion ((the information is to be presented in monetary amounts and as percentages) Turnover based						Amount and proportion (the information is to be presented in monetary amounts and as percentages) Capex based					
		CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	612,385	0.02%	611,867	0.02%	-	0.00%	464,137	0.01%	464,137	0.01%	-	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1,994,079	0.05%	1,987,532	0.05%	-	0.00%	1,416,129	0.04%	1,416,129	0.04%	-	0.00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3,953	0.00%	3,949	0.00%	-	0.00%	0	0.00%	0	0.00%	-	0.00%
7	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity not referred to in rows 1 to 6 in the denominator of the applicable KPI	190,010,218	4.88%	189,952,030	4.88%	65,257	0.00%	196,708,603	5.05%	193,591,661	4.97%	3,116,942	0.08%
8	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in the denominator of the applicable KPI	192,620,635	4.95%	192,555,377	4.95%	65,257	0.00%	198,588,869	5.10%	195,471,928	5.02%	3,116,942	0.08%

Template 5 - Taxonomy non-eligible economic activities (€ million, except where otherwise indicated)

Row	Economic activities	Turnover		Capex	
		Amount	Percentage	Amount	Percentage
1	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible according to section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	5,205	0%
2	Amount and proportion of the economic activity referred to in row 2 of template 1 that is taxonomy-non-eligible according to section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%
3	Amount and proportion of the economic activity referred to in row 3 of template 1 that is taxonomy-non-eligible according to section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	55,569	0%	44,455	0%
4	Amount and proportion of the economic activity referred to in row 4 of template 1 that is taxonomy-non-eligible according to section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%
5	Amount and proportion of the economic activity referred to in row 5 of template 1 that is taxonomy-non-eligible according to section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1,912	0%	1,912	0%
6	Amount and proportion of the economic activity referred to in row 6 of template 1 that is taxonomy-non-eligible according to section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	450	0%	112	0%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 in the denominator of the applicable KPI	3,689,372,815	95%	2,425,957,471	62.311%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	3,689,430,746	95%	3,680,016,073	94.5222%

Template 1- Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety.	Yes
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes

Template 2- Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Amount and proportion ((the information is to be presented in monetary amounts and as percentages) Turnover based						Amount and proportion ((the information is to be presented in monetary amounts and as percentages) CapEx based					
		CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	7,000.57	0.00%	7,000.57	0.00%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	8,437,589.83	0.55%	8,435,143.66	0.55%	2,446.17	0.00%	12,043,250.73	0.78%	11,950,055.75	0.78%	93,194.98	0.01%
8	Total applicable KPI	8,437,589.83	0.55%	8,435,143.66	0.55%	2,446.17	0.0002%	12,050,251.30	0.78%	11,957,056.32	0.78%	93,194.98	0.01%

Template 3 - Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount and proportion ((the information is to be presented in monetary amounts and as percentages) Turnover based						Amount and proportion ((the information is to be presented in monetary amounts and as percentages) CapEx based					
		CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 of the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 of the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	1,500.12	0.00%	1,500.12	0.00%	-	0.00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 of the numerator of the applicable KPI	29,263	0.00%	29,263.37	0.00%	-	0.00%	14,038.65	0.00%	14,038.65	0.00%	-	0.00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 of the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 of the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 of the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	1,000.08	0.00%	1,000.08	0.00%	-	0.00%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 in the numerator of the applicable KPI	8,408,326.45	0.55%	8,405,880.29	0.55%	2,446.17	0.00%	12,033,712.44	0.78%	11,940,517.46	0.78%	93,194.98	0.01%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	8,437,589.83	0.55%	8,435,143.66	0.55%	2,446.17	0.00%	12,050,251.30	0.78%	11,957,056.32	0.78%	93,194.98	0.01%

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Amount and proportion ((the information is to be presented in monetary amounts and as percentages) Turnover based						Amount and proportion (the information is to be presented in monetary amounts and as percentages) Capex based					
		CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	612,385.00	0.04%	182,115	0.01%	-	0.00%	99,213.62	0.01%	99,213.62	0.01%	-	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1,994,078.78	0.13%	1,968,892	0.13%	-	0.00%	1,291,822.80	0.08%	1,291,822.80	0.08%	-	0.00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3,952.82	0.00%	3,570	0.00%	-	0.00%	0.04	0.00%	0.04	0.00%	-	0.00%
7	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity not referred to in rows 1 to 6 in the denominator of the applicable KPI	835,909	0.05%	1,255,361	0.08%	36,388	0.00%	39,477,151.40	2.57%	37,004,758.68	2.41%	2,472,392.72	0.16%
8	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in the denominator of the applicable KPI	3,446,325.92	0.22%	3,409,938.10	0.22%	36,387.82	0.00%	40,868,187.87	2.66%	38,395,795.15	2.50%	2,472,392.72	0.16%

Template 5 - Taxonomy non-eligible economic activities

Row	Economic activities	Turnover		Capex	
		Amount	Percentage	Amount	Percentage
1	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible according to section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	2,093.33	0%
2	Amount and proportion of the economic activity referred to in row 2 of template 1 that is taxonomy-non-eligible according to section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%
3	Amount and proportion of the economic activity referred to in row 3 of template 1 that is taxonomy-non-eligible according to section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	12,833.61	0%	10,266.89	0%
4	Amount and proportion of the economic activity referred to in row 4 of template 1 that is taxonomy-non-eligible according to section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%
5	Amount and proportion of the economic activity referred to in row 5 of template 1 that is taxonomy-non-eligible according to section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2,223.85	0%	560.84	0%
6	Amount and proportion of the economic activity referred to in row 6 of template 1 that is taxonomy-non-eligible according to section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	444.77	0%	112.17	0%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 in the denominator of the applicable KPI	1,525,641,970.24	99%	1,484,609,915.84	97%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	1,525,657,472.48	99%	1,484,609,915.84	97%

Template 1- Nuclear and fossil gas related activities - Off-Balance Sheet Exposures

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No

2.2 Climate Change

Climate change is one of the most complex and urgent challenges of our time, with significant impacts on the global economy, the environment and the well-being of communities. The Igea Banca Banking Group fully recognises the implications of the climate crisis and the transition to a low-carbon economic model, and carefully assesses the effects on its activities, customers and the territories in which it operates.

Regarding climate-related remuneration and incentive policies, please refer to section “1.2.3 - Integration of sustainability-related performance in incentive schemes (GOV-3)”.

2.2.1 Strategy

2.2.1.1. Transition Plan for climate change mitigation

The Igea Banca Group has already taken significant steps in integrating sustainability into its strategy to reflect its commitment to responsible management geared towards the creation of sustainable value. Aware of the need for an increasingly structured approach to meet the challenges of the ecological transition, as from 2025 the Group is working on developing a Transition Plan that fully meets the requirements of the European Sustainability Reporting Standards (ESRS).

This Plan will define even more clearly the objectives, actions and tools needed to consolidate the path towards more efficient energy management and a progressive reduction of environmental impact. This is a further step in the Igea Banca Group’s commitment to sustainability, outlining strategies, timelines and key investments to actively contribute to the objectives of the European Green Deal and the Paris Agreement commitments, in particular for climate change mitigation and the transition to a low-carbon economy.

2.2.2 Management of impacts, risks and opportunities

2.2.2.1 Policies related to climate change mitigation and adaptation

Sustainability and protection for the environment in which the Group operates play a central role in its values and represent one of the founding elements within its Code of Ethics. Indeed, the centrality of environmental respect and protection is reaffirmed within this document.

The Group is considering the introduction of structured guidelines with the aim of consolidating an efficient operating model in line with the most advanced sustainability criteria. However, no specific policies on climate change mitigation and adaptation have been formalised at present, as the Group’s ESG strategy is still being updated and defined.

2.2.2 Actions and resources in relation to climate change policies

With reference to the actions undertaken and resources allocated in the context of climate change policies, the main areas of intervention are as follows: improving the energy efficiency of buildings, electrifying the corporate fleet and managing climate risks in relation to its operations, as well as supporting the sustainable transition of the downstream value chain through the provision of credit products with environmental objectives.

Decarbonisation lever: Energy efficiency

In 2024, the Igea Banca Group completed energy efficiency initiatives with the aim of improving resource management and reducing the environmental impact of its operations. These initiatives focused on measures to optimise the efficiency of buildings and infrastructure, with an emphasis on reducing consumption and increasing the share of energy from renewable sources.

The interventions carried out included the replacement of traditional lighting with energy-efficient LED systems, the installation of smart thermostats to regulate air conditioning, and the gradual digitisation of internal processes to reduce the consumption of paper materials. In addition, automation solutions were adopted for optimised plant management, thereby ensuring a significant reduction in energy waste.

At the same time, the Bank rationalised its operational network, reorganising some offices and enhancing digital services in order to limit the environmental impact of physical operations. This has led to a reduction in the need for space heating and cooling, thereby contributing to lower overall energy consumption.

Decarbonisation lever: Electrification

With a view to the progressive decarbonisation of its activities, the Igea Banca Group has pursued a programme for the optimisation of corporate mobility and the progressive electrification of its fleet. In 2024, a plan was launched to replace combustion-powered company vehicles with hybrid and low-emission models, with the aim of reducing fossil fuel consumption and the environmental impact of travel. Specifically, during 2024, five internal combustion engine vehicles were replaced with an equal number of hybrid vehicles, an initiative that is continuing with the same intensity in 2025.

The adoption of an environmentally friendly fleet allows not only a reduction in direct CO₂ emissions, but also an optimisation of operating costs through lower fuel consumption and maintenance expenses. The implementation of this initiative will be progressive and will be monitored through the analysis of consumption and emissions during 2025.

Sustainable Credit Products

In 2024, the Igea Banca Group continued to develop its offer of financial products designed to support the energy transition and environmental sustainability of businesses and individuals. In fact, subsidised financing solutions were introduced for energy upgrades, installation of photovoltaic systems and improvement of the environmental performance of buildings and production activities.

These products are designed to incentivise investment in low-emission technologies, facilitating the reduction of energy consumption and promoting business resilience to climate risks. The Group is committed to further strengthening its offering in 2025 with new financing solutions dedicated to environmental sustainability.

Climate Risk Management

During 2024, the Group also:

- Launched an analysis process to assess the materiality of risks related to ESG factors, with a focus on climate risks;

- Integrated ESG risk assessments into its internal reporting in order to improve transparency and environmental risk management;
- Strengthened the monitoring of risk indicators related to ESG factors within its risk management framework;
- Developed methodologies to assess the impact of climate risks on portfolio assets, with a focus on real estate exposures and funded counterparties.

The Risk Control Function also initiated a quantitative analysis to measure current and prospective risks related to ESG topics, also assessing possible stress scenarios. To support these activities, an ESG framework evolution plan for the period 2023-2025 was prepared.

In 2025, the Group plans to:

- Update its Risk Management Policy to include ESG aspects in a more structured manner;
- Define ESG criteria within its lending policies, with the aim of progressively integrating sustainability assessment into lending decisions.

The implementation of the mitigation actions identified by the Group takes into account the availability and allocation of resources, which are defined as part of operational planning and in line with strategic priorities.

As of the reporting date, no measurements or estimates of greenhouse gas emission reductions already achieved or planned are available.

Furthermore, in relation to the Group's climate change actions, no significant amounts in terms of OpEx or CapEx have been identified for reporting within this paragraph. These amounts, however, will be the subject of future study and evaluation.

2.2.3 Metrics and Targets

ESRS E1-4

2.2.3.1 Targets related to climate change mitigation and adaptation

ESRS E1-5

The Group is considering introducing specific plans for monitoring the effectiveness of policies and actions with the aim of consolidating an efficient operating model in line with the most advanced sustainability criteria. However, no climate change mitigation targets have been identified and formalised at present, as the Group's ESG strategy is still being updated and defined.

2.2.3.2 Energy consumption and mix

Climate change represents one of the most complex and significant challenges for society, businesses and institutions, with significant repercussions on the economy, the environment and communities.

The Igea Banca Group recognises the importance of addressing the challenges posed by the climate crisis and the transition to a low-carbon economy in a structured manner, aware of the impact that these phenomena may have on its business, its customers and the territories in which it operates. For this reason, the Group has embarked on a path to integrate environmental issues into its strategy and operations, strengthening its commitment to a sustainable development model.

The approach taken is based on understanding the potential impacts of climate change on business operations and risk management, as well as identifying opportunities related to the ecological transition.

The Group's commitment is reflected in actions and initiatives aimed at ensuring development in line with the principles of environmental responsibility and sustainable development.

All energy consumption was converted to MWh using the conversion factors specified in the **ESRS reporting principles** in accordance with the official coefficients of **ISPRA**, which define the typical calorific values and densities of the reported fuels.

It should also be noted that the energy consumption data are real and have been extrapolated directly from utility bills, ensuring accurate reporting of emissions.

In relation to energy consumption and energy mix metrics, no external entities, other than the assurance provider, are involved in validating the data.

Energy consumption and mix (in MWh)

	2024
Total energy consumption	3,235.84
Total energy consumption from fossil sources	1,049.95
Total energy consumption from nuclear sources	-
Share of nuclear sources in total energy consumption (%)	0 %
Total energy consumption from renewable sources	2,185.89
Fuel consumption for renewable sources	-
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	2,185.89
Consumption of self-generated renewable energy without using fuels	-
Share of renewable sources in total energy consumption (%)	68 %

2.2.3.3 Gross Scopes 1, 2 and total GHG emissions

ESRS E1-6

Gross Scope 1 greenhouse gas emissions were calculated using the emission factors given in the ESRS Guidelines for Banking Operations (December 2024), consistent with the GHG Protocol and IPCC GWPs over a 100-year horizon, in accordance with requirements E1-5 and E1-6.

For Scope 2 emissions, a two-pronged methodological approach, location-based and market-based, was adopted, in accordance with the GHG Protocol. The former is based on the average emission factor of the national electricity mix, while the latter distinguishes between energy with Guarantees of Origin (zero emissions) with reference to 94.7% of the purchased energy and non-certified (calculated through residual mix) for the remaining 5.3%.

Scope 2: Location Based

Emissions were determined using the average emission factor of the Italian national electricity mix. The reference value used is 0.258 tCO₂/MWh, in accordance with the Bank of Italy's Environmental Report 2024, based on the data of the Italian Institute for Environmental Protection and Research (ISPRA).

Scope 2: Market Based

The calculation was made by distinguishing between energy purchased with Guarantees of Origin (GO) and energy without GO certification. In the first case, zero emissions (0 tCO₂/MWh) were considered, in accordance with the GHG Protocol, while in the second case, the Italian Residual Mix of 0.500 tCO₂/MWh for the year 2023 was applied, according to data from the Association of Issuing Bodies (AIB).

It should be noted that, for the purpose of calculating energy consumption and related emissions, for an office of the subsidiary Fucino Finance, in the absence of data from direct measurement, an estimation method based on objective parameters was adopted. In particular, the estimate was made taking into account the office surface area, the number of employees assigned to the office and the type of equipment in the building, in order to ensure an approximation as close as possible to the actual operating conditions.

In relation to the metrics on gross GHG emissions in Scopes 1 and 2 and total GHG emissions, no external entities, other than the assurance provider, are involved for validation.

Lastly, as the Group had not exceeded the threshold of the average number of 750 employees during the financial year at the financial year-end date, it exercised the option to make use of the transitional (phase-in) regime provided for the reporting of information on greenhouse gas emissions under Scope 3.

GHG emissions (in tCO₂)

	2024
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions	244.76
Percentage of Scope 1 GHG emissions covered by regulated emissions trading schemes	0.00 %
Scope 2 GHG emissions	
Gross Scope 2 GHG emissions location-based	595.69
Gross Scope 2 GHG emissions market-based	61.57
Total GHG emissions	
Total GHG emissions (location-based)	840.46
Total GHG emissions (market-based)	306.33

During the 2024 financial year, the Banking Group's carbon intensity was calculated by relating greenhouse gas (GHG) emissions to net revenues, in accordance with the reporting methodologies set out by sustainability standards. Based on the data collected, the emission intensity according to the location-based approach was 2.66 tonnes of CO₂ equivalent per million euros of revenues, while the value calculated according to the market-based approach was 0.97 tonnes of CO₂ equivalent per million euros of revenue. The difference between the two values highlights the effectiveness of the sustainable energy supply choices made by the Bank, thus contributing to the reduction of its carbon footprint and supporting the transition to a low-emission economic model.

Intensity of GHG emissions per net revenue	2024
Total GHG emissions (with Scope 2 - location-based) per net revenue	0.00000266
Total GHG emissions (with Scope 2 - market-based) per net revenue	0.00000097

Linking GHG intensity based on net revenues with financial reporting information (in euros/thousand)

	2024
Net revenue used to calculate GHG intensity	315,686
Net revenue (other)	-
Total net revenue (in financial statements)	316,278

The difference emerging between the two values shown in the table of about EUR 593 thousand is attributable to the item of foreign exchange trading gains/losses.

It should be noted that for the reporting year, Igea Banca Banking Group does not monitor GHG removals and has not used carbon credits or applied internal carbon pricing systems.

2.3. Resource use and circular economy

ESRS E5

2.3.1 Impacts, risks and opportunities management

2.3.1.1 Policies related to resource use and circular economy

ESRS E5-1

The procurement of materials by the Igea Banca Group follows a structured process of analysis and assessment, aimed at ensuring high standards of quality and reliability, starting with the selection of suppliers, which is carried out through objective criteria that take into account the quality of the supply, transparency in processes and continuity of service. To this end, the Italian Expenditure Regulation defines a system for continuously monitoring the performance of suppliers, while also ensuring that the materials purchased meet the technical requirements and comply with the Group's operational needs.

In the case of office paper, the choice of Ecolabel-certified products meets the need for materials that comply with strict production and quality standards. The EU Ecolabel, recognised at European level, guarantees that the paper purchased comes from responsibly managed supply chains, with an efficient use of resources and reduced environmental impact throughout the product's life cycle. This certification also ensures the absence of harmful chemicals and low energy and water consumption in production processes, helping to guarantee the quality and durability of the material without compromising its performance.

Although it does not yet have a formalised policy for the management of incoming resources, as the ESG strategy is being updated and defined, the Group is considering the introduction of more structured guidelines in the coming years, in order to further optimise the selection of materials and consolidate a procurement management model based on objective and measurable parameters.

2.3.1.2 Actions and resources related to resource use and circular economy

Responsible resource management and paper supply

ESRS E5-2

In line with its commitment to sustainability, the Igea Banca Group is progressively integrating principles of efficiency and responsible resource management into its operations. Although a specific policy on the subject has not yet been formalised, initiatives have been implemented to reduce environmental impact through the digitalisation of processes and the adoption of selective procurement criteria.

To limit paper consumption, the Group has adopted the UniFlow online system, an advanced solution developed by Canon, which allows it to monitor and rationalise printing and scanning flows. Each employee is provided with a personal identification code, which is needed to make printouts or scans, thus ensuring greater control over the use of resources and reducing waste. The system not only optimises document processes, but also collects data on consumption patterns, providing useful information for further efficiency enhancements.

In parallel, the Igea Banca Group has adopted a responsible approach to paper selection, purchasing only Ecolabel-certified products, which guarantee a reduced environmental impact throughout their entire life cycle. The certification attests to the reduction of energy consumption in production, the control of emissions and the use of biodegradable and renewable materials. Compliance with environmental criteria can be verified through the supplier's scorecard, which attests compliance with European sustainability standards.

The approach adopted by the Group is part of a broader strategy to optimise resources, with the aim of progressively reducing the use of virgin raw materials and improving the circularity of the materials used.

As of the reporting date, CapEx and OpEx associated with this issue are not materially significant for the purposes of the financial statements and are therefore not reported separately in this disclosure document.

Management and communication of initiatives

Resource efficiency and environmental impact reduction activities are supervised by the Logistics and Infrastructure Function, which coordinates supply management and monitors company consumption. This Function is in charge of implementing strategies for rationalising resources and adopting innovative solutions to improve operational efficiency and reduce waste.

The Igea Banca Banking Group adheres to environmental criteria recognised at European level, guaranteeing compliance with the certifications adopted by its suppliers and regulations on responsible resource management. Initiatives are monitored through the periodic collection of internal data, which makes it possible to assess consumption and identify opportunities for improvement.

The strategies adopted by the Igea Banca Group are defined taking into account the needs of internal and external stakeholders, including employees, customers and suppliers. The aim is to ensure transparent and effective resource management in line with the Group's environmental commitments.

Sustainability initiatives are disseminated through corporate communication channels and are included in sustainability reporting documents. Transparency in the practices adopted allows stakeholders to be involved in the transition towards a more efficient and accountable operating model.

2.3.2 Metrics and Targets

2.3.2.1 Targets related to resource use and circular economy

ESRS E5-3

At present, the Igea Banca Group does not have formalised targets on the use of resources and circular economy, as the Group's ESG strategy is still being updated and defined. In the coming years, it will evaluate its introduction with a view to structuring specific plans for monitoring the effectiveness of the strategies adopted in the field of supply and resource management, with the aim of consolidating an efficient operating model that complies with the most advanced sustainability criteria.

2.3.2 Resource inflows

ESRS E5-4

Reducing and optimising consumption is a priority for the Group, which is actively committed to limiting the environmental impact of its activities. Through constant monitoring of risk factors, it promotes a culture of sustainability, encouraging responsible behaviour and requiring the timely reporting of any critical issues or non-compliance with the applicable regulations.

During the financial year, total paper consumption amounted to 29,138 kg, with 100% of the procurement attributable to materials belonging to the technical cycle. Currently, no specific targets have been formalised

regarding the sourcing of resources from re-use or recycling chains. Consequently, it is not possible at present to prove the presence of materials with these characteristics in the resources used. Any future assessment in this regard will be conducted in accordance with the current regulatory framework and the strategies adopted by the Group.

The commitment to improving environmental performance translates into a more efficient use of resources with a focus on digitisation and dematerialisation of documents to reduce paper consumption.

Paper used by the Group in 2024:



29,138 kg

Data was calculated using established internal methodologies, in line with recognised industry standards, where applicable. Quantitative information is derived from internal monitoring systems, operational records and financial reporting tools, ensuring consistency and accuracy in data collection. Where specific indicators require estimation, data has been extrapolated using historical trends, internal benchmarks and, where necessary, reasonable assumptions based on available operational and market information. The assumptions adopted were applied conservatively in order to ensure the reliability of the results and avoid overestimates. As with energy consumption, the data for materials are mainly derived from supplier invoices, direct measurements and supply records. Where direct data is not available, calculations are based on standard coefficients and conversion factors that are recognised by relevant regulatory or scientific sources.

The methodologies adopted are subject to periodic reviews to ensure alignment with best practices and regulatory updates.

As of the reporting date, the reported metrics have not been validated by any external body other than the sustainability reporting assurance provider.

3. Social information

3.1. Own workforce

ESRS S1

3.1.1 Management of impacts, risks and opportunities

3.1.1 Policies related to own workforce

ESRS S1-1

Workforce Management and Corporate Policies

The Igea Banca Group places human capital at the centre of its growth strategy, promoting an inclusive working environment and valuing the contribution of employees as a key element for the organisation's success. The workforce management policy aims to ensure equal opportunities, skills development and corporate welfare through welfare initiatives, continuous training and transparent selection processes. The approach to workforce management is aligned with international labour and human rights standards.

Attracting and Developing Talent

The Group's selection and recruitment process is based on criteria of fairness and transparency, in accordance with the principles laid down in the Code of Ethics. The search for new resources takes place through collaborations with universities, career days and internship programmes, in partnership with prestigious academic institutions. Human capital is enhanced through customised training plans, which include compulsory courses and professional development paths. In 2024, a total of 21,280 hours of training were provided, with an average of 37 hours per employee.

When selecting employees, the Banks and Group Companies carefully assess the real business needs, choosing candidates based on how well they match the required professional profiles. This selection process is based on criteria of objectivity, competence, professionalism and compliance with the applicable regulations, with the aim of guaranteeing equal opportunities and avoiding any form of favouritism. The priority is to secure the best skills available on the labour market, adopting an approach that favours meritocracy and efficiency. The information requested during the selection process is strictly related to the verifying the professional profile required for the role. In particular, the Banks and Group Companies undertake to avoid any form of favouritism with the aim of securing the best skills available on the labour market.

In addition, when hiring specific categories of workers, the Banks and Group Companies comply with the following:

- For staff with disabilities, recruitment is by open selection
- For foreign workers, compliance with the applicable regulations on residence permits is ensured, with particular attention to maintaining these requirements throughout the duration of the employment relationship.
- For former civil servants, compliance with the statutory provisions on prohibitions of employment is ensured.

All employees are hired with a regular employment contract, and the company does not tolerate any form of irregular employment. At the time of recruitment, newly recruited staff receive detailed information on the role and duties to be performed, the company regulations and procedures to be followed, in order to avoid conduct that conflicts with national collective bargaining and the company's internal policies.

Personnel management and development

In view of the importance attached to Human Resources, the Group Banks pay special attention to the professional growth of employees at all levels, promoting the development of their attitudes and skills. This is pursued through thorough training and further education, which enables employees to continuously grow in their employment functions and to meet challenges with adequate preparation. In addition to structured training, employees are encouraged to engage in self-training, also taking advantage of collaboration with colleagues to share acquired knowledge and foster a mutual learning environment.

Group entities adopt a merit-based evaluation system aimed at measuring individual capabilities and potential. This objective system is used not only to evaluate performance, but also to identify employees with the greatest potential for growth, who could be targeted for advancement or development opportunities. The Head-Assessor is responsible for identifying and signalling high-potential staff, thus helping to ensure that career opportunities are allocated fairly, based on the actual skills and merits of each employee.

Protection of Human Rights and Diversity

The Group is actively committed to promoting diversity and protecting human rights, as enshrined in the Code of Ethics. Company policies prohibit all forms of discrimination and promote employment inclusion, with particular attention to the most vulnerable groups. During 2024, no incidents of discrimination were recorded.

Health and Safety at Work

The Group ensures compliance with current health and safety at work regulations by adopting a management system that complies with Italian Legislative Decree no. 81/2008. All employees are covered by these measures, and the Group constantly monitors risks through periodic workplace assessments. In 2024, nine accidents in the workplace were recorded. No cases of occupational illnesses were reported.

The Group is committed to creating working environments that fully comply with legal regulations and ensure the safety and well-being of its employees. A key part of this commitment is to promote and consolidate a culture of safety in the workplace, increasing risk awareness and encouraging responsible behaviour by all employees. The main objective is to preserve the health and safety of workers, with a particular focus on preventive actions.

In order to achieve this, the Group implements targeted training and communication activities concerning risk management and safety practices. These activities not only make employees aware of potential dangers, but also prepare them to properly manage risk situations, thereby contributing to a safe and secure working environment for all.

Remuneration policy

The Igea Banca Banking Group Staff Remuneration and Incentive Policies, approved by the Board of Directors and the Shareholders' Meeting last year, comply with the provisions of the Bank of Italy (Circular No. 285 of

17 December 2013 - 37th update of 24 November 2021), and are in line with EU Directive 2019/878 of 20 May 2019 (the so-called CRD V). These policies take into account agreed international guidelines, including those of the EBA (European Banking Authority) and the FSB (Financial Stability Board), and aim to define appropriate remuneration and incentive mechanisms. These mechanisms are designed to foster the alignment of interests between managers, employees and other stakeholders, thus ensuring effective corporate governance and the achievement of the objectives defined in the strategic plan.

The Group's main objective through these policies is to define levels of remuneration that are fair, gender-neutral, and appropriate in relation to sustainable performance, in line with the applicable regulatory framework. Furthermore, any form of remuneration and incentives that could induce behaviour contrary to regulations or encourage excessive risk-taking by the Group or the financial system as a whole is avoided. To this end, the regulations provide for stricter rules for those persons who, by virtue of the responsibilities and tasks assigned to them, have a direct impact on the risk profile of individual Group companies and the Group as a whole (the Material Risk Takers). Furthermore, the responsibilities of the corporate bodies and functions involved in the process of designing, approving and implementing remuneration and incentive policies are precisely defined, including the Shareholders' Meeting, the Board of Directors and, in particular, the role of the Independent Directors and the corporate control functions. In summary, the current legislation provides for:

The definition of the scope and related reference documentation	Specific remuneration for particular categories of persons
The guiding principles for drafting the document	The identification of Material Risk Takers
The criteria for applying the principle of proportionality and organisational structure	The incentive plan
The decision-making and control processes of the remuneration system	The criteria, timing and modalities for reviewing the document
Defining the criteria for the remuneration structure	The definition of severance

The Group's remuneration and incentive policy is based on strategic principles that aim to ensure the sustainable growth of the organisation and the effectiveness of human resources management. The first principle concerns the objective of fostering the effectiveness and efficiency of the company's activities, while ensuring the correct application of the criteria established by the Bank of Italy for the sound and prudent management of the Group's banks and other financial intermediaries. This ensures that all business operations are conducted in a manner that conforms to industry standards of security and integrity.

The second principle is aimed at attracting and retaining highly qualified professional talent, capable of meeting the company's operational and management needs. Competent resources are essential to sustain the long-term success and growth of the Group.

Finally, the third principle requires the adoption of policies that avoid conflicts of interest. Remuneration is composed of a fixed part, which ensures economic stability for employees, and a variable part, including first and foremost the Company Bonus, which is determined in accordance with the provisions of the Supplementary Company Contract of the Group's Banks and Financial Intermediaries. In this way, the remuneration structure aims to reward merit and performance, while maintaining a balance between corporate and individual interests.

3.1.1.2 Processes for engaging with own workforce and workers' representatives about impacts

Employee Involvement and Trade Union Rights

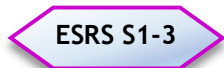
ESRS S1-2

The Group promotes the active involvement of employees through regular meetings with employee representatives and participation in dialogue round tables on topics that are relevant to the company. The meeting and discussion phases follow the regulations of the Collective Labour Bargaining Agreement (*Contratto Collettivo di Lavoro* - CCL) and guarantee a constantly active dialogue window.

Operational responsibility for workforce involvement lies with the Personnel Department, ensuring that employee involvement is an integral part of corporate strategy and that the results guide personnel management decisions.

The whistleblowing system also allows employees to express concerns or suggestions about working conditions, guaranteeing anonymity and protection from retaliation.

3.1.1.3 Processes to remediate negative impacts and channels for own workforce to raise concerns

ESRS S1-3

The Igea Banca Group adopts a structured and proactive approach to the identification and management of significant negative impacts on its workforce, with the aim of ensuring a safe and fair working environment that complies with the highest regulatory standards. Through a system of continuous monitoring, any critical issues relating to working conditions, health and safety, equal treatment and confidentiality are identified at an early stage, in order to ensure adequate management of related topics. To this end, the Group has implemented accessible and confidential reporting mechanisms, including the Regulation on the Internal System for Reporting Violations (Whistleblowing), which allows employees to report issues through dedicated channels, thereby ensuring the confidentiality of the reporting person and protection from retaliation. Reports are processed according to defined procedures, ensuring timely handling and compliance with applicable regulations. The Board of Directors periodically assesses the effectiveness of the system and identifies any improvement actions, while the Board of Statutory Auditors verifies its adequacy and proper functioning. The Group promotes a culture of transparency and accountability, ensuring that reports are subject to rigorous analysis and that, where necessary, timely and appropriate corrective action is taken, thus ensuring a working environment that meets the highest standards of workforce protection.

3.1.1.4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

ESRS S1-4

The Igea Banca Group adopts a structured approach to prevent, mitigate and manage impacts, address risks and seize opportunities related to health and safety at work, equal treatment and professional development. Through prevention, training and monitoring measures along the value chain, the Group ensures safe and inclusive working conditions, thereby reducing the risk of accidents and inequalities. Employee welfare is promoted through dedicated initiatives, while dialogue with workers' associations ensures fair pay levels in line with the regulatory framework. These actions are part of the Group's strategy and are consistent with the principles and objectives of the policies adopted.

Content of resource reporting in relation to own workforce actions (in EUR/thousand)

	Current	Short-term	Medium-term	Long-term
Financial resources allocated to the action plan (OpEx)	278	246		
Financial resources allocated to the action plan (CapEx)				

Training Courses

The 2024 Training Plan was designed to promote an in-depth understanding of the Bank's strategic choices and related initiatives, taking into account the significant transformations that are shaping the financial sector. These transformations are fuelled by technological and regulatory innovations, with particular emphasis on crucial topics such as digital finance, sustainable finance, direct capital market access for SMEs, and product innovations in banking and finance. Particular attention is paid to the impacts of these changes, including a cost and opportunity analysis for each initiative, the development or re-engineering of business processes, the revision of organisational structures, the renewal of skills and the involvement of human capital, and the strengthening of risk mitigation measures.

The key objectives of the 2024 Training Plan are as follows:

- 1. Sustainable success of the Bank:** Consolidate and develop a distinctive corporate culture that encourages the adoption of behaviour in line with the Bank's management strategies. Particular attention is paid to sustainable finance, understanding the concept of sustainable development in the banking and financial context, both in line with stakeholder expectations and with the aim of attracting young talent. The plan also envisages preserving, through progressive professional development, the skills necessary to maintain long-term growth, ensuring that the Bank remains competitive and relevant in the future.
- 2. Risk culture and mitigation:** Improving the effectiveness of control safeguards in the light of ongoing or planned regulatory changes in the financial sector. This objective includes an in-depth look at the functionality of spreadsheets, which have become increasingly central tools in the Bank's daily operations. The Training Plan aims to ensure that all employees are well prepared to manage risks effectively, by strengthening the risk culture at all levels of the organisation.
- 3. Digital transition and effective use of IT tools:** Provide advanced training on distributed IT tools, with the aim of increasing their use and improving the quality of the outputs produced by the Bank. This objective is part of the digital transition and is aligned with the design of new digital banking

solutions. The intention is not only to improve internal efficiency, but also to offer better customer support by making banking services easier, more accessible and efficient through digital technologies.

ESG training for employees

The ESG training project aims to provide the Bank's employees with an in-depth understanding of the principles of sustainable finance, promoting a sustainability-oriented culture in all business activities. The programme focuses on the concept of double materiality, according to which sustainability has two complementary dimensions:

Inside-out perspective: this perspective concerns the containment of the Bank's direct impacts on people and the environment. The aim is to minimise the ecological and social footprint of banking operations by improving energy efficiency, reducing consumption and promoting responsible business practices. Employees will be trained on how to identify and manage these impacts, both with respect to day-to-day operations and long-term strategies.

Outside-in perspective: in this second perspective, the project focuses on the development of sustainable investments and lending, with the aim of containing the impacts of climate and environmental risks on credit risk. The Bank recognises that climate and environmental risks can significantly affect the value and solvency of investments and lending; therefore, it is crucial to adopt approaches that take these factors into account when assessing financial risks. Employees will be trained on methodologies to integrate ESG (environmental, social and governance) criteria into credit and investment assessment practices to ensure responsible and forward-looking portfolio management.

The ultimate goal is to create a team of knowledgeable employees who are able to operate in a way that is aligned with the needs of sustainability, both internally and in supporting customers' financial choices. This training project is part of the Bank's increasing focus on integrating ESG criteria into its policies and long-term strategic vision.

Risk culture in light of business transformation

The project aims to stimulate in-depth reflection on how changes in the external environment, particularly those related to market, technology and regulatory developments, can broaden the Bank's risk exposure, affecting business and internal processes. Emphasis is placed on the importance of developing and consolidating a strong risk culture, which becomes a fundamental safeguard for ensuring effective risk mitigation in an increasingly complex and evolving landscape.

Risk culture is conceived as a transversal process that integrates and reinforces the specific safeguards provided for by sector regulations. It covers not only the traditional areas of risk management (such as credit, market or operational risk) but extends to a broader understanding of risks arising from digital transformation, technological innovation and regulatory challenges. Risk culture is no longer seen as a separate domain, but as an approach that pervades the entire organisation and involves all business functions, contributing to an integrated systemic risk that is aligned with business strategies.

The project takes an in-depth look at the various areas of regulation, with a specific focus on how changes in the external environment (such as the evolution of the European regulatory framework, challenges related to sustainable finance, cyber risks and digitisation) may lead to new risks and opportunities for the Bank. In particular, emphasis is placed on how a conscious and widespread risk culture helps the organisation to address and manage emerging risks, developing its ability to respond promptly and effectively to unforeseen challenges.

The project includes continuous training activities, practical simulations, group discussions and case studies to engage employees at all levels in creating a shared mindset on risk management, highlighting how each individual employee can contribute to strengthening this culture, which is essential for the organisation's resilience.

Digital transition and effective use of IT support

The main objective of the project is to deepen the understanding and advanced acquisition of distributed IT tools in order to optimise their use and improve the quality of company outputs. The initiative aims to develop a high level of digital citizenship among the Bank's employees, enabling them to operate more effectively and competently in an ever-changing technological environment. This approach is crucial to support the implementation of planned digital initiatives, thus supporting the digital transition that the Bank is undergoing.

The project aims to stimulate an in-depth understanding of the distributed digital tools, including those related to blockchain, artificial intelligence, cloud computing systems and all emerging technologies that can support modern banking operations. These tools make it possible to improve the efficiency of business processes and the quality of services offered, responding to new market needs and the expectations of customers who are increasingly oriented towards digital banking.

In addition, the initiative focuses on adequate customer support. Indeed, one of the main objectives is that all employees, from operational to managerial levels, acquire the necessary skills to support digitally evolved customers. In fact, the Bank is studying new digital banking solutions, ranging from offering advanced home banking tools to intelligent account management through the use of artificial intelligence and data analysis.

The project includes continuous training activities for employees, the aim of which is not only to improve their digital literacy, but also to prepare them to handle the digitisation of banking services effectively. Advanced digital tools, such as financial management applications and digital payment platforms, will be explored with the aim of improving the ability to respond promptly to the demands of customers that are increasingly oriented towards innovative banking solutions.

3.1.2. Metrics and Targets

3.1.2.1. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

 ESRS S1-5

Although specific targets relating to the internal workforce have not yet been defined, the Group is considering implementing targeted plans to monitor the effectiveness of policies and actions, with the aim of strengthening an operating model that is efficient and conforms to the highest sustainability standards.

3.1.2.2 Characteristics of the undertaking's employees

ESRS S1-6

The number of employees per gender was calculated by head-count.

In relation to metrics on the characteristics of the company's employees, no external entities, other than the assurance provider, are involved in validating the data.

Number of employees by gender (in number of persons)

Gender	2024
Female	224
Male	349
Other	-
Not disclosed	-
Total employees	573

Number of employees per country (in number of persons)

Country	2024
Italy	573

Number of employees by gender and role (in number of persons)

Title	Gender		
	Male	Female	Total
Executives	25	3	28
Middle Managers	170	72	242
Professional areas	154	149	303
Overall total	349	224	573

Number of employees by gender and contract type (in number of persons)

	Female	Male	Other	Not disclosed	Total
	2024	2024	2024	2024	2024
Number of employees	224	349	-	-	573
Number of employees with open-ended contracts	209	341	-	-	550
Number of employees with fixed-term contracts	15	8	-	-	23
Number of variable hours	-	-	-	-	-

With regard to personnel flows, during 2024, the Igea Banca Group recorded a turnover rate of 5%, due to the departure of 29 employees.

3.1.2.3 Diversity Metrics

ESRS S1-9

The calculation of the age distribution of employees over the total number of employees was carried out by dividing the number of employees in the individual age groups (under 30, between 30 and 50, over 50) by the total number of employees.

As previously mentioned, the figures used in the calculation refer to the number of persons employed on 31 December 2024.

In relation to diversity metrics, no external entities, other than the assurance provider, are involved in validating the data.

Breakdown of employees by age group (in number of persons)

Number of employees	2024
Less than 30 years old	63
Percentage of employees aged less than 30 years old	11 %
Aged between 30 and 50 years old	262
Percentage of employees aged between 30 and 50 years old	46 %
Aged over 50 years old	248
Percentage of employees aged over 50 years old	43 %

Gender diversity of employees at management level (in number of persons)

Number of management level employees	2024
Female	-
% of total at top management level	0 %
Male	6
% of total at top management level	100 %
Other genders	-
% of total at top management level	0 %
No data	-
% of total at top management level	0 %
Total	6

The total number of managers shown in the table refers to top management as per the Italian Consolidated Law on Banking (T.U.B.) (Title IV Article 69-bis (a)).

3.1.2.4 Persons with disabilities

ESRS S1-12

The percentage of persons with disabilities among employees, subject to legal restrictions on data collection, is 4%.

3.1.2.5 Training and skills development metrics

ESRS S1-13

During the reporting period, one audit was conducted for each of the Group's 573 employees.

	unit of measurement	Female	Male	Other	Not disclosed	Total
Employees who participated in periodic reviews	Number	224	349	-	-	573
Employees		224	349	-	-	573
Periodic reviews conducted per employee		1	1	-	-	1
Employees who participated in periodic reviews	Percentage	100 %	100 %	-	-	100 %

With reference to the hours of training provided by the Group to its employees, the total amount of hours provided by type of classification is shown below:

	Number of training hours	Average training hours
Executives	-	-
Female	-	-
Male	-	-
Other	-	-
Not disclosed	-	-
Middle Managers	9,298	79
Female	2,919	41
Male	6,379	38
Other	-	-
Not disclosed	-	-
White-collar workers	11,982	79
Female	6,307	42
Male	5,675	37
Other	-	-
Not disclosed	-	-
Total	21,280	158

3.1.2.6 Health and safety metrics

ESRS S1-14

The recordable work accident rate is calculated on all employees by dividing the number of recordable work accidents by the number of hours worked and multiplying the result by 1,000,000.

In relation to health and safety metrics, no external bodies, other than the assurance provider, are involved in validating the data.

Health and safety performance

	Employees	Non-employees	Total
	2024	2024	2024
Percentage of its workers covered by a health and safety management system based on statutory requirements and (or) recognised standards or guidelines	100 %	n/a	100 %
Number of deaths among its workforce due to accidents in the workplace and occupational illnesses	-	-	-
Number of deaths due to work-related injuries and illnesses of other workers operating on company sites	-	-	-
Number of recordable accidents in the workplace for its workforce	9	-	-
Recordable accident in the workplace rate for own workforce	0 %	n/a	0 %
Number of recordable cases of work-related illness of employees	-	-	-
Number of days lost due to work-related injuries, work-related illnesses and deaths as a result of employee illnesses	-	-	-

3.1.2.7 Incidents, complaints and severe human rights impacts

ESRS S1-17

During the reporting period, the number of recorded incidents of discrimination was zero, as was the number of serious human rights incidents. Moreover, the number of reports submitted through dedicated channels or national contact points is zero. As a result, the number of fines imposed, penalties applied and compensation claimed in relation to these areas is zero.

3.2. Value chain workers

ESRS S2

3.2.1 Impacts, risks and opportunities management

3.2.1.1. Policies related to value chain workers

ESRS S2-1

Health and safety on construction sites

The construction and building sector constitutes a strategic component of the Bank's loan portfolio, accounting for a significant share of the credit operations disbursed. In this context, in 2024, the Bank strengthened the

social governance of the value chain through the introduction of stricter control mechanisms and the intention to progressively integrate ESG criteria into its lending processes.

On 1 March 2024, Banca del Fucino - as the parent company of the Igea Banca Banking Group - signed a protocol with Fisac CGIL, First Cisl and Uilca, which binds the granting of credit to compliance with safety on construction sites and the prevention of accidents in the workplace.

The Bank considers health and safety in the workplace to be an essential element in ensuring respect for people and work and therefore considers it equally essential to enter into relations with entities that scrupulously apply the relevant legislation and promote a culture of accident prevention in the workplace with a view to full compliance with constitutional principles and social responsibility.

To this end, during the preliminary investigation phase, the Manager shall request from the company concerned the documentation listed below to prove the company's compliance with the health and safety regulations on construction sites⁵:

- 1) declaration of the annual workforce broken down by category and regularity of the workers' reports made to the Italian National Institute for Social Security (INPS), the Italian National Institute for Insurance against Accidents at Work (INAIL) and the Construction Workers Welfare Funds (*Casse Edili*);
- 2) declaration on the collective agreement entered into by the most representative Trade Unions, except for different types of work;
- 3) names of the Head of the Prevention and Protection Service, the Workers' Safety Representative, and the name of the Manager in Charge;
- 4) declaration that they are not subject to suspension or disqualification measures pursuant to Article 14 of the Italian Consolidated Law on Safety (*Testo Unico della Sicurezza*);
- 5) declaration on the fulfilment of the training obligation pursuant to Article 37 of Italian Legislative Decree no. 81/2008;
- 6) declaration of assumption of responsibility for subcontracted work regarding accident prevention and occupational hygiene of employees;
- 7) the Risk Assessment Document (D.V.R.) (a signed title page and table of contents are also sufficient);
- 8) a valid Certificate of Social Security Compliance (D.U.R.C.) including, for work already carried out, a valid Certificate of Social Security Compliance based on work costs (*DURC di congruità*) in accordance with Decree No. 143 of 2021 of the Italian Ministry of Labour and Social Policies.

⁵ Except for anomalous and/or impaired positions (pursuant to the Group's Performing Loans Regulation and the Group's Non-Performing Loans Regulation) and/or positions to be subject to forbearance measures.

The provisions contained in the Protocol apply, from the date of its signature, to the Bank's new lending activities in favour of companies operating in the building and construction sector, identified through the following Ateco codes:

41.20.00 Construction of residential and non-residential buildings	42.11.00 Construction of roads, highways and airport runways
42.12.00 Construction of railway and metro lines	42.13.00 Construction of bridges and tunnels
42.21.00 Construction of utility works for transporting liquids	42.22.00 Construction of public utility works for electricity and telecommunications
42.91.00 Construction of hydraulic works	42.99.01 Land subdivision connected with urbanisation
42.99.09 Other construction activities for other civil engineering works n.e.c.	43.99.09 Other specialised construction works activities n.e.c.

The provisions under consideration apply to the above-mentioned counterparties:

- when granting new loans;
- when renewing revocable credit facilities that are due to expire.

In the case of belonging to Economic Groups, this procedure applies only to the company receiving the loan proposal. For the operational processes dedicated to this operation, please refer to Circular No. 23/2024/O issued on 19/03/2024.

3.2.1.2. Processes for engaging with value chain workers about impacts

ESRS S2-2

The Group attaches particular importance to the involvement of stakeholders, both internal and external, in the processes of identifying and assessing impacts, risks and opportunities. With specific reference to workers within the value chain, dedicated processes for engagement with these activities have not yet been implemented. However, the Group intends to consider its integration in future reporting in order to further strengthen its participatory and inclusive approach.

3.2.1.3. Processes to remediate negative impacts and channels for value chain workers to raise concerns

ESRS S2-3

The Igea Banca Group ensures that reporting channels are available to all internal and external parties, guaranteeing a structured, confidential and effective system for the collection and management of reports, in line with the principles of transparency and accountability. These include the whistleblowing channel, set

up in compliance with the applicable legislation, as a tool for detecting unlawful conduct or situations that are potentially detrimental to corporate integrity.

Although to date there are no channels dedicated exclusively to workers along the value chain, the reporting system implemented is accessible to all stakeholders, thereby ensuring adequate levels of safeguards, confidentiality and protection of the reporting person's identity.

3.2.1.4. Taking Action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

ESRS S2-4

During this reporting period, the Igea Banca Group strengthened its commitment to protecting workers along the value chain, with particular reference to the sectors most exposed to social risks, such as construction. In this context, as described above, a Memorandum of Understanding on construction site safety was formalised, which ties the granting and renewal of credit to compliance with health and safety at work regulations by beneficiary companies.

Through this tool, the Group promotes the adoption of risk prevention and management practices on construction sites, actively contributing to the dissemination of safety at work and the protection of workers' fundamental rights. In fact, the preliminary investigation process includes the acquisition of documentation certifying social security compliance, compulsory training, the adoption of protection systems and the absence of sanctions in the field of safety.

This protocol represents an initial concrete and systemic safeguard, capable of generating tangible positive impacts in terms of mitigating social risks, improving working conditions and promoting responsibility along the supply chain. The Group confirms that these issues are central to its ESG approach, committing itself to steadily strengthening the monitoring and effectiveness of the actions undertaken.

3.2.3 Metrics and Targets

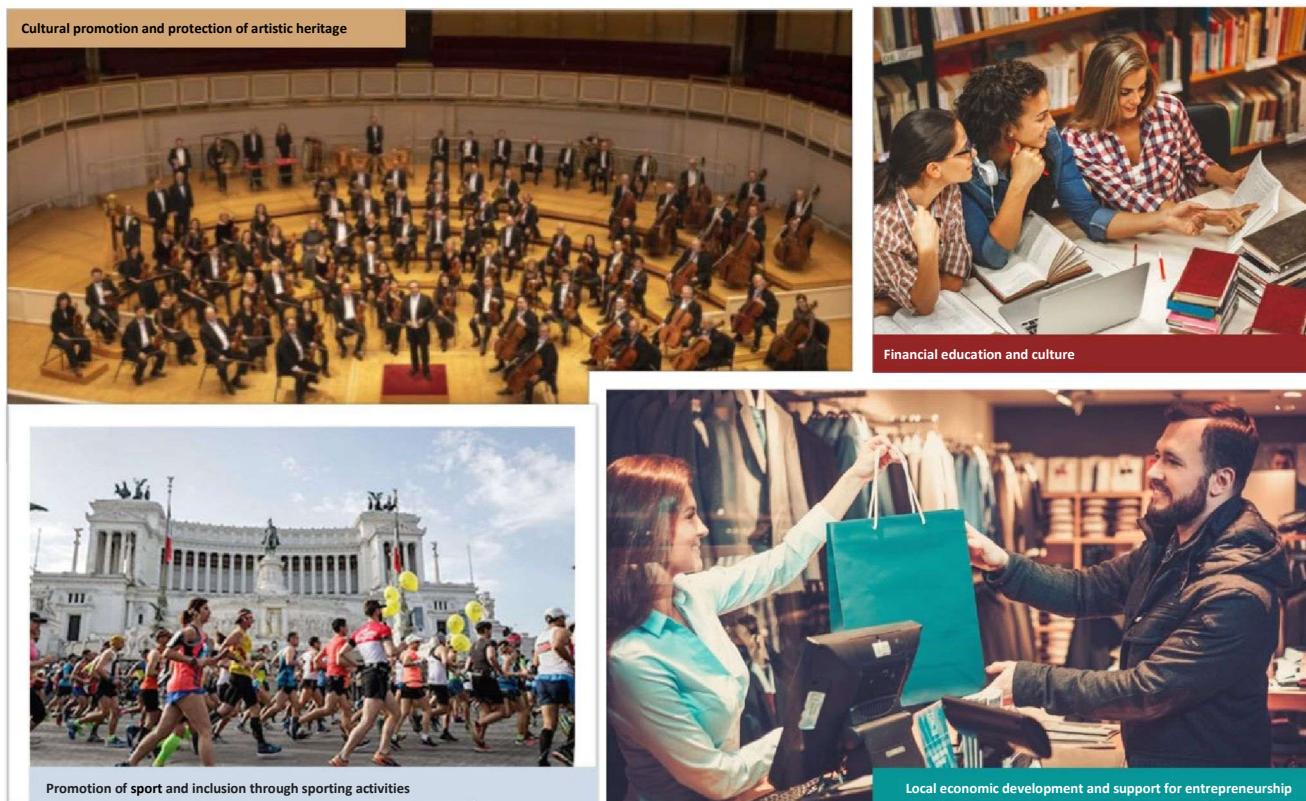
3.2.2.1. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ESRS S2-5

The Group does not currently have formalised targets for the protection of working conditions along the value chain but continues to evaluate their integration into its sustainable development path. This assessment is part of a broader process of strengthening social responsibility practices, in line with developments in the relevant context and with the commitment to ensuring respect for the fundamental rights of workers throughout the entire supply chain.

3.3. Affected communities

ESRS S3



3.3.1 Impacts, risks and opportunities management

3.3.1.1. Policies related to affected communities

As evidence of the Igea Banca Banking Group's commitment to managing relations with affected communities, the Group acts in accordance with the principles enshrined in its Code of Ethics, which is the fundamental reference point for ensuring transparent, responsible interaction geared towards creating shared value. Although there are no formalised policies specifically dedicated to managing impacts on local communities, the Code of Ethics defines the guidelines for setting up and overseeing such relations, promoting respect for economic, social and cultural rights. The Group's activities are conducted in accordance with the values of equity, inclusion and sustainable development, confirming an approach geared towards social responsibility and the enhancement of the territory.

3.3.1.2. Processes for engaging with affected communities about impacts

ESRS S3-2

The Igea Banca Banking Group is committed to maintaining responsible relations with local communities, promoting initiatives aimed at fostering economic and social development in the territories in which it operates. The approach adopted in involving these parties takes into account the specific nature of the context and the needs of the various stakeholders, with special attention being paid to the socio-economic dynamics that may be influenced by the Group's activities. In this regard, through a series of targeted initiatives, the Group has promoted access to credit, training, the dissemination of culture and solidarity, thereby cementing its role as a responsible player and promoter of fair and sustainable development.

3.3.1.3. Processes to remediate negative impacts and channels for affected communities to raise concerns

ESRS S3-3

The materiality analysis conducted by the Group did not reveal any negative impacts in relation to the communities affected by its activities, thus making the possibility that these communities might report events or circumstances of concern remote. In any case, in accordance with the provisions of Italian Legislative Decree No. 24 of 10 March 2023 on whistleblowing, the Group has implemented a whistleblowing channel that is also accessible to persons outside the Bank, ensuring the possibility of sending reports anonymously, in compliance with the principles of confidentiality, protection of the identity of the whistleblower and transparency.

3.3.1.4. Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

Cultural promotion and protection of artistic heritage

ESRS S3-4

Banca del Fucino has always considered culture a fundamental pillar for the sustainable development and social enrichment of communities, basing its commitment on the idea that the enhancement of art and historical heritage is an essential vehicle for collective growth and social cohesion. Its dedication to promoting the arts is reflected in a wide range of initiatives, projects and collaborations with prestigious cultural institutions and events that have left a significant mark on Italy and beyond.

Emblematic is the multi-year partnership with the **Teatro dell'Opera di Roma**, started during the three-year period 2020-2023 with a loan of EUR 750 thousand and renewed until the end of 2024. Thanks to this partnership, the Bank offered 700 free tickets, 110 of which to high schools participating in the theatre's initiatives, so that they could appreciate the talent of conductor Riccardo Muti. This collaboration not only contributes to the maintenance and enhancement of the institution's opera and symphonic season but also plays a key role in the training of young talents thanks to the programme "**Fabbrica Young Artist**" which is one of the main workshops at European level for launching new generations of artists in the classical music and opera scene. The project allows up-and-coming singers, maestros, directors and set designers to work in close contact with internationally renowned artists, offering genuine opportunities for professional growth and entry into the international music scene.

In a similar vein, the Bank has forged strong partnerships with other important cultural institutions such as the **Teatro Parioli** and the **Teatro dei Marsi in Avezzano**. These partnerships have facilitated the creation of top-level theatre seasons, aimed at ensuring widespread access to performing arts and bringing theatre back to the centre of local cultural life, with programmes ranging from classical prose to contemporary comedies, musical performances and family-oriented events.

In 2024, the Bank confirmed its sponsorship of the exhibition "**Carlo Fontana - Fra la terra e il cielo**" in Montefiascone, a celebratory exhibition organised on the occasion of the 350th anniversary of the dome of the Santa Margherita Cathedral, one of the largest in Italy. The event, sponsored by the Dicastery for Culture and

Education of the Vatican City State, represented a bridge between past and present, bringing together works by contemporary artists who explored the theme of the connection between the divine and the human, between heaven and earth. The exhibition was enriched by conferences, guided tours and educational workshops, involving the local community and visitors in an immersive and highly educational cultural experience.

At the same time, the Bank supported the restoration of the altarpiece depicting the **Visitation**, painted in 1725 by the Milanese painter Bernardo Strada and housed in the Church of San Francesco di Paola in L'Aquila. The work, considered an important piece of Abruzzo's artistic heritage, showed signs of degradation due to time and environmental conditions. Thanks to the renovation project financed by Banca del Fucino and carried out under the supervision of the Italian Ministry of Culture, the altarpiece has been restored using advanced restoration techniques that have preserved its authenticity and original beauty. The restoration project was accompanied by a public awareness campaign, with meetings and presentations to explore the history of the work and the importance of protecting artistic heritage.

Cultural promotion has also extended to supporting nationally significant exhibitions and musical events. Among these, the Bank was a sponsor of the exhibition "1:1" by the artist Manuel Felisi at the **Museo Carlo Bilotti in Rome**, an exhibition that explored the relationship between art and nature through immersive installations and works made with recycled materials, provoking reflection on the theme of environmental sustainability. On the music side, Banca del Fucino supported the **Mid-Summer International Festival of Tagliacozzo**, which is considered among the ten most prestigious cultural festivals in Italy. The event, which combines music, theatre and literature, saw the participation of international artists and enlivened the town with more than 50 events spread across historical sites and squares, promoting the value of the area and the participation of a wide audience.

The "**Musica su Roma**" music season, another flagship event supported by the Bank, brought a series of performances to the heart of the capital, ranging from classical music to jazz, classical and pop concerts, thereby creating opportunities for tradition and artistic innovation to come together. Of particular note were the concerts held in the Renaissance courtyard of **Villa Giulia**, the suburban residence of Pope Julius III and a masterpiece of Roman Mannerism in the mid-16th century. The Group is committed to sponsoring this event, which combines musical masterpieces by composers such as Mozart and Beethoven with an impressive atmosphere steeped in art.

Fourteen young talents from the School of Photography of the Academy of Fine Arts of Catania, under the direction of Carmelo Nicosia, explored and documented the Sicilian culture's traditional crafts and customs, creating a photographic campaign that captured the reality of our land. The thirty-two photographs exhibited in the premises of the Banca del Fucino branch offered an opportunity to young photographers, enhancing their work and inviting reflection on the importance of preserving and promoting a heritage of arts and crafts that is a fundamental part of our city.

In appreciation of the importance of historical commemoration and civic education, Banca del Fucino has launched a meaningful collaboration with the Holocaust Museum Foundation (**Fondazione Museo della Shoah**). One of the most impactful initiatives is the "**Social Book Club**" project, now in its third year in 2024, aimed at middle school and high school students. The project aims to encourage reading and critical thinking through texts dedicated to the Holocaust and the fight against all forms of discrimination. Participating students had

the opportunity to be provided with the selected books free of charge, write imaginative reviews, and interact via a dedicated TikTok channel, thereby forging a connection between historical remembrance and contemporary languages. The prize competition, which rewarded the best reviews with cultural vouchers, involved over **500 students** throughout Italy and promoted an awareness among the younger generation.

Through these initiatives, Banca del Fucino confirms its role as an active promoter of culture, art and historical remembrance, acting as a point of reference for the dissemination of the values of inclusion, dialogue and sustainability. Each project supported by the Bank is conceived not only as an economic contribution, but as a long-term investment in the cultural and social development of the communities in which it operates.

Local economic development and support for entrepreneurship

Supporting economic growth and local entrepreneurship is one of the main strategic priorities of Banca del Fucino, which has always been committed to promoting the development of the areas in which it operates through targeted financial solutions and projects that foster economic inclusion and business competitiveness. Aware of the crucial role played by small and medium-sized enterprises (SMEs) in the Italian economy, the Bank acts as a reference partner for the provision of innovative, sustainable and accessible financial instruments, capable of meeting the specific needs of local and sectoral production businesses.

One of the most important initiatives is its participation in the **FRI-Tur** measure, the Tourism Revolving Fund promoted by the Italian Ministry of Tourism and managed by Cassa Depositi e Prestiti (CDP), aimed at supporting the upgrading of accommodation facilities and the digitalisation of tourism services. Through this initiative, Banca del Fucino assessed and financed projects worth a total of approximately **EUR 30 million**, thereby benefiting small and medium-sized enterprises operating in the tourism sector throughout the country. The loans, structured to foster environmental sustainability and technological innovation, allowed the beneficiary companies to invest in energy efficiency upgrades, modernisation of facilities and the implementation of digital solutions to improve the customer experience. The Bank also promoted a series of local meetings, including one held in Naples at the Unione Industriali, to illustrate the opportunities offered by the measure and support businesses in preparing loan applications.

In Sicily, Banca del Fucino has set up a task force dedicated to SMEs, with the aim of facilitating access to non-repayable subsidies provided by **IRFIS-FinSicilia** for interest relief on existing mortgages. This initiative provided significant support for the liquidity and operations of local businesses, particularly those affected by recent economic downturns. The programme enabled companies with operational units in Sicily to obtain grants of up to EUR 10,000 per project, thus supporting businesses in the craft, trade, agri-food and service sectors. Thanks to the work of the task force, numerous Sicilian SMEs were able to successfully submit their applications and benefitted from customised technical and advisory support at every stage of the process.

In parallel with its commitment to credit and subsidised finance, the Bank promotes the culture of innovation and digitalisation, recognising young and creative entrepreneurship as a driver for territorial economic growth. With this in mind, Banca del Fucino renewed its participation in **Start Up Catania**, a business plan competition organised by the University of Catania and linked to the National Innovation Award (PNI). The initiative, aimed at students, researchers and young entrepreneurs, is designed to encourage the development of innovative project ideas in strategic sectors such as energy, environmental sustainability, biotechnology and digital

services. In addition to supporting the event financially, the Bank is actively involved in the evaluation of projects and mentorship of start-ups, helping to turn ideas into concrete and sustainable business models. Particular attention is also paid to the promotion of food and wine and sustainable tourism, which are key sectors for the economy of the southern and island regions. As of 2022, the Bank is a partner of **Wine Sicily**, an important event dedicated to promoting Sicily's wine and tourism heritage. The event, scheduled to be renewed for 2025 and involving producers, sector operators and local institutions, aims to strengthen the competitiveness of companies through promotion, training and internationalisation activities. Similarly, participation in **CeraSoul**, a cultural and musical initiative centred on the promotion of Cerasuolo di Vittoria DOCG wines, bears witness to the Bank's commitment to supporting projects that combine tradition and innovation and contributes to promoting local cultural and productive identity.

Since 2022, Banca del Fucino has also entered into a strategic partnership, which is still ongoing, with the International Association e ***"Associazione Internazionale Via Margutta"*** for the cultural and commercial revival of the Roman street of the same name, which is historically linked to the world of art and craftsmanship. The project aims to transform Via Margutta into an international artistic and creative hub through exhibitions, shows, workshops and networking initiatives between artists, designers, entrepreneurs and tourists.

In confirming its commitment to the enhancement of the Capital's cultural and artistic heritage, the Group sponsors the ***"Premio Margutta"***, a prestigious award dedicated to excellence in the arts and creativity, as well as the ***"Luminarie di Via Margutta"***, a Christmas initiative that involves residents, shopkeepers and visitors, helping to strengthen the link between the artistic tradition of the street and the social and economic fabric of the neighbourhood.

These initiatives are part of a broader framework of actions aimed at supporting the post-pandemic economic recovery and fostering the digital and green transition of Italian companies. Through a widespread network of branches and specialised consultants, Banca del Fucino offers constant support to companies in defining sustainable and innovative investment strategies. The support goes beyond simply providing loans, extending to personalised consulting services, training and technical assistance, with the aim of building lasting relationships based on mutual trust. In a constantly evolving economic context, the Bank intends to continue along this path, by putting the needs of local business communities at the centre of its activities and effectively contributing to the economic, social and cultural development of the areas it serves.

Promoting sport and inclusion through sporting activities

For Banca del Fucino, sport represents much more than just a recreational activity: it is a privileged channel for transmitting fundamental values such as respect, inclusion, determination, solidarity and team spirit. Aware of the central role that sporting activities play in educating people and promoting social cohesion, the Bank has developed a support strategy that encompasses both professional and amateur sport, with a particular focus on promoting participation in sport among young people and promoting inclusion through sport for people with disabilities.

One of the most emblematic examples of this commitment is the partnership with the **Circolo Canottieri Aniene**, one of Italy's most prestigious sports clubs. The collaboration focused specifically on the club's Paralympic team, supporting athletes in their preparation for the **Paris 2024 Paralympics**. This initiative is

part of the broader vision of Banca del Fucino, which views sport as an effective tool to overcome physical and social barriers, offering opportunities for personal growth and integration to individuals faced with extraordinary challenges in their daily lives.

The Bank's commitment also extends to major national and international competitions, supporting sporting events that are able to engage large sections of the population and promote social cohesion. This includes the Bank sponsoring the ship **Lauria** of the eponymous Circolo Canottieri participating in the prestigious **Regata Palermo-Montecarlo**, one of the most important sailing events in the Mediterranean, which attracts professional sailors and enthusiasts from all over the world every year. The regatta is not only a high-level sporting event, but also an opportunity to highlight Italy's seafaring tradition, promote sea culture and raise awareness of environmental sustainability issues.

In the field of running, the Bank supports "**Corri Catania**", one of the most popular races in Sicily, which combines sport with charitable purposes. The most recent edition was attended by thousands of runners and walkers, with the funds raised going towards solidarity and community development projects.

In addition to supporting events, the Bank has chosen to invest in promoting local sports clubs, in recognition of their crucial role in training the younger generation. In this respect, its sponsorship of **Alcione Milano**, a historic Milanese football club known for its focus on youth development and the values of fairness and sportsmanship it promotes, stands out. At the same time, its support for football club **Palermo Calcio** helps to strengthen the link with Sicily and support one of the most representative football clubs in Southern Italy. Basketball, a sport that is continuously growing in terms of the number of players and fans, has found an ally in the Bank through its partnership with **Oxygen Roma Basket**, a team committed to promoting women's sport and nurturing local talent. It also extended its support to **Saturnia Volley**, Sicily's longest-established volleyball club, which is committed to promoting the sport among young people and participating in major national championships. Finally, since 2021 the clubs **Polisportiva Gonzaga** and **Mocrini Linus** have benefitted from funding from the Igea Banca Banking Group.

The Bank's focus on sport is not limited to more traditional forms. In recent years, the Bank has expanded its outreach by supporting events linked to less conventional but equally educational sports. This inclusive approach reflects the conviction that any sporting activity can be a vehicle for personal and collective growth, as well as an opportunity to introduce people to healthy and active lifestyles.

By supporting a wide range of initiatives, Banca del Fucino continues to promote a sport that knows no barriers, bringing people together and instilling in young people values that will stay with them for life. Its support for high-level sporting events and grassroots activities demonstrates the Bank's desire to be a point of reference for communities, helping to build a future in which sport is increasingly synonymous with inclusion, well-being and a shared experience.

Financial education and culture

Promoting economic awareness and providing useful tools for managing personal finances are key objectives for Banca del Fucino. Indeed, the Bank's commitment to education and training is based on the conviction that financial culture is an essential element in fostering citizens' empowerment and social inclusion, contributing to the sustainable development of communities. This vision is reflected in a series of practical initiatives addressed to different segments of the population, with a particular focus on young people and the most vulnerable groups.

In collaboration with **Fondazione per l'Educazione Finanziaria e al Risparmio (FEduF)**, Banca del Fucino implemented the project **"Risparmiamo il Paese"**, which involved over 150 middle school students from Rome and Velletri. The initiative, an integral part of Financial Education Month, aimed to raise awareness among children about the basic principles of savings, home economics and conscious resource management. During the training sessions, led by industry experts, students addressed topics such as the value of money, the importance of expense planning, the role of banks in the economy, and the opportunities offered by new digital technologies. Through the use of interactive teaching tools and the organisation of practical workshops, the Bank sought to awaken young people's curiosity and interest and provide them with useful knowledge to help them tackle future economic choices with greater awareness.

Alongside its school activities, the Bank has expanded its commitment to the education of young adults through collaboration with leading Italian universities. Conferences were organised with prestigious universities such as **Unitelma (La Sapienza University of Rome)**, **Tor Vergata University** and **LUISS Guido Carli**, aimed at fostering dialogue between the academic world and the working world. These agreements have given numerous university students access to curricular and extracurricular internships, giving them the opportunity to gain first-hand experience in the banking and finance sector. The Bank participated in career days, thematic workshops and mentorship programmes, with the goal of supporting career guidance and encouraging the acquisition of practical skills required by the market. This commitment has resulted in an increase in the job placement rate of young people involved in the training projects promoted by the Bank, thereby helping to reduce the gap between theoretical training and practical experience.

Conscious of the importance of providing effective tools for the independent financial management, especially among the young people, Banca del Fucino has introduced dedicated products that meet the specific needs of the younger generation. Among these is the programme **"conto insegno"**, designed for undergraduate and university students. The product features zero management fees, intuitive digital functionalities and tools that allow the user to monitor their expenses in real time via a dedicated mobile app. The account includes the possibility of applying for prepaid cards at no extra cost and provides access to educational materials to learn more about personal finance issues. The purpose of the **"conto insegno"** is to accompany young people on their journey towards financial independence, promoting a responsible use of resources and encouraging conscious saving habits.

Alongside this, the Bank has developed the account **"conto incorso"**, aimed at recent graduates and young professionals. This product offers advantageous conditions, such as reduced fees on payments, access to budgeting tools and the possibility to make investments in a simple and transparent manner. With an intuitive digital interface, account holders can manage their finances independently, monitor their monthly expenses

and plan their savings with the support of analytical tools. The initiative is part of a broader strategy of the Bank to support the financial independence of young adults, encouraging them to make informed decisions and build a solid foundation for their economic future.

Banca del Fucino's promotion of financial education is not limited to initiatives aimed at young people but also embraces programmes for families and businesses. Through online seminars, in-person workshops and informative materials available on its institutional website, the Bank provides educational content that is accessible to a wide audience, helping to spread the culture of financial planning and responsible saving. The initiatives are designed to meet the needs of different age groups and customer segments, with the aim of combating financial illiteracy and encouraging a more informed use of banking products and services.

Banca del Fucino's commitment to the community does not end with the mere sponsorship of events and represents a corporate philosophy deeply rooted in its mission and daily practices. The Bank interprets its role not only as a credit institution, but as an active and responsible partner in the sustainable development of the territories in which it operates, conscious that economic growth must go hand in hand with the social, cultural and environmental well-being of communities. This view is expressed through a variety of initiatives ranging from cultural and artistic promotion to support for local entrepreneurship, from social inclusion to financial education, and even by supporting sport as a vehicle for unity and personal growth.

3.3.2 Metrics and Targets

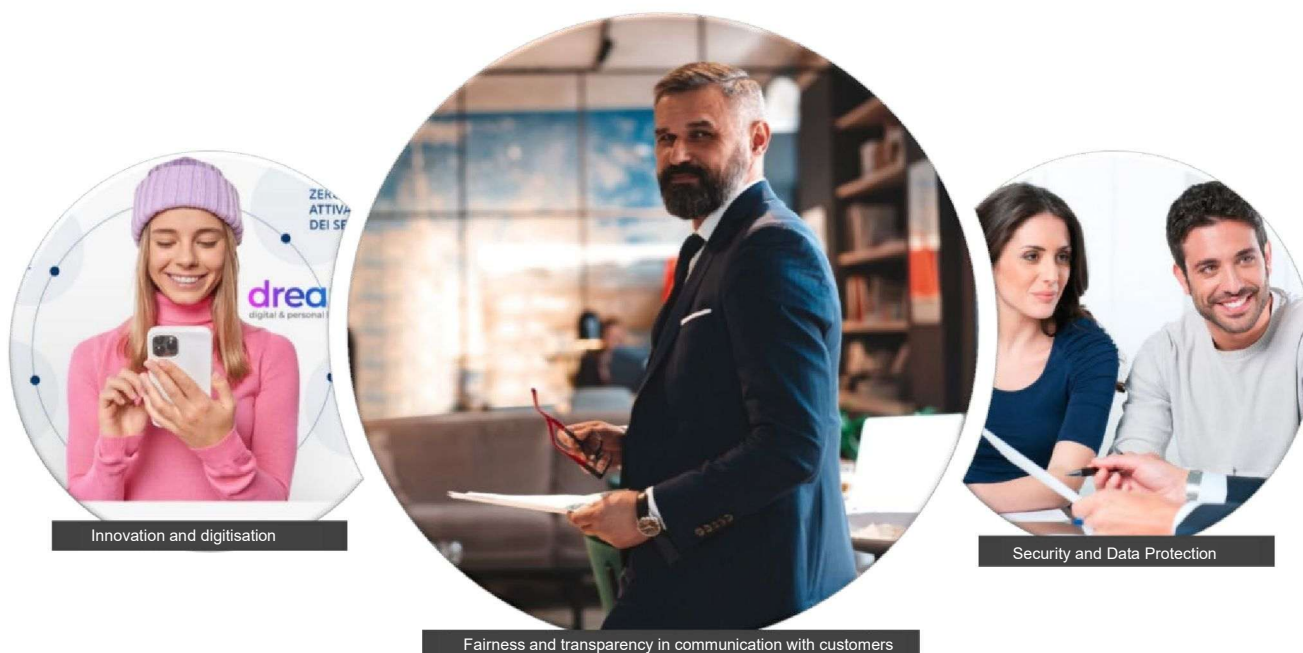
3.3.2.1. *Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*

ESRS S3-5

The Igea Banca Banking Group is committed to ensuring the continued involvement of the communities affected and maintaining a constant presence in the area over time, as well as identifying improvement measures that can bring value both to the Bank and to the area in which it lives and operates. The aim of creating shared value is at the core of its DNA, and in the near future it will consider formalising this aspect through specific objectives.

3.4. Consumers and end-users

ESRS S4



3.4.1 Impacts, risks and opportunities management

3.4.1.1. Policies related to consumers and end-users

ESRS S4-1

The Igea Banca Banking Group is committed to ensuring that its products and services meet the needs of its customers, promoting transparency, quality and consumer protection. In fact, the Group has adopted a series of internal policies targeted at all consumers and aimed at defining operational guidelines in compliance with the applicable regulations, regulating business processes and defining control methods in order to guarantee strict professional ethics, correctness of action and abstention from any unfair commercial practices.

Complaint handling policy

In this respect, the Group Complaints Management Policy stands out: a strategic document designed to ensure effective and timely handling of complaints received. This policy was designed with the intention of offering structured support not only to the organisational units involved in the process of receiving and analysing complaints, but also to the customers, in order to quickly and efficiently resolve the issues covered by the complaint.

The primary objective of this initiative is to ensure a quick and effective handling of complaints by clearly and precisely defining roles and responsibilities within the different functions involved in the handling process. This organisational approach makes it possible to intervene in a timely manner, prioritising the resolution of reported situations, but also to identify the exact root causes of inefficiencies, thereby improving the overall effectiveness of the service.

Moreover, the adoption of this policy is not only limited to the immediate resolution of complaints but also extends to the prevention of any future critical issues. In fact, the careful analysis of reports makes it possible to identify any recurring problems, so as to prevent the recurrence of situations that could compromise customer satisfaction and damage the Group's reputation. In this way, the complaints management policy not only responds effectively to immediate needs but also contributes to the continuous improvement of the services offered, consolidating customer trust and loyalty in the long-term.

The Internal Audit Function, which also assumes responsibility for the Complaints Function, is the unit in charge of handling the reports received, which always operates in full compliance with the applicable regulations. This structure ensures that each complaint is handled accurately and promptly, meeting the standards set by internal policy.

Each complaint is examined in detail, considering the type of customer and applying the classification established by the policy. This classification is essential for understanding the specific needs of each customer segment, and is divided into the following categories:

- **Private individuals:** includes consumers and individuals acting for purposes unrelated to any professional or business activity. This category includes individuals who use banking services for personal purposes.
- **Intermediaries:** includes small enterprises, artisans, professionals, traders, associations, schools and partnerships, with the exception of corporations. These are customers operating in a professional or commercial environment but on a small scale.
- **Other categories:** this section brings together all other types of customers who do not fall under the previous definitions, ensuring that they too are adequately represented and protected in the handling of complaints.

The policy is not limited to the classification of customers but also regulates how reports are handled according to the nature of the complaint. In order to ensure an appropriate and targeted response, there are differentiated procedures depending on the type of service reported. In particular, complaints concerning:

- **Banking services:** covering traditional current account operations, loans, financing and other financial services.
- **Payment services:** related to payment cards, credit transfers, direct debits and other money transfer instruments.
- **Insurance intermediation:** concerning the sale and management of insurance products through the Bank.

This differentiated structure ensures that each complaint is dealt with in a specific and targeted manner, in line with the nature of the service and the customer's needs, thereby ensuring efficient and timely handling of all reports.

Every year, the Internal Audit Function provides the Board of Directors and the Board of Statutory Auditors with a detailed report on the activities carried out to handle complaints, as well as the corrective measures taken to resolve any critical issues that have arisen. The purpose of this report is to monitor the effectiveness of the policies in place and to ensure timely and efficient action in resolving any issues raised by customers.

In addition, in order to foster continuous improvement of the reporting process, the Internal Audit Function's staff receives regular specialised training, aligned with the skills required by the internal policy, thus ensuring that their approach is always up-to-date and in line with industry best practices.

In line with the objective of ensuring maximum transparency, the Group also adopted the Regulation on Banking Transparency, a document that defines precise guidelines for the implementation of transparency in banking operations and customer relations. The main objectives of this manual are:

- Strengthening customer protection by simplifying and standardising the documentation provided to customers, so that everyone can easily understand the conditions and details of the banking and financial services offered. This approach aims to make information clear and accessible for all types of customers.
- Improving trust in banking and financial institutions by adopting a proportional approach: transparency obligations vary according to the type of customers and the characteristics of products and services. This means that the communications and information provided will be customised according to the needs and complexity of the services offered, thus enabling greater personalisation and understanding by different customer segments.
- Promoting sound and prudent banking management, reducing legal and reputational risks for the Group. This is achieved through the implementation of precise organisational, procedural and control obligations, which ensure compliance with regulations and adherence to quality and transparency standards. The prudent management of operations and customer relations is indeed essential for maintaining and consolidating the institution's reputation and soundness.

Through these measures, the Group strives not only to ensure compliance with applicable regulations, but also to promote an environment of trust and transparency, in which every customer can feel protected and aware of financial choices.

The Group's commitment to transparency is also embodied in the planning and implementation of specific training programmes for personnel, developed in accordance with relevant external regulations. Every year, an Annual Training Plan is drawn up with the aim of ensuring that all employees, regardless of their level of responsibility, are adequately trained and updated on issues of transparency and fairness in customer relations.

Security and Data Protection Policy

IT security and the protection of personal data constitute a fundamental strategic pillar for the Igea Banca Group, which daily manages a large volume of confidential and sensitive information relating to its customers and operations. In this context, the Group adopts advanced and constantly updated measures to ensure the security of its IT systems and data protection, always in line with current privacy and IT security regulations. The policies adopted by the Group are based on the main European regulations, such as the General Data Protection Regulation (GDPR), and internationally recognised industry standards, which set high requirements in terms of information protection and technological security. The main objective of these policies is to ensure

the security of the operations and data processed, while preventing any negative impact on the Group itself and safeguarding the rights of those parties concerned.

In particular, the measures implemented include advanced encryption protocols, multi-factor authentication systems and continuous monitoring of systems in order to detect vulnerabilities at an early stage. Furthermore, the Group promotes continuous staff training, raising awareness among all employees of the importance of IT security and proper data management practices, with the goal of minimising the risks associated with cyber-attacks and security incidents.

These actions, together with the adoption of cutting-edge technological solutions, are designed to ensure not only regulatory compliance, but also to strengthen customers' confidence in the Group's ability to protect their data in an increasingly digital and interconnected environment.

To ensure the secure and compliant management of the information processed, the Group has developed and formalised specific Policies and Procedures to ensure adherence to Regulation (EU) 679/2016 (GDPR), which governs the protection of personal data of natural persons. The approach taken is risk-based, as required by the GDPR, which requires proportionate management of regulatory obligations, taking into account the level of risk associated with different types of data processing.

The security measures implemented are therefore calibrated to minimise the risks of loss, accidental destruction or unauthorised access to personal data, ensuring that information is always processed in accordance with the purposes for which it was originally collected. This approach ensures that data protection is central and constantly monitored at all stages of processing.

The Data Protection Officer (DPO), supported by a specialised internal team, is in charge of supporting the organisation in implementing and complying with data protection regulations. The DPO plays a supervisory, advisory, training and awareness-raising role to ensure that all employees are adequately informed of privacy principles and proper data processing practices. Furthermore, the DPO is instrumental in assessing new initiatives, products and services, verifying their compliance with data protection regulations and suggesting the necessary measures to mitigate the risks of non-compliance.

A particularly relevant aspect is the application of the principles of Privacy by Design and Privacy by Default, which are integrated from the earliest stages of business process planning. These principles ensure that data protection is considered at every stage, thus minimising exposure to the non-compliance risks and maximising the security of the information processed. In this way, the Group takes a proactive approach, making data protection an integral and fundamental part of its corporate culture.

To prevent security breaches and ensure that its IT systems are as resilient as possible, the Igea Banca Group has set up a Security Operation Centre (SOC), an advanced infrastructure that monitors security events in real time, promptly identifying and reporting any anomalies. The SOC plays a crucial role in identifying potential cyber threats and coordinating the most appropriate containment and resolution actions, in accordance with the Group's established internal procedures. This approach allows any security incidents to be handled quickly and accurately, thereby minimising the operational impact.

In addition, the Group's IT systems are periodically checked so as to ensure compliance with industry regulations and IT security best practices. These checks are conducted in full compliance with the provisions of the Supervisory Authorities, including Bank of Italy Circular No. 285/2013, which sets out the operating

standards for security in the banking sector. The frequency of checks depends on the level of criticality of the systems and the evolution of cyber threats, ensuring that security measures are continuously updated.

The protection of data confidentiality is a core principle of the Group's operations, which requires its employees, financial advisors and collaborators to strictly comply with data protection regulations, even once their employment or collaboration ends. This commitment reflects an ongoing responsibility to ensure that all individuals involved in the Group's activities conduct themselves in accordance with the security standards, even once their involvement with the organisation has ended.

To this end, the Group adopts a rigorous training and awareness policy for personnel, with the aim of ensuring in-depth knowledge of security measures and best practices in data management.

3.4.1.2. Processes for engaging with consumers and end-users about impacts

ESRS S4-2

Fairness and transparency in communication with customers

The mode of interaction between the Customer and the Group is represented through channels in which the relational component (Branch, Agency, Consultancy) is integrated with that of digital channels to allow the Customer to access the services offered anytime, anywhere and in complete autonomy.

The Group's ongoing commitment to provide an excellent service is a key factor in building a long-term relationship based on mutual trust and respect for individual and corporate needs.

In support of this mission, the Group has implemented several initiatives aimed at engaging its customers in order to increase their awareness and readiness regarding impacts, risks and opportunities, including those related to cyber security.

The main consumer engagement and awareness-raising processes and actions include:

- Multi-channel communication campaigns (via APP, web and e-mail), aimed at raising awareness of the risks of computer fraud, including phishing (fraudulent e-mails), smishing (misleading SMS) and vishing (telephone scams);
- Security alerts and notifications, with real-time updates on new types of threats and tips to protect individual's data and devices;
- Implementation of advanced authentication tools, such as the Achille Mobile Banking App, which introduces security mechanisms based on Strong Customer Authentication (SCA), including biometric recognition and dynamic OTPs for transaction validation.

These initiatives not only improve readiness and awareness of data processing risks but also contribute to strengthening the Group's ability to respond to threats in a timely manner, thereby improving its internal organisation and corporate reputation. As a result of the measures taken, no complaints were received in 2024 concerning breaches of customer privacy, nor were any cases of loss, theft or unauthorised disclosure of sensitive data reported.

3.4.1.3. Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

ESRS S4-3

The Igea Banca Banking Group has developed a structured system of listening and responding to consumers and end-users, aimed at effectively managing any negative impacts arising from its activities. To this end, it provides reporting channels accessible to all stakeholders, both internal and external, including the whistleblowing channel, which complies with Italian Legislative Decree No. 24 of 10 March 2023, which guarantees the anonymity of the reporting party and the confidentiality of the information transmitted.

Furthermore, as previously described, the Group has adopted a Complaints Handling Policy, which is a fundamental tool for ensuring the timely, consistent and transparent management of reports received from customers. In addition to defining effective operating procedures, the Policy also promotes the systematic analysis of reports, with the aim of identifying any recurring critical issues and improving the overall quality of the services offered, thereby helping to strengthen the relationship of trust with customers.

To complement these tools, the multi-channel organisational model adopted by the Group - structured through a physical network of branches, agents and consultants, and bolstered by digital channels - enables direct and ongoing dialogue with customers, thus ensuring a relationship based on proximity, accessibility and local presence.

All reporting and customer relationship management activities are conducted in full compliance with applicable data protection legislation, in accordance with Regulation (EU) 2016/679 (GDPR). The Group adopts advanced technical and organisational measures to ensure the confidentiality, integrity and security of the information processed, protecting the rights of data subjects and strengthening confidence in responsible data management.

3.4.1.4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Innovation and Digitalisation

ESRS S4-4

Digital innovation represents a crucial strategic lever for the Igea Banca Group, which is constantly investing in the development of advanced technological solutions to improve internal operational efficiency and, at the same time, offering customers increasingly accessible, secure and high-performance services. The adoption of digital tools allows the Group to optimise business processes, reducing operational complexity and ensuring a customer experience that is aligned with new digital habits of customers.

To meet the needs of customers who are increasingly inclined to use digital tools, the Igea Banca Banking Group offers a wide range of online services that can be accessed in a user-friendly and secure manner via desktop (web) and mobile devices (apps). These services allow customers to easily manage daily banking

transactions, make payments, monitor their account and subscribe to new products in just a few clicks, in full compliance with security and data protection regulations.

Over the past year, the Group has introduced and enhanced several digital solutions to improve the operability and security of banking transactions. The main innovations include:

- **Mobile Banking App Achille:** the “Achille” mobile application is a significant evolution in accessing digital banking services. The app introduces a new authentication scheme called “Smart OTP”, a virtual token that guarantees a high level of security through Strong Customer Authentication (SCA), in compliance with the requirements of the European PSD2 Directive on payment systems. Through the use of push notifications and biometric recognition, access to banking services becomes faster and more intuitive, improving the user experience and raising the security levels of online transactions.
- **Remote Selling Time Deposit and Nexi Debit International Card:** the Group developed an innovative system for then remote subscription of financial products through digital channels. Customers can now independently purchase Time Deposit and the Nexi Debit International Card directly via Home Banking and Mobile Banking. The purchasing process involves the affixing of a digital signature, which certifies the authenticity of the signature and guarantees the integrity of the document. This technology not only improves the security of transactions, but also eliminates the need for paper documentation, thereby promoting paperless management and reducing environmental impact.

Document Renewal (existing customers):

The “Modulistica” platform was developed to simplify the management of customers’ personal documents, allowing them to check the update status of documents such as the privacy form, identity card and Mifid questionnaire, and to independently initiate the renewal procedure directly via home banking or the mobile banking app. For many documents, the renewal process includes digital signatures, thus guaranteeing that the signed documents are legally valid, with activation and costs included in a specific offer from the bank. The platform is accessible via both home banking and the mobile banking application, offering flexibility and convenience to customers, who can manage their documents independently. The identity card renewal process is an exception, as it does not require a digital signature. In summary, the “Modulistica” platform offers customers a simple and secure way to manage and update their personal documents online.

Online Dream account (new customers):

The account “Conto Corrente Dream” is a new online current account offer, designed to attract new private customers, which is characterised by its fully digital opening via a dedicated portal, “Remote Selling”. This process requires a qualified electronic signature (QES) and includes a complete package of mandatory ancillary services: home banking, debit card and SMS alert. The offer is free, with account fees, home and mobile banking, PagoBANCOMAT® card and SMS alert at no extra cost. Customers can carry out transactions at the branch, but cheque and credit agreements are excluded. The target clientele consists of private consumers over 18 years of age who are resident in Italy and have no active relationship with the bank. In addition, the account can be enhanced with optional services such as deposit accounts and additional debit cards, available

through specific agreements. The entire opening process is automated, with identification via VideoSelfie ID and digital archiving of documents.

Instant Transfer: the Instant Payment service allows customers to transfer funds in just ten seconds, with no possibility of cancellation and guaranteeing immediate availability of the amounts credited. The instant credit transfer is available to all customers operating through the SEPA channel, thus eliminating the waiting time typical of traditional bank transfers. This feature, accessible via Home Banking and Mobile Banking, is a particularly advantageous solution for urgent transactions and for finalising negotiations in real time.

Online Lending with Younited: with a view to expanding access to credit digitally, the Group entered into a partnership with Younited, one of Europe's leading digital lending platforms. This partnership enables online account customers to obtain personal loans on favourable terms, with a fully digital application process and reduced disbursement times. The integration of the Younited platform into the Group's banking system is an important step towards simplifying access to credit, offering customers quick solutions tailored to their financial needs.

The adoption of advanced digital solutions requires a constant commitment to ensuring high standards of IT security. The Igea Banca Group regularly invests in security technologies and systems to ensure that all online transactions are protected from cyber threats. The integration of Strong Customer Authentication (SCA) and digital signatures into banking processes represents a further step forward in protecting sensitive data and increasing operational security.

Banca del Fucino Application

Starting in January 2024, Banca del Fucino is committed to launching its first mobile application dedicated to personal finance management: **PFM Fucino**. This new technological tool marks an important step in the Bank's digital evolution, responding to the needs of customers more attentive to innovation and efficient management of their financial resources.

The service, which is completely free of charge, is available to all private customers of the Bank who have an active account with a home-banking service. PFM Fucino was designed and developed in collaboration with **CRIF**, one of the leading global players in credit information and credit services, with the aim of offering a highly performing and secure application. Thanks to a strategic partnership, the app harnesses powerful **artificial intelligence** tools, helping to make managing finances easier, more accurate and adaptable to the specific needs of users.

The application is based on an **open banking** white label model, designed to integrate seamlessly with the needs of Banca del Fucino's customers, by allowing data to be exchanged between different banking institutions in a completely secure way that complies with privacy and data protection standards. In this way, PFM Fucino allows users to access and view all their current accounts, not only those opened at Banca del Fucino, but also those of other banks, thereby making the service a true **multi-banking** one.

Key features of the app include the ability to categorise income and expenditure, the creation of customised savings goals, the setting of budgets for various spending categories, and, most importantly, the ability to receive early warnings in the event of any financial issues, such as cash flow difficulties or exceeding

predefined spending limits. These tools are designed to provide a comprehensive overview of a user's finances, making it easier to make informed decisions and improve their financial planning.

This new application therefore marks an important step for Banca del Fucino, not only in the area of digitalisation, but also in the **customer experience**, by making daily financial management more immediate, secure and accessible to all. While the bank's future is undoubtedly more digital, it remains firmly entrenched in the fiduciary tradition that Banca del Fucino has built up over its 100-year history.

3.4.2 Metrics and Targets

3.4.2.1. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ESRS S4-5

As it looks to the future, the Igea Banca Banking Group continues to transform its processes and products in terms of digital innovation, with the goal of integrating emerging technologies that can further improve users' experience and operational efficiency. The main areas of development include:

Artificial Intelligence (AI) and Machine Learning: In order to improve data analysis, optimise financial decisions and customise the services offered to customers, a Proof of Concept (PoC) was developed to verify the compliance of customer documents.

Automation of banking processes: using Robotic Process Automation (RPA) solutions to speed up and simplify operational activities.

Thanks to its investments in digitalisation and the adoption of innovative technologies, the Igea Banca Banking Group has established itself as a leading institution at the forefront of the evolution of digital financial services, thereby strengthening its position in the modern banking market and guaranteeing its customers an increasingly efficient, secure and sustainable offering.

4. Governance information

ESRS G1

4.1 Business conduct

The administrative, management and supervisory bodies of the Igea Banca Banking Group exercise their role in corporate conduct with a high level of competence, ensuring responsible governance that complies and is consistent with the Group's ethical and sustainable values.

This competence is based on a structured system of periodic self-assessment, constant regulatory updates, monitoring of compliance risks and active promotion of a corporate culture of integrity and transparency. Its continuous investment in monitoring tools, training and internal dialogue ensures that the Group's corporate strategy, compliance with current regulations and ESG commitments are aligned. For further details, please refer to section "1.2.1 - The role of the administrative, management and supervisory bodies (ESRS 2 GOV 1)".

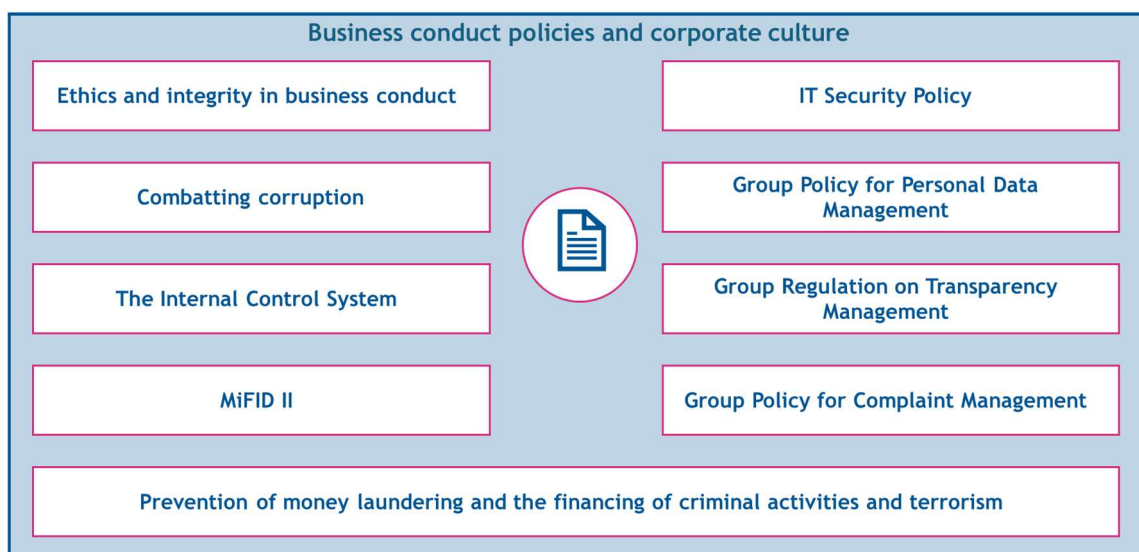
4.1.1 Impacts, risks and opportunities management

ESRS G1-1

4.1.1 Business conduct policies and corporate culture

Business conduct is an essential element for the Igea Banca Group, forming the basis for correct, credible and reliable management. The bank is committed to building and consolidating long-lasting relationships with customers, suppliers and business partners, ensuring solidity and continuity in its operations.

The bank is aware that its actions and decisions significantly affect people, the environment and society as a whole. Therefore, it adopts an ethical and responsible approach, promoting sustainable development, social welfare and environmental protection through practices that ensure balanced growth. Company policies guide employee behaviour, both internally and in relations with customers, partners and other stakeholders, thus reflecting an ongoing commitment to ethics and responsibility. Its corporate culture promotes transparency, integrity and mutual respect, encouraging behaviour that fosters trust and cooperation. Every action and decision is taken with an awareness of the implications for stakeholders, thereby contributing to the management of a healthy and sustainable business that complies with regulations and builds strong and lasting relationships with all parties concerned.



Ethics and integrity in business conduct

The value of ethics and integrity in business conduct represents one of the fundamental principles guiding the work of the Igea Banca Group. A culture of compliance not only protects the rights of customers but also helps to create and maintain a competitive business environment. This, in turn, promotes the development of the local area and its community. The Group ensures that all activities are conducted in full compliance with applicable laws, regulations and internal rules, and is committed to promoting proper conduct at every stage of operations. The objective is to proactively manage risks related to non-compliance with regulatory obligations, best practices and ethical standards.

The Group has adopted an **Organisation, Management and Control Model**, available on the institutional websites of the individual Banks and Group Companies, where it can be consulted for further details. The Model establishes the principles of control and conduct that must be followed in order to reduce the risk of committing the offences provided for in Italian Legislative Decree No. 231/2001, with particular reference to corruption and offences against the Public Administration, financial and corporate offences, computer crimes and unlawful data processing, tax offences, organised crime and money laundering. The Model is divided into two main sections: the General Part, which describes the contents of Italian Legislative Decree No. 231/2001, the Bank's corporate governance system, organisation and management, together with its purpose and general operating principles, and the Special Part, which focuses on sensitive areas relating to specific categories of offences, that are grouped according to common conduct and control principles.

The contents and principles of the Model are brought to the attention of all employees and other persons who have contractually regulated relationships with the Bank.

The **Code of Ethics**, which is an integral part of the 231 Model, establishes the principles and values to which all members of corporate bodies and employees must adhere in order to ensure high standards of conduct in the performance of their activities. In line with this Code, the Group is committed to protecting human rights, avoiding any form of discrimination, whether direct or indirect, in the employment relationship, and promoting inclusion, irrespective of gender, health, race, political opinions or religious beliefs. The Group recognises the importance of its human resources, aiming to maximise their level of satisfaction and to enhance their skill-set, through the adoption of criteria of objectivity, competence, professionalism and compliance with applicable regulations during personnel selection. The principle of equal opportunity guides every step of the process to ensure the recruitment of the best skills available on the market. Furthermore, as set out in the Code of Ethics, the Group guarantees high standards of health and safety in the workplace, promoting risk awareness and responsible behaviour through training and communication activities. Lastly, the Group clearly defines the rules of conduct in its relations with customers, suppliers and political and trade union organisations, avoiding in particular links with persons which, based on the information available on their reputation, could be involved in illegal activities or do not meet the necessary requirements of integrity and reliability.

Reports concerning facts or conduct that do not comply with the provisions of Italian Legislative Decree No. 231/2001 and the Organisational, Management and Control Model adopted by each Group company must be communicated to the Supervisory Board (SB), established pursuant to Article 6(1)(b) of Italian Decree No. 231/2001, via a dedicated e-mail address. The Supervisory Board, composed of the Chairman and two

external members, meets whenever the Chairman or one of the members deems it necessary, or at the request of the Board of Directors or the Board of Statutory Auditors, and in any case at least once a year.

The regulation concerning the prevention and management of conflicts of interest with persons linked to the Group by relationships of various kinds is intended to control the risk that the proximity of such persons to the Group's decision-making bodies may compromise the objectivity and impartiality of decisions. These transactions include the granting of loans, the awarding of consultancy contracts, the provision of investment services and the supply of services. Such conflicts could cause distortions in the resource allocation process, exposing the Company to risks, including reputational risks, that are not adequately assessed or managed.

The management of conflicts of interest is regulated by specific legal provisions and by the Group's **"Policy on Transactions with Related Parties"**, which aims to define the substantive and procedural modalities relating to various areas.

The Policy establishes internal guidelines to ensure the transparency and fairness, both substantive and procedural, of such transactions, and also defines the procedures for meeting the disclosure requirements set forth in applicable laws and regulations.

The Igea Banca Group has adopted a **"Regulation on the Group's internal system for reporting violations"** (Whistleblowing), which establishes the procedures for reporting violations within the Group's Banks and Companies, in compliance with the applicable regulations. This system is designed to encourage the submission of reports that may lead to the discovery of unlawful behaviour and violations of rules and regulations by personnel. The regulation clearly defines the criteria and procedures for receiving, analysing and handling reports, while guaranteeing the confidentiality and protection of the personal data of both the reporting person and the reported person. Moreover, safeguards are provided for the reporting person, such as the protection of anonymity and the prevention of any form of discrimination or retaliation against him/her, thus removing any obstacles that might discourage reporting. The Board of Directors of each Bank or Group Company approves the Regulation and determines the action to be taken on the basis of the replies received. In addition, the Board assesses periodic reports on the management of the reporting system, identifying possible improvements and addressing risks arising from particularly significant reports. The Board of Statutory Auditors is responsible for verifying the adequacy of the system adopted, ensuring that tasks are performed correctly and that the parties involved are coordinated. In addition, the Board is informed of the most significant reports, which could entail significant risks for the Bank or the Group, whether in terms of assets, operations or reputation.

The Internal Control System

The purpose of this document is to illustrate the principles and guidelines followed by the Igea Banca Banking Group in defining and implementing its Internal Control System (ICS), in compliance with reference regulations, with particular attention to Bank of Italy Circular No. 285/2013 and the "Supervisory Provisions". The document also lists the main relevant regulatory references, both internal and external, and describes in detail the structure of corporate controls, including the roles and responsibilities of corporate bodies, General Management, control Functions and operational structures.

The Internal Control System is based on the principle of proportionality, which implies that tasks and responsibilities are defined in relation to the organisational structure and business model of the Group. The

Board of Directors is responsible for the annual review of the adequacy of the ICS, also taking into account the assessments of the second and third-level Control Functions.

The ICS consists of a set of rules, functions, structures, resources, processes and procedures, with the aim of ensuring, in accordance with sound and prudent management, the achievement of the Group's key objectives.

In view of the size and type of business carried out by the Group, the structure of the Internal Control System currently provides for:

- The maintenance of all Control Functions within the Group;
- The centralisation of the 2nd and 3rd Level Control Functions on the Parent Company by resorting to intra-group outsourcing;
- the placement of the 2nd and 3rd level Control Functions under the direct authority of the Body with Strategic Supervisory functions;
- The appointment, within the Companies that, in the Parent Company's opinion, undertake risks considered significant for the Group as a whole, of specific Contact Persons who:
 - perform support tasks for the outsourced corporate control function on the Parent Company;
 - report to the Board of Directors of the subsidiary and report functionally to the Head of the respective Control Function of the Parent Company;
 - promptly report to the Head of the respective Control Function of the Parent Company any particular events or situations that may alter the risks generated by the subsidiary;
 - may be logistically located at the subsidiary or at the Parent Company;
- the establishment within the Parent Company of a Risk Committee with the function of supporting the Board of Directors in matters of Group risk management and control.

Essentially, the Internal Control System is a fundamental component of the Group's governance, ensuring that all business activities are consistent with the strategies and principles of sound and prudent management. Furthermore, the ICS plays a strategic role in business decisions, representing an indispensable value for the entire organisation. The control culture is not only the responsibility of the control functions but involves every hierarchical level and every member of personnel, who is required to systematically identify, measure, manage and communicate risks. In this manner by adopting a sound internal control system, it contributes to disseminating, at all levels, a culture of risk, legality, and corporate values that underpin the Group's activities.

As part of its internal control system and in line with Model 231, the Igea Banca Banking Group has also identified the functional areas that are potentially more exposed to the risk of corruption and bribery. In particular, such risks may become apparent in activities involving relations with the public administration, third-party counterparties, human resource selection and management processes, as well as extraordinary

corporate transactions. These areas are monitored with particular care, in accordance with the principles of fairness and legality underpinning the Group's operations.

Prevention of money laundering and the financing of criminal activities and terrorism

For the Igea Banca Banking Group, the issues of anti-money laundering and combating the financing of terrorism are of particular importance, also in the context of compliance with the Model 231. These aspects are monitored by the Anti-Money Laundering Function (hereinafter "Function"). The Function is responsible for constantly verifying the adequacy of the money laundering risk management process and the proper implementation of the Internal Control System, identifying the applicable regulations on preventing and combating money laundering and terrorist financing. Furthermore, it assesses the impact of these regulations on internal processes and procedures, proposing organisational and procedural solutions deemed most appropriate for the management and control of the related risks.

The Group acts in full compliance with the applicable regulations issued by the competent authorities on the prevention of money laundering, combatting the financing of terrorism and crimes against the individual. It also undertakes to check available information on counterparties in advance, in order to ensure their respectability and the legitimacy of their activities before establishing business relations. In this way, the Group avoids any involvement in transactions that could, even potentially, favour the commission of offences related to money laundering or terrorist financing, always acting in accordance with anti-money laundering legislation and its own internal control procedures.

The Banking Group, in implementation of the risk-based approach and in consideration of proportionality, has developed an adequate organisational, operational and control system to ensure compliance with the anti-money laundering regulations. This system is based on an annual money laundering risk analysis, taking into account various factors such as the financial statements data, geographical presence, complexity of products and services, organisational structure and business model.

Through its Anti-Money Laundering and Anti-Terrorism Policy, the Parent Company defines organisational solutions to ensure compliance with the regulations and periodically verifies the effectiveness of the Group's policies in this area. The Parent Company also ensures that the necessary corrective measures are taken in the event that any shortcomings are identified by the competent authorities, such as the Bank of Italy, and promotes the subsidiaries' implementation of policies.

Finally, the roles and responsibilities of the Control Functions are regulated by specific internal documents, such as the General Regulations on the Internal Control System and the Regulations of the Anti-Money Laundering Function, which set out the operating procedures to ensure full compliance with the regulatory provisions.

MiFID II - Corporate Policy on Product Governance and Appropriateness and Suitability of Investment Services

Directive 2014/65/EU, better known as MiFID II, introduced a number of important changes in the investment services sector, with a particular focus on the governance of financial products. The main objective of these provisions is to provide greater protection for investors by ensuring that their best interests are pursued

throughout the life cycle of financial products. The rules established by MiFID II aim to create effective mechanisms for identifying and enhancing customer needs from the product design phase and continuing throughout the subsequent stages of its development and distribution.

One of the main changes brought about by MiFID II concerns the introduction of a liability obligation for intermediaries from the initial stage, i.e. from the very design of the financial product. This means that intermediaries are not only called upon to protect the investors' interests when the product is actually distributed, recommended or sold, but must also consider investors' needs from its conception. In this way, it is ensured that financial products conform to the characteristics and objectives of customers, anticipating investors' protection needs. This aspect represents a significant and crucial legislative change.

In order to correctly fulfil the obligations set forth in MiFID II and to ensure compliance with the regulatory provisions, Banca del Fucino S.p.A. and Igea Digital Bank S.p.A. have developed specific policies that define the internal processes, organisational measures and controls necessary to manage financial products in a manner that complies with the regulations. The measures taken focus on the management of the financial products distributed, recommended or offered to customers, ensuring that business strategies and choices are in line with investors' needs and objectives. In this way, investors are adequately protected, and their best interests are safeguarded at every stage of the process. As far as financial instruments are concerned, their assessment in terms of sensitivity to ESG issues is entrusted to specific indicators in the financial instrument's master data, valued according to increasing scores from 0 (minimum) to 100 (maximum). The suitability assessment process is based on the calculation of portfolio indicators, known as portfolio score. This score is calculated as a weighted arithmetic average of the product scores, with weights the countervalue in the portfolio, pre- and post-recommendation. A minimum holding threshold is identified for each portfolio score, based on the customer's summary profiles.

The check against the sustainability preferences expressed by the Customer is in addition to the other areas of assessment of the suitability of the recommended transactions. This allows customers to enrich their portfolios with financial instruments that take sustainability factors into account and encourages investments linked to environmental, social and corporate governance aspects.

IT Security Policy

The document describes the operational and procedural mechanisms adopted by Banca del Fucino S.p.A., Igea Digital Bank S.p.A. and Fucino Finance S.p.A. for the management of the main ICT processes and IT Security. In accordance with the provisions of Bank of Italy Circular No. 285/2013 of 17 December 2013 and subsequent updates, it outlines the fundamental importance of the IT system in supporting the strategic and operational objectives of banking intermediaries.

The IT system, comprising technological resources such as hardware, software, data, electronic documents and telematic networks, must be secure and efficient to ensure that business processes, which depend heavily on these technologies, can be carried out correctly. From a strategic perspective, a well-structured IT system makes it possible to use technology to improve customer services, optimise business processes and reduce costs, while also facilitating the virtualisation of banking services.

As part of sound and prudent management, the IT system must ensure that it provides timely and detailed information, which is crucial for management to make informed decisions and manage risks properly. With

regard to operational risk, it is essential that internal processes and customer services are supported by automated controls so as to ensure the integrity, confidentiality and availability of information.

In addition, the IT system must be compliant with compliance regulations, ensuring the recording and storage of management facts and relevant events, as required by internal and external laws and regulations.

With regard to IT security, it is essential to adopt an “IT Security Policy” that defines clear objectives in line with the company’s technological risk appetite. The Policy includes general security principles, the definition of roles and responsibilities in security management, and guidelines for training, awareness-raising and continuous updating of personnel on cyber risks. It also established internal sanctions for policy violations in accordance with the applicable legal regulations.

This policy is approved by the Board of Directors and updated by the IT Security function. Any operational practices are formalised in the “ICT Procedures Manual” of the individual Banks/Group Companies.

Group Policy for the Management of Personal Data

The Group Policy on the Protection of Personal Data sets out the guidelines to ensure the protection of personal data within the Igea Banca Banking Group, in accordance with EU Regulation 2016/679 (GDPR) and the applicable national regulations. The policy defines the principles of accountability, privacy by design and privacy by default, which are fundamental to ensuring that data is processed in a manner that is compliant, secure and respects the rights of data subjects.

The Board of Directors of the Parent Company is responsible for adopting the policy and ensuring its application across all group companies (Banca del Fucino S.p.A., Igea Digital Bank S.p.A. and Fucino Finance S.p.A.). The Group Data Protection Officer (DPO) is responsible for disseminating it and monitoring compliance with the internal provisions.

Key measures taken include:

- The management of processing, with specific conditions of lawfulness for data processing and the obligation to record processing activities;
- The system of appointments and contracts, which governs the corporate figures involved, including data processors, data controllers and data co-controllers;
- The application of the principle of privacy by design and by default, ensuring that data is protected from the design stage of any service or business process;
- Data Protection Impact Assessment (DPIA) for processing operations that may present high risks for the rights of data subjects;
- The management of data breaches (data breach notification), with the provision of internal procedures for reporting and communication to the competent authorities.

Implementation of the policy is supported by security measures, such as data encryption and pseudonymisation, as well as procedures to ensure the integrity and availability of sensitive information

Group Regulation on Transparency Management

The Group Regulation on Banking Transparency, published on 24 April 2024, aims to ensure clarity, correctness and completeness of information provided to customers at all stages of the banking relationship, from advertising to contract management.

The transparency provisions apply to all banking and financial transactions and services offered by the group, including:

- Advertising and pre-contractual information tools, with transparency requirements on advertisements, information sheets and guidebooks;
- Contracts and customer communications, ensuring that contractual conditions are clear, accessible and up-to-date;
- Transparency in consumer credit and payment services, with details of costs, conditions and withdrawal procedures;
- Transparency in the sale and intermediation of financial and insurance products, to ensure compliance with sector regulations.

The regulation also governs the monitoring of transparency through internal controls and periodic checks by the Board of Directors and the compliance and risk management functions.

4.1.1.2 *Management of relationships with suppliers*

ESRS G1-2

Banca del Fucino attaches great importance to the relationship with its suppliers, considering them as strategic partners in the pursuit of its corporate objectives and the creation of shared value. Responsible supply chain management not only ensures the quality of products and services offered, but also mitigates operational and reputational risks, thus ensuring business continuity and generating positive economic and environmental impacts.

The Bank promotes open and constructive communication with suppliers, encouraging dialogue and knowledge sharing in order to continuously improve the efficiency and quality of its services. The collaboration is viewed not merely a transactional relationship, but as a strategic partnership for consolidating long-term relationships based on mutual trust and transparency.

The Group's **Code of Ethics** includes a specific section on relations with suppliers, which must be managed in accordance with the principles of fairness, fair competition and reciprocity. Suppliers are selected according to strict criteria of quality, reliability and economic-financial soundness, with objective and transparent assessments carried out by the appointed functions. These criteria include competitiveness, usefulness of the service, ability to provide ongoing assistance and commitment to compliance with environmental and social regulations.

The Bank makes use of a **supplier register** managed by the Logistics and Infrastructure Department through the **Therefore** application, which allows for the timely monitoring of documents shared by suppliers. This system enables the verification of documentary deadlines, the management of renewal requests and the possible removal from the register of economic operators that do not comply with the requirements.

Banca del Fucino incorporates **social and environmental criteria** in the selection of suppliers, requiring them to comply with the rules and recommendations contained in the **Organisational Model 231/2001** and the Code

of Ethics. Suppliers are required to behave in accordance with the established principles, or they will incur specific contractual penalties. Contracts include a clause binding the counterparty to comply with regulations on sustainability, transparency and corporate integrity.

Moreover, the Bank encourages the adoption of **sustainable practices** along the supply chain, favouring economic operators that demonstrate a concrete commitment to reducing environmental impact, efficient use of resources and respect for workers' rights. Through continuous monitoring and collaboration with suppliers, Banca del Fucino is committed to promoting an ethical, transparent and sustainable business model.



4.1.1.4 *Prevention and detection of corruption and bribery*

ESRS G1-3

Banca del Fucino, as parent company of the Igea Banca Banking Group, adopts a structured governance and compliance system aimed at preventing and detecting incidents of corruption and bribery. The Group ensures compliance with the relevant regulations through the implementation of the Organisation, Management and Control Model pursuant to Italian Legislation Decree No. 231/2001, supplemented by the Code of Ethics and specific anti-corruption procedures. Responsible business conduct is a fundamental principle for the Bank, for its credibility and for the success of its strategy. This commitment extends along the entire value chain and concerns not only employees, but also suppliers, business partners and external investment managers, from whom the Bank requires compliance with its ethical and compliance standards, by virtue of stable and lasting business relationships.

The Bank's Model 231 provides for control measures to prevent corruption offences, including bribery and corruption, in terms of both giving and receiving bribes, with respect to both the Public Administration and between private individuals. The system provides for a series of procedures that include periodic internal audits, mandatory training (including courses on Anti-Money Laundering, Health and Safety, Administrative Responsibility of Entities under Italian Legislative Decree No. 231/2001) and a system for reporting violations (whistleblowing). The Group's Training Plan identifies the activities of communication and information to all persons concerned of the main rules and provisions laid down in the adopted Model, with the aim of raising awareness of the risk of commission of the offences envisaged by the applicable regulations and promoting transparency with regard to the conduct deemed correct by the company in the performance of its functions and activities. This component also identifies the training activities necessary for proper knowledge and awareness of the contents and principles of the Model on the part of its personnel.

The Group also has an independent Supervisory Board (SB), which is responsible for monitoring the effectiveness of the Model 231. The Supervisory Board is composed of external members, independent from operational management. It is in charge of receiving reports of wrongdoing and initiating internal investigations, reporting periodically to the Board of Directors and the Board of Statutory Auditors so as to ensure transparency in the audit and investigation processes. The reports include evidence of any breaches and the corrective actions taken. Anti-corruption policies are incorporated into the Code of Ethics, which is available to all employees and collaborators, and periodic updates are provided for through corporate communications and awareness-raising meetings.

Banca del Fucino has implemented a compulsory training plan for employees, focusing on corruption risks in banking operations, prevention of money laundering and terrorist financing, and the use of the whistleblowing system to report wrongdoings. All members of the Board of Directors and the Board of Statutory Auditors attend update sessions on regulatory compliance, including bribery and corruption issues. The Risk Committee monitors the integration of ethics and transparency policies into governance.

Banca del Fucino stands out for its structured approach to corruption prevention, thereby ensuring high standards of integrity and transparency. The adoption of Model 231 and the whistleblowing system, coupled with ongoing training, reinforces the Bank's commitment to fighting corruption, in line with best practices in the banking sector.

4.1.2 Metrics and Targets

ESRS G1-4

4.1.2.1 Incidents of corruption or bribery

During the reporting period, the number of convictions for breaches of laws against corruption, whether giving or receiving, was zero.

OTHER MANAGEMENT INFORMATION**Organisational Measures**

The main technical and organisational projects for 2024 are as follows:

Strengthening technological infrastructure and cyber security

The competent structure of the Parent Company governs the operational plans in the area of Information Technology & Security, on the basis of a multi-year consolidating programme aimed at aligning ICT investments with Business objectives and maintaining an adequate level of protection of the company's IT assets and the general supervision of ICT risks.

The ICT & Security Governance Plan completed in 2024 was, in line with the established strategy, developed according to the following drivers:

- alignment with business objectives and priorities;
- compliance with the external regulatory environment;
- strengthening of the internal operating environment;
- global scenarios and ICT and Cyber Security trends;
- results of Audit and Assessment activities;
- technological evolution.

During 2025, the Group will pursue a similar plan, prioritising cyber security and the protection of confidentiality and IT security.

Definition and implementation of the three-year ESG plan 2023-2025

The ESG project, started in 2023 on the basis of the expectations of the Supervisory Authority, continued in 2024. Project governance remains structured on five sites (Governance, Business & Strategy, Risk Management, Data & Processes, Reporting) and is coordinated by the Head of Operations.

During 2024, activities related to the provision of IT functionality and specific data, the completion of materiality analyses and the drafting of CSRD reporting were completed. The Group has developed its ESG strategy, which, once approved by the Board of Directors, will be the framework for the business and operational functions.

Transactions with related parties

Information on transactions with related parties, as defined by IAS 24, is discussed in Part H of the Notes to the Financial Statements. These transactions are part of the Bank's ordinary activities and were carried out in compliance with the applicable regulations and at market conditions.

Research and development

In recent years, the Bank has pursued research, innovation and new product development in the belief that it must ensure a competitive advantage over its competitors and exceed and anticipate customers' expectations by providing high value-added products and services.

The area of research in which the Bank focused concerned research and development activities entirely related to the implementation of the new Digital Bank project, through its participation in Igea Digital Bank.

The research in question focused on the development of a new Digital Bank model that integrates and processes data from within the bank itself, data entered by third-party networks and data acquired externally, in order to initiate credit appraisal activities for businesses.

Therefore, a new distribution model was defined, mainly oriented towards Private Individuals, SMEs and Self-employed persons, which is configured as a multi-channel set up on the Internet, mobiles, and which also provides for the use of highly qualified third-party networks.

The redefinition of the Bank's business model is underway, with a simultaneous focus on Green products and a gradual move away from the digital model.

Disclosure pursuant to Article 2428, paragraph 3, letter 6-bis of the Italian Civil Code

Information on the Bank's financial risk management objectives and policies, including its hedging policy for each major category of transactions undertaken, as well as its exposure to price risk, credit risk, liquidity risk and cash flow risk, are discussed in Part E of the Notes to the Financial Statements.

EVENTS AFTER THE REPORTING DATE

Other significant events after the reporting date

Cassa di Risparmio di Orvieto Transaction

As a result of the competitive procedure initiated and conducted in the last four months of the 2024 financial year, on 27 January 2025 Banca del Fucino S.p.A. and Medio Credito Centrale - Banca del Mezzogiorno (“MCC”) signed the sale and purchase agreement for the acquisition by Banca del Fucino S.p.A. of the controlling equity interest in Cassa di Risparmio di Orvieto from MCC (equal to 85.3% of the relevant share capital). As of the date of drafting this document, the activities pertaining to and functional to the performance of the competent authorisation procedures at the (national and EU) Supervisory Authorities to which the synergy Transaction is, *inter alia*, subordinated are underway.

Review of the Business Plan

Following the Banking Group’s new development initiatives, the Parent Company appointed a leading advisor to assist it in the preparatory activities for drafting the Group’s new 2025- 2028 Business Plan. In particular, the new plan will be structured with the following key points in mind:

- strategic-industrial assessment and the macroeconomic context;
- analysis of the impacts connected to the above-mentioned extraordinary transaction with Cassa di Risparmio di Orvieto, with particular attention paid to the national and regional macroeconomic scenario, also taking into account the idiosyncratic dynamics linked to international tensions and inflationary trends;
- identification of possible evolutionary strategic scenarios including new initiatives resulting from the acquisition of CRO;
- funding strategies and supply channels;
- measures aimed at optimising operational efficiency in a certain logic of increasing productivity levels and cost reduction;
- analysis of capital requirements and industrial levers that can be activated.

Share capital increases pursuant to Article 5 of the Articles of Association

During 2025, the Board of Directors implemented the following capital increase transactions in accordance with Article 5 of the Articles of Association:

- At the meeting of 27 February 2025, a resolution was passed to increase the share capital by EUR 20,921,780,00, with the creation of a share premium reserve of EUR 9,578,220,00;
- At the meeting of 26 March 2025, a resolution was passed to increase the share capital increase by EUR 6,859,600.00, with the creation of a share premium reserve of EUR 3,140,400.00 .

As a result of the aforementioned extraordinary transactions, the Parent Company's share capital amounted to EUR 260,046,877.06 as at the date of approval of these financial statements, divided into 151,639,889 shares with no par value indicated (Article 5.1 of the Articles of Association).

Vittoria IV securitisation

On 31 December 2024, a contract was signed for the sale of 100% of the senior class ABS securities held by the Bank denominated "Series IV Up to Euro 70,000,000 Class A Asset Backed Floating Rate Partly Paid Notes due November 2030". The same securities were sold on 15 January 2025.

Inspections of the Supervisory Authorities

By means of letter delivered by hand dated 18 February 2025, prot. No. 0367858/25, the Bank of Italy notified the Parent Company of the start of the inspection of the Group, pursuant to Articles 54 and 68 of Italian Legislative Decree No. 385/093.

The structures are providing extensive cooperation to the inspections, providing support and their availability to the requests received.

As of the date of approval of this document, the inspections are ongoing and there are no further significant events to report.

Evolution of the Group in 2025

The international landscape

According to the latest IMF forecast, in 2025 the global economy is expected to grow at a substantially unchanged pace compared to 2024, at 3.3% (3.2% the previous year), almost the same as international trade, +3.2%. GDP growth for advanced economies is expected to stand at 1.9 %, a slight improvement from 1.7 % in 2024. The growth differential between the US and the Eurozone is expected to narrow slightly but remains significant: the expected expansion of US GDP is 2.7%, that of Eurozone GDP is 1.0%. Growth remains robust but is slowing to 4.6% for China, while India is expected to record +6.5% growth once again. The international scenario in 2025 will be marked by several sources of uncertainty. The new US administration, on the one hand, is expected to pursue a protectionist trade policy, which should make access to the US domestic market more difficult for the world's exporting economies, Italy among them. Whatever decision is eventually taken by the Trump administration on the tariff issue, the impact on the global economy will depend on the ability of US companies to substitute imported goods, and the effects this trade policy will have on the US economy more broadly, as well as - evidently - the possible triggering of retaliatory measures by countries targeted by US protectionist policies. The issue of a more protectionist tone in trade policies does not, moreover, concern the United States alone, as shown by the duties raised in recent months by the European Union on certain Chinese products. While at present it is premature to speak of an "end of globalisation", a partial redrawing of international trade on geographic-political macro-areas is likely, at least with reference to certain production sectors deemed particularly sensitive. The extent of this "regionalisation of trade" will be important, primarily because of its effects on inflation and growth.

While US economic growth has so far been robust, it is also showing signs of weakness. For the past two years, the US stock market has returned particularly positive results, and several analysts consider it unlikely that this trend will be repeated for a third consecutive year. At the same time, rising stock prices played a major role in supporting US consumption growth: a significant downward correction in the US financial markets could therefore have a strong impact on US growth and, indirectly, on those economies that see the US as an important destination for their exports. There also remain significant active hotbeds of geopolitical tensions, which are likely to contribute to increased volatility and uncertainty in international markets. In Ukraine, the third consecutive year of war is drawing to a close, with no peace plan yet drawn up. Achieving peace in Ukraine is one of the declared goals of the current US presidency, and an improvement in this theatre of war is therefore possible. Should hostilities continue, however, further strong repercussions on the energy markets can be expected as a result of Russia's importance in them. Still unresolved is also the situation in the Middle East: the conflict between Israel and Palestine has for now only formally reached a cease-fire, but hostilities continue, and further escalations in a geographic quadrant of great strategic importance, for trade routes and energy markets, cannot yet be ruled out. Another hotbed of geopolitical tension, albeit still latent, is that concerning the island of Taiwan, claimed as its own territory by the People's Republic of China. An escalation of tensions around Taiwan, which could even result in a direct confrontation between China and the US, would

have severe consequences for the entire global economy, the island being one of the most important centres for semiconductor production.

Italy

Growth of the Italian economy is expected to remain below 1% in 2025, with forecasts ranging from +0.8% by Istat and the Bank of Italy to +0.6% by Centro Europa Ricerche (CER). The largest contribution to growth is expected to come from the consumption component, which is expected to benefit from inflation of less than 2% also in 2025. Household consumption is still expected to grow modestly, at around 1%. The investment component is weaker, with Istat and CER forecasting stagnation and the Bank of Italy forecasting a contraction of -0.5%. This outcome is expected to result from a combination of positive growth for investment in machinery and equipment and negative growth for construction, a sector that will gradually see the public support it has enjoyed in recent years, first with the Superbonus programme and then with the National Recovery and Resilience Plan (NRRP), fade away. Italian foreign trade, on the other hand, is expected to experience a more sustained recovery in 2025, which will be more pronounced for imports than for exports. The expected contribution to growth from foreign trade is therefore negative. A more positive scenario on the labour market front, with the unemployment rate expected to remain at or a few decimal places above 6% in 2025. For the Italian economy to grow at a sustained pace, however, it is necessary to see a recovery in industrial production, which has been falling for two years now. The outlook for manufacturing, however, is not optimistic at present: confidence indices still do not indicate any trend reversal, and several of the reasons for the current crisis in industry (Italian and European) remain in place; these include, in particular, energy prices that are still high by historical comparison, a domestic demand that exhibits very modest growth rates, and a foreign demand, especially intra-European, that is equally subdued. There is an increasing need for extraordinary intervention measures to boost the competitiveness of European industry, starting with the energy issue.

Banca del Fucino

The Business Plan currently being finalised envisages for Banca del Fucino, with reference to 2025:

- a) as regards lending: in the medium to long-term, an overall level of lending attested to current levels net of the difference, while also maintaining a high proportion of loans backed by public guarantees, in order to maintain a low rate of capital absorption; in the short-term, proportional growth in particular in relation to cash and advances accounts;
- b) as regards funding: from a quantitative point of view, a growth consistently higher than that of lending; from a qualitative point of view, an increase in the granularity of funding thanks to the growth of the retail component as opposed to that of institutional investors; finally, from a technical perspective, the intention is to favour fixed-term initiatives (time deposits and bonds). Finally, in terms of structural costs, the plan envisages a reduction in administrative expenses in absolute terms compared to 2024.

The outlook for Banca del Fucino, and more generally for the Group's configuration itself, will in any case be conditioned by the outcome of the transaction for the acquisition of the controlling interest in Cassa di Risparmio di Orvieto (CRO) from MCC (equal to 85.3% of its share capital), at the end of the relevant

authorisation process with the national and European Supervisory Authorities.

In this regard, the main objectives and characteristics of the operation should be noted:

- a) *Completion of the Group's structure* through the acquisition of a network bank by a commercial bank with a low level of overlap. *In terms of size*, the 41 branches of Cassa di Risparmio di Orvieto will allow the number of branches of the Group's banks to be doubled, moreover, in an area neighbouring the one currently covered, giving the latter a critical mass that will make significant economies of scale possible;
- b) *Diversification of the Group's product range and customer base* both on the lending side and on the direct funding side, in line with the strategic guidelines of the Group's management;
- c) *Significant opportunities for upselling/cross-selling* driven by the complementary nature of the customer and product portfolios of the two entities, with the possibility of offering Banca del Fucino and Cassa di Risparmio di Orvieto customers with a portfolio of new solutions in line with their needs;
- d) *Synergy potential* through business synergies and economies of scale with the possibility to easily implement BdF's digital solutions and credit policies in CRO in order to streamline the Group's operational workflow. The realisation of the synergy potential is also facilitated by the presence of the same external provider for IT services (Cedacri). Thus, the services currently available to BdF customers can be extended to CROs in a short period of time, increasing the penetration rate of online services among existing customers and enabling the expansion of the customer base;
- e) *Maintaining a streamlined organisational structure within each component of the Group*. BdF does not intend to take any initiatives materially impacting on CRO's managerial and commercial organisational structure, being able to take advantage of CRO's presence in the Umbria and upper Lazio region, a presence that could be further strengthened if necessary;
- f) *Consistency with the strategic objectives of Banca del Fucino*. The acquisition and its expected results therefore appear to be consistent with Banca del Fucino's main strategic and business objectives, among which the following should be particularly noted:
 - ❑ *Stabilisation of funding*: significant growth in direct deposits from retail customers;
 - ❑ *Asset remodelling*: revising the business model through, *inter alia*, investments in the Group's structures, with the aim of diversifying the current range of products offered and strengthening the Group's presence in the retail segment;
 - ❑ *Improvement of profitability and efficiency*: exploitation of different revenue sources and definition of the optimal mix of physical network and digital channels, together with a growth of bank product per employee, in order to improve the return on capital, through both revenue and cost-side manoeuvres.

COMMERCIAL BANKING

A commercial network dedicated to serving our customers.



PRIVATE BANKING

Tradition and innovation in asset management.



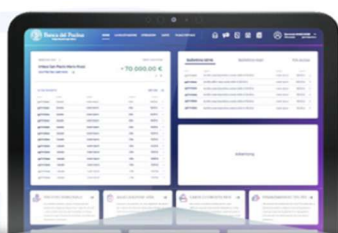
INVESTMENT BANKING

Structured finance solutions for tailor-made support.



HEALTH & PHARMA

Financial solutions tailored to the actual needs of the pharmacy and healthcare facility sector.



LOANS AND MORTGAGES



INSURANCE PRODUCTS



CREDIT CARD



**SALARY BACKED LOANS
SEVERANCE PAY ADVANCE**

Ongoing initiatives of Fucino Finance

In the first months of 2025, the Company continued to acquire additional receivables from Article 106 companies specialising in the sale of salary and pension backed loans. To date, the amount of receivables acquired is approximately EUR 7 million, and will enable the Company, in concert with other initiatives already in place, to improve its expected profitability for the 2025 financial year.

The Company's focus remains on volume growth through the products offered to customers.



SEVERANCE PAY ADVANCE

Severance pay, no instalments



SALARY BACKED LOAN

The clear, simple, and transparent loan for employees and pensioners



DELEGATION OF PAYMENT

The "additional" loan for employees

Current initiatives of Igea Digital Bank

The implementation of the new strategy required the launch of multiple preparatory activities, with reference both to organisation and operational processes and to the collection of a pipeline of potential business opportunities. In fact, it should be noted that a predominantly project-specific operation presents significant complexities, primarily related to the typically protracted structuring timeframe. Although later than originally planned, in the last quarter of the year the new operations actually got underway with the disbursement of the first green loans and the finalisation of the first advisory transactions, mainly aimed at the renewable energy and social housing infrastructure sectors. The accumulated delay has, however, led to the opportunity for an update of the business plan, currently being finalised, which will also reflect the changed macroeconomic context.

On the other hand, the creation of the first bank in Italy entirely dedicated to energy transition and sustainability has attracted the attention of several potential investors. In particular, during the financial year, discussions were initiated, which are currently at an advanced stage, with a leading utility interested in entering into the bank's capital with a minority stake.

Lastly, strategic reflections were begun on broadening the bank's focus to sectors connected and instrumental to the energy transition, with particular reference to some high value-added segments in the water sector and sustainable agriculture.

In the course of 2025, Igea Digital Bank will become Banca Italiana per l'Ambiente e l'Energia with a new logo and a new mission: it will be the first bank in Europe entirely focused on the ecological transition, in line with the Group's identity that is increasingly oriented towards sustainability.



- Strategic Levers -

KNOWLEDGE

Market-recognized distinctive corporate finance expertise in the energy / green sector

SINERGY WITH E-WAY FINANCE

Opportunity to access E-WAY Finance's technical know-how and multi-GW pipeline of photovoltaic and wind projects

STRATEGIC PARTNERS

The project has already attracted potential strategic partners of high standing capable of providing capital, relationships, and expertise

GROUP'S TECH & OPS PLATFORM

Efficiency and focus guaranteed by the enhancement of the proprietary technological platform and the Group's operations, with the potential to introduce innovative digital services



CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

CONSOLIDATED BALANCE SHEET

Consolidated Assets

Asset items		31/12/2024	31/12/2023
10	Cash and cash equivalents	362,591,653	646,819,308
20	Financial assets at fair value through profit or loss	37,886,706	45,044,313
	a) financial assets held for trading	3,144,361	6,378,513
	c) other financial assets mandatorily measured at fair value	34,742,345	38,665,800
30	Financial assets measured at fair value through other comprehensive income	645,730,704	332,062,331
40	Financial assets measured at amortised cost	3,327,890,196	3,262,906,003
	a) receivables due from banks	95,728,908	91,811,330
	b) Loans to customers	3,232,161,288	3,171,094,673
50	Hedging derivatives	25,939	41,362
70	Equity investments	78,647,754	45,740,790
90	Tangible assets	109,735,881	116,964,421
100	Intangible assets	3,667,211	3,944,300
	of which:		
	- goodwill	2,001,061	1,698,397
110	Tax assets	71,230,788	69,158,086
	a) current	19,120,709	18,636,173
	b) deferred	52,110,079	50,521,913
120	Non-current assets and groups of assets held for sale	14,500,000	-
130	Other assets	621,370,043	478,381,705
Total assets		5,273,276,875	5,001,062,619

Consolidated liabilities

Liabilities and shareholders' equity		31/12/2024	31/12/2023
10	Financial liabilities measured at amortised cost	4,835,561,626	4,575,025,909
a)	Payables due to banks	944,693,248	1,085,486,225
b)	Payables due to customers	3,764,166,860	3,390,599,032
c)	securities issued	126,701,518	98,940,652
20	Financial liabilities held for trading	3,694,192	1,717,816
40	Hedging derivatives	83,029	123,456
60	Tax liabilities	1,850,743	1,183,869
a)	current	9,965	566,272
b)	deferred	1,840,778	617,597
80	Other liabilities	129,236,667	145,546,246
90	Staff severance pay	3,017,539	2,816,395
100	Provisions for risks and charges	7,877,268	6,160,766
a)	commitments and guarantees provided	1,212,978	1,140,870
c)	other provisions for risks and charges	6,664,290	5,019,896
120	Valuation reserves	(3,317,121)	(5,646,966)
140	Capital instruments	3,140,000	3,140,000
150	Reserves	13,537,669	7,850,389
160	Share premiums	36,033,939	31,003,836
170	Capital	232,265,497	217,522,507
190	Minority interests (+/-)	20,000	2,177,289
200	Profit (Loss) for the year (+/-)	10,275,827	12,441,107
Total liabilities and shareholders' equity		5,273,276,875	5,001,062,619

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Items		31/12/2024	31/12/2023
10	Interest and similar income	214,929,633	180,067,161
	of which: interest income calculated using the effective interest method	207,290,134	175,251,520
20	Interest expenses and similar charges	(127,610,193)	(94,503,497)
30	Interest margin	87,319,440	85,563,664
40	Commission income	34,097,187	34,894,762
50	Commission expense	(7,950,776)	(9,989,608)
60	Net commissions	26,146,411	24,905,154
70	Dividends and similar income	1,084,238	1,003,257
80	Net income from trading activities	35,090,376	32,171,253
90	Net income from hedging activities	9,076	9,485
100	Gains (losses) on disposal or repurchase of:	5,749,490	(2,861,833)
	a) financial assets measured at amortised cost	279,655	(3,218,479)
	b) financial assets measured at fair value through other comprehensive income	5,469,835	351,756
	c) financial liabilities	-	4,890
110	Net result of other financial assets and liabilities at fair value through profit or loss	(3,085,230)	(1,385,740)
	b) other financial assets mandatorily measured at fair value	(3,085,230)	(1,385,740)
120	Intermediation Margin	152,313,801	139,405,240
130	Net adjustments/write-backs for credit risk related to:	(76,733,062)	(24,773,819)
	a) financial assets measured at amortised cost	(76,613,541)	(24,785,231)
	b) financial assets measured at fair value through other comprehensive income	(119,521)	11,412
140	Profits/losses from contractual amendments without derecognition	(75)	(2,179)
150	Net result of financial management	75,580,664	114,629,242
190	Administrative expenses:	(121,719,164)	(131,548,229)
	a) personnel expenses	(60,468,797)	(55,801,376)
	b) other administrative expenses	(61,250,367)	(75,746,853)
200	Net provisions for risks and charges	(3,501,520)	1,318,795
	a) commitments and guarantees provided	(72,109)	493,957
	b) other net provisions	(3,429,411)	824,838
210	Net adjustments/write-backs on tangible assets	(9,556,457)	(8,189,604)
220	Net adjustments/write-backs on intangible assets	(1,221,644)	(1,191,568)
230	Other operating income/expenses	18,468,246	38,788,190
240	Operating costs	(117,530,539)	(100,822,416)
250	Gains (losses) on equity investments	50,411,929	2,986,011
280	Gains (Losses) on disposal of investments	5,269	2,506
290	Profit (loss) from current operations before tax	8,467,323	16,795,343
300	Income tax for the year on current operations	1,808,504	(3,463,297)
310	Profit (loss) from current operations after tax	10,275,827	13,332,046
330	Profit (Loss) for the year	10,275,827	13,332,046
340	Profit (Loss) for the year pertaining to minority interests	-	(890,939)
350	Profit (Loss) for the year pertaining to the Parent Company	10,275,827	12,441,107

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Items		31/12/2024	31/12/2023
10	Profit (Loss) for the year	10,275,827	13,332,046
	Other income components net of taxes without recycling to the profit and loss account	320,033	(133,930)
20	Equity securities designated at fair value through other comprehensive income	146,335	19,571
70	Defined benefit plans	173,698	(153,501)
	Other income components net of taxes with recycling to the profit and loss account	2,009,812	5,112,597
150	Financial assets (other than equity securities) measured at fair value through other comprehensive income	2,009,812	5,112,597
200	Total other income components after tax	2,329,845	4,978,667
210	Comprehensive income (Item 10 + 200)	12,605,672	18,310,713
220	Consolidated comprehensive income attributable to minority interests	-	890,938
230	Consolidated comprehensive income attributable to the parent company	12,605,672	17,419,774

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Statement of Changes in Consolidated Shareholders' Equity as at 31 December 2024

	Balances as at 31. 12. 2023	Changes in opening balance	Balances as at 01.01.2024	Allocation of previous year's result		Changes during the financial year									Group shareholders' equity as at 31. 12. 2024	Minority interests as at 31.12.2024
				Reserves	Dividends and other allocations	Changes in reserves	Equity Transactions							Comprehensive income 31. 12. 2024		
							Issue of new shares	Purchase of treasury shares	Extraordinary dividend distribution	Changes in equity instruments	Derivatives on treasury shares	Stock options	Changes in equity interests			
Capital	218,692,607		218,692,607				14,742,990						(1,150,100)		232,265,497	20,000
- ordinary shares	218,692,607		218,692,607				14,742,990						(1,150,100)		232,265,497	20,000
Share premiums	31,003,836		31,003,836				5,030,103								36,033,939	
Reserves	7,966,641		7,966,641	13,332,046		(5,719,600)							(2,041,417)		13,537,669	
- of profits	7,879,259		7,879,259	13,332,046		(6,000,000)							(2,041,417)		13,169,888	
- other	87,382		87,382			280,400									367,782	
Valuation reserves	(5,646,967)		(5,646,967)											2,329,845	(3,317,122)	
Capital instruments	3,140,000		3,140,000												3,140,000	
Profit (loss) for the year	13,332,046		13,332,046	(13,332,046)										10,275,827	10,275,827	
Group shareholders' equity	266,310,874		266,310,874			(5,719,600)	19,773,093						(1,034,229)	12,605,672	291,935,810	
Minority shareholders' equity	2,177,288		2,177,288										(2,157,288)			20,000

Statement of Changes in Consolidated Shareholders' Equity as at 31 December 2023

	Balances as at 31.12.2022	Changes in opening balance	Balances as at 01.01.2023	Allocation of previous year's result		Changes during the financial year									Group shareholders' equity as at 31.12.2023	Minority interests as at 31.12.2023
				Reserves	Dividends and other allocations	Changes in reserves	Equity Transactions							Comprehensive income 31.12.2023		
							Issue of new shares	Purchase of treasury shares	Extraordinary dividend distribution	Changes in equity instruments	Derivatives on treasury shares	Stock options	Changes in equity interests			
Capital	177,748,736		177,748,736				40,933,871						10,000		217,522,507	1,170,100
- ordinary shares	177,748,736		177,748,736				40,933,871						10,000		217,522,507	1,170,100
Share premiums	17,037,069		17,037,069				13,966,067								31,003,836	
Reserves	9,078,066		9,078,066	1,453,930		(2,565,355)									7,850,391	116,250
- of profits	8,425,329		8,425,329	1,453,930		(2,000,000)									7,810,065	69,194
- other	652,737		652,737			(565,355)									40,327	47,055
Valuation reserves	(10,625,634)		(10,625,634)											4,978,666	(5,646,967)	
Capital instruments	3,140,000		3,140,000												3,140,000	
Profit (loss) for the year	1,453,930		1,453,930	(1,453,930)										13,332,046	12,441,107	890,938
Group shareholders' equity	196,400,966		196,400,966			(2,681,605)	54,899,937						271,803	17,419,774	266,310,874	
Minority shareholders' equity	1,431,902		1,431,902			116,250							(261,803)	890,938		2,177,288

CONSOLIDATED CASH FLOW STATEMENT - INDIRECT METHOD
Indirect Method

A. OPERATIONAL ACTIVITY	Amount	
	31/12/2024	31/12/2023
1 Management	60,324,392	19,474,638
- operating result (+/-)	10,275,827	12,441,107
- gains/losses on financial assets held for trading and on other assets/liabilities at fair value through profit or loss (-/+)	(36,174,614)	(33,174,509)
- gains/losses on hedging activities (-/+)	(25,004)	(8,673)
- net adjustments/write-backs for credit risk (+/-)	70,983,646	27,642,718
- net adjustments/write-backs on tangible and intangible fixed assets (+/-)	17,032,799	9,381,172
- net allocations to provisions for risks and charges and other costs/revenues (+/-)	1,472,109	(1,318,795)
- unliquidated taxes, fees and tax credits (+/-)	(3,484,766)	4,323,571
- other adjustments (+/-)	244,395	188,047
2 Liquidity generated/absorbed by financial assets	(576,210,601)	(278,458,742)
- financial assets held for trading	21,907,781	-
- other financial assets mandatorily measured at fair value	838,225	(6,496,941)
- financial assets measured at fair value through other comprehensive income	(305,980,850)	95,424,656
- financial assets measured at amortised cost	(155,818,152)	(234,533,428)
- other assets	(137,157,605)	(132,853,029)
3 Liquidity generated/absorbed by financial liabilities	227,412,631	629,210,686
- financial liabilities measured at amortised cost	260,535,719	599,458,279
- financial liabilities held for trading	1,976,376	1,717,816
- other liabilities	(35,099,464)	28,034,591
Net cash generated/absorbed by operating activities	(288,473,578)	370,226,582
B. INVESTMENT ACTIVITIES		
1 Liquidity generated by	-	28,200,000
- dividends received on equity investments	-	3,200,000
- sales of subsidiaries and business units	-	25,000,000
2 Liquidity absorbed by	(9,527,170)	(33,503,174)
- purchases of equity investments	-	(10,000,000)
- purchases of tangible assets	(8,582,616)	(22,044,765)
- purchases of intangible assets	(944,554)	(1,458,409)
Net cash generated/absorbed by investments	(9,527,170)	(5,303,174)
C. FUNDING		
- issues/purchases of treasury shares	19,773,093	54,899,937
- dividend distribution and other purposes	(6,000,000)	(2,000,000)
Net liquidity generated/absorbed by funding	13,773,093	52,899,937
NET LIQUIDITY GENERATED/ABSORBED DURING THE YEAR	(284,227,655)	417,823,345

KEY

(+) generated

(-) absorbed

Reconciliation

Balance sheet items	Amount	
	31/12/2024	31/12/2023
Cash and cash equivalents at the beginning of the year	646,819,308	228,995,963
Total net liquidity generated/absorbed during the year	(284,227,655)	417,823,345
Cash and cash equivalents: effect of exchange rate changes	-	-
Cash and cash equivalents at year-end	362,591,653	646,819,308

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PART A

“ACCOUNTING POLICIES”

PART A - ACCOUNTING POLICIES

PART A.1 - GENERAL PART

SECTION 1 - STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

Following the enactment of Italian Legislative Decree No. 38/2005, the Igea Banca Banking Group (hereinafter also referred to as the “Banking Group” or the “Group”) is required to prepare its consolidated financial statements in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB), as adopted by the European Union.

The Bank of Italy defines the financial statement formats and rules in Circular No. 262 of 22 December 2005, including subsequent updates. The eighth update, issued on 17 November 2022, is currently in force.

These consolidated financial statements are prepared in accordance with the international accounting standards issued by the IASB and endorsed by the European Union in accordance with the procedure set forth in Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and in force at the reference date of this document, including the interpretative documents of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) limited to those applied for the preparation of the financial statements for the financial year ended 31 December 2024.

For the interpretation and application of the new international accounting standards, reference was also made to the Framework for the Preparation and Presentation of Financial Statements (the so-called Conceptual Framework or the Framework), issued by the IASB. The documents on the application in Italy of the IAS/IFRS accounting standards prepared by the Italian Accounting Body (OIC) and the Italian Banking Association (ABI) were also taken into account in terms of interpretation.

In the absence of a standard or interpretation specifically applicable to a particular transaction, the Group makes use of the professional judgement of its structures in developing accounting rules to provide reliable financial information that is useful in ensuring that the financial statements give a true and fair view of the Group’s financial position, financial performance and results of operations, reflecting the economic substance of the transaction as well as the material aspects related to it.

In formulating these accounting rules, reference has been made as far as possible to the provisions of international accounting standards and related interpretations dealing with similar or comparable cases. Lastly, the communications of the Supervisory Bodies (Bank of Italy, Consob, ESMA, EBA, ECB) providing recommendations on the information to be disclosed in the Consolidated Annual Financial Report, on aspects of greater importance or on the accounting treatment of particular transactions have been taken into account, to the extent applicable.

SECTION 2 - GENERAL DRAFTING PRINCIPLES

The consolidated financial statements of the Igea Banca Banking Group include the Parent Company Banca del Fucino S.p.A. and its direct and indirect subsidiaries: for further details on the scope of consolidation, please see “Section 3 - Scope and Methods of Consolidation” of this Part A.

The consolidated financial statements are prepared by applying the general principles set forth in IAS 1, substantially revised in 2007 and endorsed by the European Commission in December 2008, and the specific accounting standards endorsed by the European Commission, as well as in accordance with the general assumptions set forth in the aforementioned Framework prepared by the IASB for the preparation and presentation of financial statements. There were no departures from the application of IAS/IFRS.

The financial statements, accompanied by the Directors’ Report on the Consolidated Operations, consist of the following sections:

- the consolidated balance sheet;
- the reclassified consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the statement of changes in consolidated shareholders’ equity;
- the consolidated cash flow statement;
- the notes to the consolidated financial statements.

In preparing the financial statements, the formats and compilation rules set forth in the Bank of Italy Circular No. 262/2005 were used, taking the latest update in force as a reference.

Account was also taken of the additional provisions transmitted on 14 March 2023 by the Bank of Italy concerning the repeal and replacement of certain disclosures required in the communication of 21 December 2021 on the impact of COVID-19 and the measures to support the economy and consequent amendments to IAS/IFRS.

In addition, International Accounting Standard IAS 1 Presentation of Financial Statements requires the presentation of a statement of comprehensive income, in which the changes in the value of assets recorded during the period against shareholders’ equity are also shown among other income components. The Bank, in line with the provisions of the aforementioned Bank of Italy Circular No. 262/2005 and subsequent updates, has chosen - as allowed by the accounting standard in question - to present the statement of comprehensive income in two statements: a first statement that shows the traditional components of the profit and loss account and the relative result for the year, and a second statement that, starting from the latter, shows the other components of comprehensive income (the so-called other comprehensive income).

In accordance with the applicable regulations, the financial statements are drawn up in units of euros, without decimal places, with the exception of the notes to the financial statements, which are drawn up in thousands of euros; items with a zero balance in the present and the previous year are not shown. Any differences

between the information provided in the notes and the consolidated financial statements are attributable to rounding.

The consolidated balance sheet and consolidated profit and loss account consist of items, sub-items and further details. Items that have not been recognised in both the current and previous financial year are not shown.

In the consolidated profit and loss account and in the relevant section of the notes to the financial statements, revenues are indicated without a sign, while expenses are indicated in brackets. In the consolidated statement of comprehensive income, negative amounts are indicated in brackets.

In addition, the notes to the consolidated financial statements provide additional information deemed appropriate to supplement the presentation of the financial statement data, even if not specifically required by law.

The consolidated financial statements are prepared on a going concern basis as the directors have a reasonable expectation that the Group will continue to operate in the foreseeable future. The conditions of the financial markets and the real economy and the still uncertain forecasts formulated with reference to the short/medium-term call for particularly accurate assessments of the existence of the going concern assumption, as the Group's performance history and its easy access to financial resources may not be sufficient in the current context. The directors believe that the risks and uncertainties to which the Group may be subject in the course of its operations, also considering the effects of the current geopolitical context, are not significant and are therefore not such as to generate doubts about the Group's ability to continue as a going concern.

The estimation processes are based on past experience as well as other factors considered reasonable in the case in question, in order to estimate the carrying value of assets and liabilities that are not readily apparent from other sources. In particular, estimation processes were adopted to support the carrying amount of some of the most significant items recorded in the accounts, as required by the relevant regulations. These processes are largely based on estimates of the future recoverability of the values recorded in the financial statements and have been carried out on a going concern basis.

The main cases in which the Board of Directors is required to make subjective assessments are:

- the quantification of expected losses due to impairment of receivables and, in general, of other financial assets;
- the determination of the fair value of financial instruments, with particular reference to financial assets not listed on active markets;
- assessing the fairness of the value of goodwill and other intangible assets;
- the quantification of personnel provisions and provisions for risks and charges;
- estimates and assumptions on the recoverability of deferred tax assets;
- estimates and assessments of the value of equity investments.

The description of the accounting policies applied to the main aggregates of the consolidated financial statements provides the information necessary to identify the main assumptions and subjective assessments

used in the preparation of the consolidated financial statements. For further detailed information concerning the composition and relevant books values of the items affected by the aforementioned estimates, reference should instead be made to the specific sections of these notes to the consolidated financial statements. The processes adopted support the carrying amounts at the date of the consolidated financial statements. The valuation process was particularly complex in view of the persistent uncertainty in the macroeconomic and market environment, characterised both by significant levels of volatility in the financial parameters determining the valuation, and by still high credit quality deterioration indicators. These parameters and the information used to verify the values mentioned are therefore significantly influenced by these factors, which are not under the Company's control and which could undergo rapid changes that are not to date foreseeable.

The consolidated financial statements also refer to the general principles of preparation listed below, where applicable:

- principle of truthfulness and fairness and completeness in the presentation of the balance sheet, profit and loss account and financial position (true and fair view);
- accrual principle. Costs and revenues are recorded, regardless of the time of their monetary settlement, on an accrual basis;
- principle of consistency of presentation and classification from one year to the next (comparability). The presentation and classification of items are maintained from one financial year to the next in order to ensure the comparability of information unless a change is required by an international accounting standard or interpretation or it is evident that another presentation or classification is no longer appropriate in terms of relevance and reliability in presenting the information. When the presentation or classification of items in the financial statements is changed, comparative amounts are reclassified, when possible, also indicating the nature and reasons for the reclassification. The financial statements and the notes to the financial statements have been prepared in accordance with the Bank of Italy Measure of 22 December 2005, as subsequently amended. With regard to the other information required by law, please refer to the report on operations prepared by the directors pursuant to Article 2428 of the Italian Civil Code;
- principle of the prohibition of offsetting items. Assets, liabilities, income and expenses are not offset against each other unless required or permitted by an International Accounting Standard or an interpretation thereof, or expressly provided for in the financial statements formats for banks;
- principle of economic substance over legal form;
- the principle of prudence in exercising the judgements required to make estimates under conditions of uncertainty, so that assets or revenues are not overestimated and liabilities or costs are not underestimated, without this leading to the creation of hidden reserves or excessive provisions;
- principle of information neutrality;
- principle of materiality/significance and aggregation of information. Each relevant class of similar items is shown separately in the financial statements. Items of a dissimilar nature or purpose are presented separately unless they are immaterial.
- Comparative information. Comparative information is provided for the previous period for all figures shown in the financial statements except where an International Accounting Standard or interpretation

thereof permits otherwise. Commentary and descriptive information is also included when this is significant for a better understanding of the financial statements of the reporting period.

The notes to the consolidated financial statements are divided into parts: A-Accounting Policies, B-Information on the Consolidated Balance Sheet, C-Information on the Consolidated Profit and Loss Account, D-Information on the Consolidated Statement of Comprehensive Income, E-Information on Risks and Related Hedging Policies, F-Information on Consolidated Shareholders' Equity, G-Consolidation Transactions involving Companies or Business Units, H-Transactions with Related Parties, L-Segment Reporting, M-Lease Disclosures.

Each part of the notes is divided into sections, each of which illustrates a specific management issue.

Main accounting documents issued in the context of the Russia-Ukraine conflict

Russia's invasion of Ukraine, introducing a number of uncertainties in the outlook for the conduct of business, increased the risk of having to make significant adjustments to the carrying amount of assets and liabilities in the financial statements. For this reason, during the first half of 2022, the Supervisory Authorities (ESMA and Consob) intervened by providing some recommendations to be followed for market disclosure purposes.

Entity	Date	Title
ESMA	14/03/2022	ESMA coordinates regulatory response to the war in Ukraine and its impact on EU financial markets (ESMA71-99-1864)
ESMA	13/05/2022	Implications of Russia's invasion of Ukraine on half-yearly financial reports (ESMA32-63-1277)
ESMA	28/10/2022	European common enforcement priorities for 2022 annual financial reports (ESMA32-63-1320)
CONSOB	18/03/2022	Warning notice on the impact of the war in Ukraine on insider information and financial reporting.
CONSOB	19/05/2022	Conflict in Ukraine - Warning notice on financial reporting and compliance with restrictive measures adopted by the European Union against Russia

ESMA's Statement of 13 May 2022, which was followed by Consob's publication on 19 May 2022 of its Warning Notice No. 3/22, provides management and supervisory bodies with a series of recommendations on certain topics related to the financial statement production process, with the aim of ensuring proper oversight of certain valuation issues impacted by the conflict and complete financial statement disclosures, suggesting that, where necessary, information detail aligned with the requirements for a fully prepared financial statement.

The Group does not operate in the countries involved in the conflict and has no financial or currency exposure to either country.

Significant accounting policies and uncertainties in the use of estimates in the preparation of the consolidated financial statements

The application of certain accounting standards necessarily involves the use of estimates and assumptions that affect the values of assets and liabilities recorded in the financial statements and the disclosure of contingent assets and liabilities. The assumptions underlying the estimates made take into account all information available at the date of preparation of the financial statements as well as assumptions considered reasonable, also in light of historical experience.

By their very nature, it is therefore not possible to rule out the possibility that the assumptions made, however reasonable, may not be confirmed in the future scenarios in which the Bank will find itself operating. Future results may therefore differ from the estimates made for the purpose of preparing the financial statements, and it may be necessary to make adjustments to the carrying amount of assets and liabilities recorded in the financial statements that cannot be foreseen or estimated at present. In this regard, it should be noted that adjustments in estimates may be necessary due to changes in the circumstances on which the estimate was based, as a result of new information or increased experience.

In particular, it is believed that the information provided with reference to the main financial statements items subject to estimation (recoverability of intangible assets with an indefinite useful life, recoverability of deferred tax assets, fair value of financial instruments, expected losses on non-impaired credit exposures, and liabilities from defined benefit for employees) should be able to reflect the impacts related to the elements of uncertainty that can be hypothesised at the date of preparation of these Financial Statements.

The current market environment continues to be marked by high levels of uncertainty for both short-term and medium-term forecasts. The economic consequences of geopolitical tensions continue to manifest themselves and worsen the outlook for the Eurozone economy, pushing up inflationary pressures. In this respect, according to the ECB's macroeconomic projections updated in December 2024⁶, the Eurozone economy is expected to continue to recover gradually in the coming years amid considerable geopolitical and economic uncertainties. Although expansion resumed at a moderate pace in 2024, recent indicators point to a slowdown in the short-term in a context where continued low levels of consumer confidence and high uncertainty are likely to increase households' incentives to save. Nevertheless, the conditions for a renewed strengthening of growth exist. In particular, the increase in real wages and employment against the backdrop of robust developments in labour markets should support a recovery in which consumption remains a major determinant. Domestic demand would also be supported by easing financing conditions, in line with market expectations regarding the future path of interest rates. Budgetary policies, although characterised by a high degree of uncertainty, are assumed to follow a consolidation path overall. Nevertheless, the funds made available by the Next Generation EU (NGEU) should support the expansion of the economy until the programme expires in 2027. In the baseline scenario, assuming that Europe's main trading partners maintain their trade policies unchanged, external demand is expected to strengthen and support euro area exports. As a result, the contribution of net trade to GDP growth would be broadly neutral despite existing competitiveness problems. The unemployment

⁶ ECB staff macroeconomic projections for the Eurozone, December 2024.

rate is expected to fall further to historically low levels. Productivity is expected to accelerate over the projection horizon in a context where some of the cyclical factors that have exerted a downward impact in the recent past begin to fade, although structural challenges remain. Overall, the average annual growth rate of GDP in real terms would be 0.7% in 2024, 1.1% in 2025 and 1.4% in 2026, before falling to 1.3% in 2027. Compared to the ECB's September 2024 expert macroeconomic projections, the outlook for GDP growth was revised downwards mainly as a result of corrections in investment data in the first half of 2024, expectations of a slowdown in exports in 2025 and a slight downward revision of the expected expansion of domestic demand in 2026.

Headline inflation as measured by the Harmonised Index of Consumer Prices (HICP) is expected to increase at the end of 2024 and then decline to around the ECB's target of 2% from the second quarter of 2025. Base effects in the energy component would be the main determinant of the temporary increase in inflation at the beginning of the period. Based on the assumptions of falling oil and gas prices, energy goods inflation is likely to remain negative until the second half of 2025 and to remain at low levels thereafter, except for an increase in 2027 due to the introduction of new climate change mitigation measures. The rate of change in food prices would increase until mid-2025, driven mainly by the recovery of dynamics in the unprocessed food component, and then decline to an average of 2.2 % by 2027. Inflation measured on the HICP net of energy and food (HICPX) is expected to decline in early 2025 as the indirect effects of past shocks on energy prices wear off, pressures on the labour cost side abate and the lagged effects of previous monetary policy tightening continue to be transmitted to consumer prices. This decrease would be attributable to the decline in services inflation, which has been relatively persistent so far. Overall, inflation calculated on the HICPX is expected to fall from 2.9% in 2024 to 1.9% in 2027. Wage growth would initially remain high but would gradually decline as compensation pressures for higher inflation abate. The moderation in income growth per person employed, together with the recovery in productivity, should lead to a considerable slowdown in unit labour costs. Consequently, internal price pressures are expected to diminish in a context where profit margins initially ease the still high labour cost pressures but subsequently show a recovery over the remainder of the reporting period. External price pressures are expected to remain moderate overall. Compared to last September's forecast exercise, the outlook for overall inflation measured on the HICP was revised slightly downwards for 2024 and 2025, mainly due to lower-than-expected data and lower assumptions for oil and electricity prices.

During 2022, Cedacri initiated a working group with a number of banks in the consortium, including the Igea Banca Group, to develop a model for calculating forward-looking PDs through the use of the satellite model of Cerved (which joined the ION Group following a takeover bid in 2021). Within this framework, Cedacri provides the Point in Time matrices to Cerved, which, through its model and scenarios, estimates the multi-scenario forward-looking PDs used to calculate the expected loss.

During the 2023 financial year, the update of the forward-looking PD vectors was implemented, continuing to assign the following probability of occurrence (known as "multi-scenario weights"): adverse = 20%, basic = 60% and best = 20%, in order to take into account geo-sectoral scenarios and openings to consider the real riskiness of the Bank's portfolio relative to certain sectors most affected by the current macroeconomic environment. During the 2024 financial year, Cerved introduced the "severe" macroeconomic scenario, which is worse than

the “adverse” scenario, and the Bank deemed it appropriate to use it in place of the latter, keeping its probability of occurrence (20%) fixed within the model.

The accounting policies considered significant for the purposes of true and fair representation of the Bank’s equity, economic and financial position are illustrated below, both in terms of the materiality of the amounts to be recorded in the financial statements impacted by these policies and in terms of the high degree of judgement required in the valuations, which implies the use of estimates and assumptions by management, with reference to the specific sections of the notes to the financial statements for detailed information on the valuation processes conducted as at 31 December 2024.

Determination of value adjustments to loans granted and recorded under assets

Loans represent one of the valuation items most exposed to the choices made by the Group in terms of lending, management and risk monitoring.

In detail, the Group manages the default risk of financed counterparties by continuously monitoring the evolution of customer relationships in order to assess their repayment capacity, based on their economic-financial situation. This monitoring activity is aimed at intercepting signs of credit deterioration, also with a view to a timely classification in the perimeter of impaired exposures and an accurate estimate of the related total value adjustments. This estimate may be made, depending on the materiality threshold of the exposure being measured, either on an analytical basis based on recoverable flows or on a flat-rate basis taking into account losses historically incurred on loans with similar characteristics.

In relation to the components of the loan portfolio backed by top-quality guarantees (i.e. pledge of money and state guarantees in the form of access to the SME Fund pursuant to Italian Law No. 662/96), in analogy to the prudential treatment applied under supervisory provisions and in order to adequately reflect in the expected credit loss (ECL) the risk mitigation offered by these forms of guarantees (not recognised in the impairment calculation model provided by the IT outsourcers), the Bank proceeded to make the appropriate additions/adjustments and in particular, during the 2024 financial year, introduced a specific management overlay to the ECL aimed at also taking into account the credit risk related to the portion of loans fully covered by state guarantees.

With regard to loans for which no objective evidence of loss has been individually identified, i.e., for “performing” exposures, the impairment model, based on expected losses, requires the implementation of adequate monitoring systems aimed at identifying whether or not there has been a significant deterioration with respect to the date of initial recognition of the exposure. The IFRS 9 impairment model requires, in fact, that losses be determined by reference to the time horizon of one year for financial assets that have not suffered a significant deterioration in creditworthiness since initial recognition (Stage 1) rather than by reference to the entire life of the financial asset if a significant deterioration is found (Stage 2).

On the basis of the foregoing, it follows that credit losses must be recognised by reference not only to objective evidence of impairment losses already manifested at the reporting date, but also on the basis of expectations of future impairment losses not yet manifested, which must reflect:

- the probability of the occurrence of different scenarios;
- the discount effect by using the effective interest rate;

- historical experiences and current and future evaluations.

It follows that the determination of expected losses is a complex exercise requiring significant judgement and estimation. In detail:

- the determination of a significant deterioration in creditworthiness from the date of initial recognition of the exposure is based on the identification of appropriate qualitative and quantitative criteria, which also consider forward-looking information. It is therefore not possible to exclude that the use of different criteria may lead to a different scope of exposures to be classified in Stage 2, with a consequent impact on the expected losses to be recognised in the financial statements;
- the result of the impairment model must reflect an objective estimate of the expected loss, obtained by evaluating a range of possible outcomes. This implies the need to identify possible scenarios, based on assumptions about future economic conditions, with which to associate the relevant probabilities of occurrence. The selection of different scenarios and probabilities of occurrence as well as changes in the set of macroeconomic variables to be considered in the forecast horizon could have significant effects on the calculation of expected losses;
- the determination of expected losses requires the use of estimation models:
 - the cash flows that individual debtors (or portfolios of debtors homogeneous in terms of risk) are expected to be able to pay in order to meet all or part of their obligations to the Bank. With regard to impaired loans, if there is a disposal plan, it would also be necessary to use a multi-scenario approach, estimating the recoverable flows from the sale, to be considered as an alternative scenario to those deemed recoverable from internal management (“work out”);
 - the recovery timeframe;
 - the estimated realisable value of real estate and collateral.

Within the range of possible approaches to estimation models permitted by the relevant international accounting standards, the use of a methodology or the selection of certain estimation parameters may significantly influence the valuation of receivables. These methodologies and parameters are necessarily subject to a continuous updating process, with the aim of refining the estimates to better represent the estimated realisable value of the credit exposure.

In 2024, a loan portfolio was identified in the Bank’s impaired exposures that could potentially be sold in 2025. For the purpose of calculating value adjustments, IFRS 9 requires that all information, available at the reporting date, on past events and current conditions, as well as forecasts of future economic conditions, be taken into account (i.e. “forward-looking”); in this respect, it is also possible to consider, within the context of the credit recovery scenarios, that relating to the sale of credit positions, without prejudice to the “Held To Collect” reference business model. Accordingly, in order to factor the aforementioned “sales scenario” into the determination of the value adjustments as at 31 December 2024, an add-on component was determined, based on the market value with a view to non-recourse sale and the probability of such sale, in order to approximate the recoverable value of the exposures at market prices (“Add-On Sell”).

In summary, the process described above has led to:

- the identification of a perimeter of impaired loans to be evaluated in a sale scenario for a Gross Book Value of approximately 54% of the Group's total Gross Book Value at the date, and a number of accounts equal to 2,630;
- the determination by a primary Advisor of a range of the Portfolio's fair value; this valuation was carried out on the basis of methodologies developed by the most authoritative doctrine and used by best practice, which for simplicity can be aggregated into the following steps:
 - stock analysis;
 - definition of cluster analysis;
 - estimating cash flows using benchmark curves;
 - estimated fair value range (including management and legal costs component and WACC).
- the definition of a 90% probability of sale, defined primarily on the basis of the Group's strategic objective;
- the determination of the amount of additional value adjustments, to be recognised in order to reflect a value as at 31 December 2024 resulting from the weighting of a 10% base (retention) scenario and a 90% sales scenario.

In light of the above, it cannot be ruled out that alternative monitoring criteria or different methodologies, parameters, and assumptions in determining the recoverable value of the Bank's credit exposures - which are also influenced by possible alternative recovery strategies approved by the competent corporate bodies and by developments in the economic, financial, and regulatory environment - may result in different assessments than those made for the purposes of preparing the financial statements as at 31 December 2024.

Estimation of presumed losses in value for intangible assets with indefinite useful lives

On an annual basis, at the time of preparing the financial statements, an impairment test is conducted to determine whether there are any indicators of impairment for intangible assets with an indefinite useful life (goodwill). This impairment test is usually conducted by determining the value in use or fair value of assets and verifying that the value at which the intangible asset or equity investment is recognised is less than the higher of its value in use or fair value less costs to sell.

As at 31 December 2024, the Group's intangible assets with an indefinite life totalled EUR 2,001 thousand.

In Part B of the Notes to the Financial Statements, Section 10 - "Intangible Assets" illustrates the main assumptions underlying the impairment test on goodwill, the results thereof, and a sensitivity analysis of the results as a function of reasonable changes in the main assumptions.

Taking into account that impairment testing requires significant judgement, particularly with regard to defining the scope of the individual cash-generating units to which the values being tested are to be attributed, the related cash flows and the discount rate, it cannot be ruled out that the assumptions and parameters used may develop differently than expected, also due to different developments in the macroeconomic and market context, which cannot be predicted at present.

Determining the fair value of financial assets and liabilities

In the presence of financial instruments that are not listed on active markets or of illiquid and complex instruments, it is necessary to activate appropriate valuation processes characterised by significant elements of judgement regarding the choice of valuation models and relative input parameters, which may sometimes not be observable on the market. There is room for subjectivity in assessing whether certain parameters may or may not be observed and in the resulting classification according to fair value hierarchy levels.

For qualitative and quantitative information on the manner in which fair value is determined for instruments measured at fair value in the financial statements and for those measured at amortised cost, please refer to the contents of these Notes to the Financial Statements, Part A.4 - "Disclosure on fair value".

Estimated recoverability of deferred tax assets

The Group has, among its significant assets, Deferred Tax Assets (DTAs) generated, primarily, from past tax losses that can be used to reduce taxable income in future years, as well as timing and temporal differences between the year in which certain negative income components are recognised in the financial statements and the tax period in which they can be deducted for tax purposes. The recognition of these DTAs and their subsequent maintenance in the financial statements presupposes a judgement as to whether they will be able to generate sufficient future taxable income to recover them under the tax laws in force at the date of the financial statements.

In assessing this recovery capacity, it is necessary to consider that deferred tax assets that meet the requirements of Italian Law No. 214 of 22 December 2011 (the so-called qualifying or convertible DTAs) are intended to be converted into tax credits when certain conditions are met. This feature makes the recovery of qualified DTAs certain regardless of future earning capacity. The prerequisites that, even on their own, can lead to a conversion of qualified DTAs recorded in the financial statements into tax credits are as follows:

- statutory loss;
- tax loss for corporate income tax (IRES) purposes;
- negative net production value for regional tax on production (IRAP) purposes.

With regard to deferred tax assets arising from IRES tax losses, the applicable regulations allows them to be carried forward without any time limit.

For these DTAs and for those arising from temporary and time differences that cannot be converted into tax credits, the judgement of likelihood is based on income forecasts inferable from the strategic and forecast plans prepared by the management body.

In this regard, it must be emphasised that the verification of the recoverability of the carrying amount of deferred tax assets is an assessment that requires significant judgement. Recoverability could also be adversely affected by circumstances that are not foreseeable at present, such as changes in current tax regulations or changes in the macroeconomic and market scenario that would require an update of the income projections used as a reference for estimating future taxable income. For this reason, the recoverability of DTAs that cannot be converted into tax credits is constantly monitored in relation to changes in tax regulations and results, which may be adversely affected by economic and market scenarios.

Section 11 - "Tax Assets and Tax Liabilities" contained in Part B - Assets of these Notes to the Consolidated Financial Statements provides information on the nature and testing of deferred tax assets.

Estimated provisions for risks and charges

Group companies are parties to certain types of lawsuits and are also exposed to contingent liabilities. The complexity of the corporate situations and transactions underlying the pending litigations, together with the interpretative issues regarding the applicable legislation, require significant judgement in estimating the liabilities that may arise when the pending litigations are settled. The difficulties of assessment affect both the *an* (existence) and the *quantum* (amount), as well as the timing of any manifestation of the liability, and are particularly evident when the proceedings initiated are at an early stage and/or the relevant preliminary investigation is underway. The specific nature of the subject matter of the litigation and the consequent absence of case law referring to comparable disputes, as well as the different guidelines expressed by judicial bodies - both at the various levels of the litigation proceedings and by bodies of the same level over time - make it difficult to assess contingent liabilities, even if provisional judgments issued following the first levels of proceedings are available. Historical experience shows that, in a number of cases, the decisions taken by judges in the first instances have been completely overturned in appeal or supreme court proceedings, both in favour of and against Group companies. In this context, the classification of contingent liabilities and the consequent valuation of the necessary provisions are based on non-objective elements of judgement that require the use of sometimes extremely complex estimation procedures. Therefore, it cannot be ruled out that, following the issuance of final judgments, the provisions for risks and charges set aside for contingent liabilities related to legal disputes may prove to be deficient or surplus.

For information on the Group's main risk positions related to litigation, please refer to "Section 10 - Provisions for Risks and Charges - Item 100" in "Part B - Information on the Consolidated Balance Sheet" of these Notes to the Financial Statements.

SECTION 3 - SCOPE AND METHODS OF CONSOLIDATION

The Consolidated Financial Statements refer to a scope of consolidation as better defined below. In this regard, the provisions of IFRS 10, 11, 12 and IFRS 3 were taken into account, including in the scope of consolidation - as specifically provided for by the IAS/IFRS standards - also for companies operating in business sectors that are dissimilar to that of the Parent Company. The annual Consolidated Financial Statements were prepared through a process of aggregating the financial statements of the Parent Company Banca del Fucino and its subsidiaries and affiliates over which it exercises control on the basis of majority voting rights and/or significant influence.

By analogy, structured companies are also included if they meet the requirements of control, regardless of the mere shareholding.

The inclusion of the Igea Banca Banking Group in the scope of consolidation is specifically linked to:

- the presence of a majority of voting rights in the ordinary shareholders' meeting of the investee company (legal control);
- other factors relating to structured entities, other than voting rights or other similar rights, such as to determine control by the Parent Company.

Scope of Consolidation

1 Equity investments in wholly-owned subsidiaries

The scope of consolidation is determined in accordance with the provisions of the international accounting standard IFRS 10 Consolidated Financial Statements. According to the above-mentioned standard, the requirement of control underlies the consolidation of all types of entities and is realised when an investor simultaneously:

- has the power to decide on the relevant activities of the entity;
- is exposed to or benefits from variable returns from the relationship with the entity;
- has the ability to exercise his/her power to affect the amount of his/her returns (link between power and returns).

Thus, IFRS 10 states that, in order to have control, the investor must have the ability to direct the relevant activities of the entity, whether by operation of law or by mere fact, and must also be exposed to the variability of outcomes that result from that power.

Subsidiaries are subject to consolidation from the date on which the Group acquires control, according to the acquisition method (IFRS 3), and cease to be consolidated from the time control ceases.

The existence of control is subject to a continuous assessment process should facts and circumstances arise that indicate the presence of a change in one or more of the three elements constituting the requirement of control, represented in the following paragraph “Significant assessments and assumptions for determining the scope of consolidation”.

Line-by-line consolidation consists of the line-by-line acquisition of the balance sheet and profit and loss account aggregates of the subsidiaries, offset by the cancellation of the investment held by the Group in the entity and the recording, in the appropriate items, of the minority interests.

Differences arising from such offsetting have been subject to the treatment prescribed by IFRS 3; if they have been allocated to specific items, they are subject to the accounting treatment prescribed by the relevant standard; if they have not been specifically allocated, they are recorded as goodwill under intangible assets and subject to an impairment test. Negative differences (so-called bargain purchase or badwill) are recorded in the consolidated profit and loss account.

In addition, for entities controlled through a shareholding relationship, the portion attributable to non-controlling interests in terms of equity, profit for the year and overall profitability is presented separately in the respective consolidated financial statements (respectively in item 190 of the consolidated balance sheet liabilities). Minority interests, 340. Profit (Loss) for the year attributable to minority Interests in the consolidated profit and loss account and 190. Consolidated comprehensive income attributable to minority interests in the consolidated statement of comprehensive income).

The costs and revenues of the controlled entity are included in the consolidation from the date on which control is acquired. The costs and revenues of the transferred subsidiary are included in the profit and loss account up to the date of transfer; the difference between the transfer consideration and the carrying amount of the net assets of the subsidiary is recorded in item 280 of the profit and loss account. Profit (Loss) on disposal of investments. In the event of a partial disposal of the controlled entity that does not result in the loss of control, the difference between the consideration for the disposal and the related carrying amount is recorded as shareholders’ equity.

Controlling interests held for sale, if any, are consolidated on a line-by-line basis and shown separately in the financial statements as a group held for sale measured at the reporting date at the lower of carrying amount and fair value less costs of disposal, based on the treatment required by IFRS 5.

In the case of special purpose vehicles, the circumstances that need to be examined in order to determine whether a situation of control within the meaning of IFRS 10 exists are:

- the involvement/role of Group companies in structuring the transaction (originator/investor/servicer/facility provider);
- the subscription of a large part of the Asset Backed Securities (ABS) issued by the special purpose vehicle by Group companies;
- the scope/purpose of the transaction.

The complete extent of the subsidiaries forming part of the Group as at 31 December 2024 is shown below:

Company Name	Registered office	Type of relationship ⁽¹⁾	Shareholding ratio		Availability of votes ⁽²⁾
			Investor enterprise	Share %	
Igea Digital Bank S.p.A.	Rome	1	Banca del Fucino	100 %	
Fucino Finance S.p.A. (Formerly Pasvim)	Rome	1	Banca del Fucino	100 %	
Fucino RMBS S.r.l.	Milan	4	Banca del Fucino		
Fucino SME 2.0 S.r.l.	Milan	4	Banca del Fucino		

Key

(1) Type of relationship:

- 1 = majority of voting rights in the ordinary shareholders' meeting
- 2 = dominant influence in the ordinary shareholders' meeting
- 3 = agreements with other shareholders
- 4 = other forms of control

(2) Availability of votes in the ordinary shareholders' meeting, distinguishing between actual and potential votes

It should be noted that the company Fucino Green, formerly 51% owned by Banca del Fucino, is no longer included among the directly controlled subsidiaries, following its deconsolidation. On 23 December 2024, the company was reverse merged into the affiliated company E-Way Finance. The latter was, on the same date, the subject of a non-proportional partial demerger into four associates, E-Way Wind, E-Way Solar, HoldCo and E-Way Baselice 2.0.

1.1 Equity investments in associates

An associate is an enterprise in which the investor exercises significant influence and which is neither a subsidiary nor a joint venture. Significant influence is presumed when the investor holds, directly or indirectly, at least 20% of the capital of another company. Further indicators of the presence of significant influence are as follows:

- representation on the company's governing body;
- participation in the policy-making process, including participation in decisions on dividends or other profit distribution;
- the existence of material transactions between the investor and the investee;
- the exchange of management personnel;
- provision of essential technical information.

Equity investments in associates are consolidated according to the equity method. The equity method provides for the initial recognition of the investment at cost and its subsequent value adjustment based on the share of the investee's shareholders' equity. The equity investment in associates includes the goodwill (net of any

impairment) paid for the acquisition. Participation in the post-acquisition profits and losses of associates is recorded in item 250 of the profit and loss account. Gains (losses) on equity investments.

Any dividend distribution is deducted from the carrying value of the investment.

If the share of an associate's losses equals or exceeds the carrying amount of the investee, no further losses are recognised unless specific obligations have been incurred in favour of the associate or payments have been made to the associate.

The valuation reserves of associates are shown separately in the consolidated statement of comprehensive income.

The full extent of the Group's equity investments in associates as at 31 December 2024 is shown below:

Company Name	Registered Office	Type of relationship ⁽¹⁾	Shareholding ratio		Availability of votes ⁽²⁾
			Investor enterprise	Share %	
E-Way Finance	Rome	2	Banca del Fucino	34.00 %	34.00 %
E-Way Wind	Rome	2	Banca del Fucino	34.00 %	34.00 %
E-Way Solar	Rome	2	Banca del Fucino	34.00 %	34.00 %
HoldCo	Rome	2	Banca del Fucino	34.00 %	34.00 %
E- Way Baselice 2.0	Rome	2	Banca del Fucino	34.00 %	34.00 %
Società Edilizia Pineto S.p.A.	Rome	2	Banca del Fucino	40.00 %	40.00 %

Key

(1) Type of relationship:

- 1 = majority of voting rights in the ordinary shareholders' meeting
- 2 = dominant influence in the ordinary shareholders' meeting
- 3 = agreements with other shareholders
- 4 = other forms of control

(2) Availability of votes in the ordinary shareholders' meeting, distinguishing between actual and potential votes

The table below, for comparative purposes only, shows the equity investment previously held in REDD S.r.l., which was divested in July 2024 following the acquisition of the business unit called "GEOREDD".

Transaction to enhance the business of subsidiaries in the Green sector

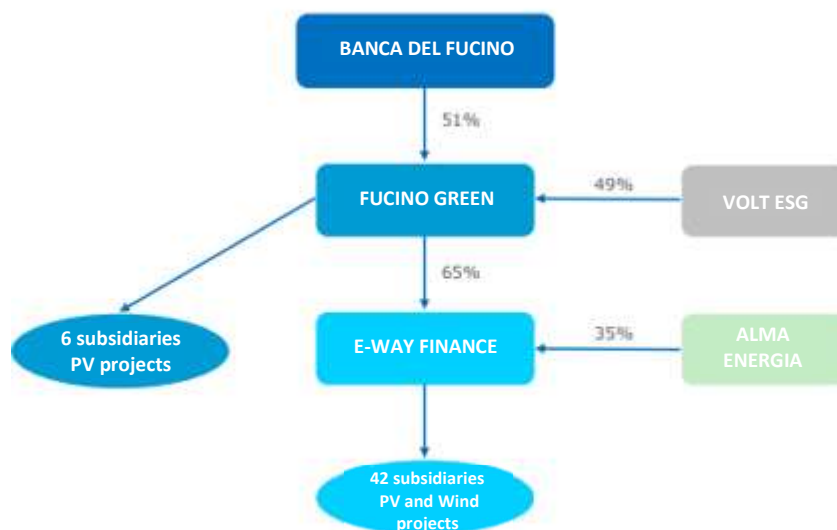
E-Way Finance, incorporated in 2020 on the initiative of Banca del Fucino and Alma Energia S.r.l. (hereafter, Alma Energia), has established itself as a specialised player in the development, valorisation and sale of projects in the renewable energy sector, with a focus on institutional and industrial investors. In line with its strategic objectives, E-Way Finance has developed multidisciplinary in-house expertise to design and structure investment proposals that are sustainable from a technical, economic, legal-administrative and reputational perspective, mainly aimed at investment funds and other institutional entities. Originally, the shareholding structure of E-Way Finance saw Banca del Fucino holding 24.5%, Alma Energia 45% and IRR S.r.l. 30.5%. On the other hand, Fucino Green, a subsidiary of the Bank specialising in renewable energy investments, was incorporated in 2021 to acquire a number of corporate vehicles holding photovoltaic asset licensing projects under development.

In December 2021, the Bank signed an investment agreement with Volt ESG S.r.l. (hereinafter, Volt ESG), a new strategic partner in the renewable energy sector, by contributing its stake in E-Way Finance (amounting to 27.5% of the capital at the time of the contribution) to Fucino Green and transferring 30% of the capital of Fucino Green to Volt ESG. Subsequently, in 2022, the Bank sold a further 19% stake in Fucino Green to Volt ESG. In turn, Fucino Green increased its stake in E-Way Finance by purchasing the remaining stake held by IRR S.r.l..

In December 2022, E-Way Finance entered into a co-development agreement with Valma ESG S.r.l. (hereafter, Valma ESG), a company 80% owned by Volt ESG and 20% owned by Alma Energia. Under the agreement, wind and photovoltaic projects totalling 204 MW, specifically identified, will be transferred to Valma ESG upon reaching Ready to Build (RTB) status, for a consideration of approximately EUR 50,000/MW.

In addition, the agreement stipulates that when Valma ESG has reached a margin of EUR 25 million, any margin in excess of this threshold shall be paid back to E-Way Finance.

As at 31 December 2023, following further transactions concluded during the year, the ownership structure of Fucino Green and E-Way Finance was as follows:



In substance, until the completion of the reverse merger transaction and subsequent partial demerger involving Fucino Green and E-Way Finance (hereinafter, the Unified Extraordinary Transaction or the Transaction), Banca del Fucino held a direct controlling interest in Fucino Green and an indirect interest in E-Way Finance, which, by virtue of specific agreements entered into between the shareholders, constituted joint control within the meaning of IFRS 11.

Following an initial period characterised by origination activities and the structuring of the project portfolio, with more than 3 GW under development and about 1 GW undergoing authorisation procedures, E-Way Finance has begun to bring the results of its operational strategy to fruition. In summary, prior to the Unified Extraordinary Transaction, the situation was as follows:

- E-Way Finance had 18 MW ready to build and more than 300 MW of projects that, having obtained positive opinions from the competent bodies, were at an advanced stage of discussion for the granting of final authorisations;
- Fucino Green held a portfolio of 48 MW, of which approximately 35 MW were under construction or already classified as ready to build (RTB), and 13 MW were under development. In addition, a strategic agreement had been concluded for the development of a further 140 MW on land made available by Bonifiche Ferraresi.

In view of the results achieved, the Bank, Alma Energia and Volt ESG recognised the need for a strategic realignment, aimed at redefining E-Way Finance's mission as an integrated Independent Power Producer (IPP). This transition will allow for direct management of the development, construction and ownership of the plants, limiting outsourcing to projects that exceed internal construction capacity. The common strategic goal is to maximise the value of E-Way Finance within the next three years by securing authorisations for more than 1 GW, a continuous expansion of the project portfolio, and the realisation of at least 300 MW of wind and photovoltaic plants.

This strategy is geared towards creating a solid base of recurring revenues and demonstrating delivery capacity, both in terms of development and installed capacity. With this in mind, in October 2024, the Bank entered into a new agreement with Alma Energia and Volt ESG, establishing the following priority actions (Steps):

1. implementation of a new corporate structure to align shareholders' interests, with the creation of specialised companies distinguishing themselves in their respective market segments and responding to investor needs. This reorganisation will be carried out through a Unified Extraordinary Transaction, comprising the reverse merger of Fucino Green into E-Way Finance, followed by the partial and proportional demerger of New E-Way Finance into four newly incorporated companies (Step 1);
2. termination of the co-development agreement with Valma ESG, aimed at the sale by 30 April 2025 of 100% of Valma ESG's quotas by Volt ESG and Alma Energia to New E-Way Finance (Step 2);
3. commencement of negotiations for the conclusion of agreements necessary for the construction of the Baselice wind power project (18 MW - Wind Power) (Step 3);
4. gradual creation of a new team dedicated to construction and operational management (Step 4);
5. incorporation of a vehicle dedicated to the development of storage projects, a synergistic activity with the origination capabilities of E-Way Finance and the experience gained by Volt ESG, especially in the United Kingdom (Step 5);
6. expansion of operations through the acquisition of RTB projects from third parties (Step 6);
7. commencement of negotiations for the establishment of partnerships with parties interested in minority interests (up to 49%) in the companies resulting from the demerger or in the SPVs that hold individual projects or portfolios (Step 7).

With reference to Step 1, the agreement provided for the completion of the Unified Extraordinary Transaction by 31 December 2024. As already stated, the Transaction provided for a reverse merger of Fucino Green into E-Way Finance and a simultaneous (but chronologically subsequent) partial and proportional demerger of E-Way Finance itself, in its post-merger configuration (New E-Way Finance), in favour of the following newly incorporated joint-stock companies:

- E-Way Wind (EWF-W): beneficiary of an advanced portfolio of wind power projects totalling 348 MW, intended for construction and operation under its ownership;
- E-Way Solar (EWF-S): the beneficiary of an advanced portfolio of photovoltaic projects amounting to 427.4 MW, which will be built and maintained under its ownership;
- E-Way Baselice 2.0 (EWF-B): beneficiary of the stake in the existing E-Way Baselice vehicle, which is responsible for the Baselice wind power project (18 MW), for which an investor who is interested in acquiring 49% of the shares has already been identified;
- HoldCo: beneficiary of all advanced projects not allocated to EWF-W and EWF-S, totalling 419.5 MW. Projects managed by HoldCo, once RTB status is achieved, can be sold on the market or transferred to EWF-W/EWF-S for implementation.

In implementation of the above, on 18 October 2024, the shareholders' meetings of E-Way Finance and Fucino Green, meeting in extraordinary session, approved, to the extent of their respective competences, the Unified Plan for the reverse merger of Fucino Green into E-Way Finance and the subsequent partial and proportional demerger of E-Way Finance.

On 23 December 2024, having verified that no creditors had raised objections within the terms established by law, the legal representatives of the companies involved executed the merger and demerger deed. The legal, accounting and tax effects of the Unified Extraordinary Transaction took effect from the date of the last of the registrations required by Articles 2504 and 2506-*quater* of the Italian Civil Code, i.e. from 24 December 2024.

In this renewed organisational set-up, New E-Way Finance, as the merging and demerged company, will continue to manage development activities, using most of its current resources and retaining ownership of projects in the preliminary stages (over 2 GW).

It will also position itself on the market as an independent consultant in the renewable energy sector, offering consultancy services and technical due diligence for purchase, sale and financing transactions. The company will also provide the necessary technical and administrative services to EWF-W, EWF-S, EWF-B and HoldCo under specific service contracts at market conditions. Following the Unified Extraordinary Transaction, Banca del Fucino, Alma Energia and Volt ESG hold, respectively, 34%, 33% and 33% of the capital of all the companies resulting from the transaction.

The new companies were recorded in the financial statements of Banca del Fucino at their fair value, equal to the exchange ratio valuation prepared by the expert during the merger and demerger and adjusted in the consolidated financial statements up to the residual fair value of the former E-Way Finance. In this regard, the Parent Company has engaged a leading advisor to assess the accounting treatment of the unified transaction carried out.

Jointly controlled companies

A jointly controlled agreement is a contractual arrangement in which two or more counterparties have joint control.

Joint control is the sharing, on a contractual basis, of control of an arrangement, which exists only when the unanimous consent of all parties sharing control is required for decisions on the relevant activities. According to IFRS 11, jointly controlled arrangements are to be classified as joint operations or joint ventures according to the contractual rights and obligations held by the Group.

A joint operation is a jointly controlled arrangement in which the parties have rights to the assets and obligations for the liabilities of the arrangement. A joint venture is a jointly controlled arrangement in which the parties have rights to the net assets of the arrangement. These investments are valued according to the equity method.

As at 31 December 2024, there were no jointly controlled companies in the Group.

The Unified Extraordinary Reverse Merger of Fucino Green into E-Way Finance and the simultaneous non-proportional demerger of E-Way Finance into EWF-W, EWF-S, EWF-B and HoldCo, resulted in the

deconsolidation of Fucino Green and therefore the indirect deconsolidation of E-Way Finance and Rete Verde 20 (jointly controlled by Fucino Green, now wound up).

Structured entities

Pursuant to IFRS 12 paragraph B21, there are defined entities structured in such a way that voting or similar rights are not the predominant factor in determining who controls the entity.

Structured entities have all or some of the following characteristics:

- limited activities;
- a limited and well-defined corporate purpose;
- insufficient equity to allow the structured entity to finance its activities without subordinated financial support;
- financing from investors that create concentrations of credit or other risks (tranches).

The structured entities included in the Group's scope of consolidation are represented by the following Special Purpose Entities (SPE/SPV), established as part of securitisation transactions pursuant to Italian Law No. 130/1999:

- **Fucino RMBS S.r.l.**
- **Fucino SME 2.0 S.r.l.**

In such cases, in fact, regardless of the existence of an equity interest, the Parent Company is the holder of rights of a contractual nature ("credit enhancement") that give it, *de facto*, the power to conduct the relevant activities of the Special Purpose Vehicles (i.e. the securitised assets) and therefore to affect the returns of the transaction to which it is exposed.

2 Significant assessments and assumptions in determining the scope of consolidation

The scope of consolidation is determined in accordance with the provisions of the international accounting standard IFRS 10 Consolidated Financial Statements. According to the principle, the control requirement underlies the consolidation of all types of entities, including structured entities when the prerequisites are met, and is realised when an investor has at the same time:

- the power to make decisions on the relevant activities of the entity;
- is exposed to or benefits from variable returns from the relationship with the entity;
- has the ability to exercise their power to affect the amount of their returns (link between power and returns).

Thus, IFRS 10 states that, in order to have control, the investor must have the ability to direct the relevant activities of the entity, whether by operation of law or by mere fact, and must also be exposed to the variability of outcomes that results from that power.

The Group therefore consolidates all types of entities when all three elements of control are present.

Generally, when an entity is directed by voting rights, control results from holding more than half of the voting rights.

In other cases, the determination of the scope of consolidation requires consideration of all factors and circumstances that give the investor the practical ability to unilaterally conduct the relevant activities of the entity (*de facto* control). To this end, it is necessary to consider a number of factors, such as, but not limited to:

- the purpose and design of the entity;
- identification of relevant activities and the way in which they are managed;
- any rights held through contractual arrangements that confer the power to govern the relevant activities, such as the power to determine the financial and management policies of the entity, the power to exercise the majority of voting rights in the decision-making body, or the power to appoint or remove the majority of the decision-making body;
- any potential voting rights that can be exercised and are considered substantial;
- involvement in the entity in the role of agent or principal;
- the nature and dispersion of any rights held by other investors.

With reference to the Group's situation at the reporting date of these consolidated financial statements, all companies in which the Group holds the majority of voting rights at the ordinary shareholders' meeting are considered to be wholly owned subsidiaries, as there is no evidence that other investors have the practical ability to direct the relevant activities.

2.1 Consolidation methods

Full consolidation

Full consolidation consists of the acquisition "line by line" of the aggregates of the balance sheet and the profit and loss accounts of subsidiaries. After the allocation to third parties of their share of the equity and profit or loss, the value of the investment is written off against the residual value of the subsidiary's assets.

Differences resulting from this transaction, if positive, are recognised - after any allocation to assets or liabilities of the subsidiary - under intangible assets as goodwill or other intangible assets. Negative differences are charged to the profit and loss account.

Assets, liabilities, income and expenses between consolidated companies are fully eliminated.

Acquisitions of companies are accounted for in accordance with the "acquisition method" under IFRS 3, as amended by Regulation 495/2009, whereby the identifiable assets acquired and liabilities assumed (including contingent liabilities) must be recognised at their respective fair values at the acquisition date, which must be finalised within a maximum of twelve months from the acquisition date (the "measurement period"). In addition, for each business combination, any non-controlling interest in the acquired entity may be recognised at fair value or in proportion to the non-controlling interest's share of the acquired entity's identifiable net assets. Any excess of the consideration transferred (represented by the fair value of the assets sold, liabilities incurred and equity instruments issued) and the fair value of the minority interests over the fair value of the assets and liabilities acquired is recognised as goodwill; if the price is lower, the difference is charged to the profit and loss account.

The “acquisition method” is applied from the date of acquisition, i.e. the time when control of the acquired company is actually obtained. Therefore, the economic results of a subsidiary acquired during the reporting period are included in the consolidated financial statements from the date of its acquisition. Similarly, the results of operations of a transferred subsidiary are included in the consolidated financial statements up to the date on which control ceased.

The difference between the sale consideration and the carrying amount at the date of disposal (including exchange rate differences recognised in equity at the time of consolidation) is recorded in the profit and loss account.

The financial statements of the Parent Company and the other companies used to prepare the consolidated financial statements refer to the same date.

Consolidation using the equity method

Affiliated companies and jointly controlled companies are consolidated using the equity method. The equity method provides for the initial recognition of the investment at cost and its subsequent value adjustment based on the share of the investee company’s equity. Differences between the value of the equity investment and the shareholders’ equity of the relevant investee company are included in the carrying amount of the investee company. Potential voting rights are not taken into account when calculating the value of the relevant share. The share of the investee company’s results for the year is recognised in a specific item in the consolidated profit and loss account. If there is evidence that the value of an investment may have been impaired, the recoverable amount of the equity investment is estimated, taking into account the present value of the future cash flows that the investment may generate, including the final disposal value of the investment. If the recoverable amount is lower than the carrying amount, the difference is recognised in the profit and loss account.

3 Investments in wholly-owned subsidiaries with significant minority interests

At the date of these consolidated financial statements, there were no wholly-owned subsidiaries with significant minority interests.

4 Significant restrictions

At the reporting date of these consolidated financial statements, there were no legal or material constraints or restrictions that could hinder the rapid transfer of capital resources within the Group. The only constraints are those arising from regulatory provisions that may require the maintenance of a minimum amount of own funds, or from the provisions of the Italian Civil Code on distributable profits and reserves.

It should be noted that there are no protective rights held by minorities that would limit the Group’s ability to access or transfer assets between Group companies or settle Group liabilities.

5 Other information

The financial statements used as the basis for the line-by-line consolidation process are those referring to 31 December 2024, as approved by the competent bodies of the consolidated companies, adjusted, if necessary, to adapt them to the Group’s uniform accounting standards.

For the consolidation of associates, the most recent financial statements approved by the companies have been used.

SECTION 4 - EVENTS AFTER THE REPORTING DATE

Cassa di Risparmio di Orvieto Transaction

As a result of the competitive procedure initiated and conducted in the last four months of the 2024 financial year, on 27 January 2025 Banca del Fucino S.p.A. and Medio Credito Centrale - Banca del Mezzogiorno (“MCC”) signed the sale and purchase agreement for the acquisition by Banca del Fucino S.p.A. of the controlling equity interest in Cassa di Risparmio di Orvieto from MCC (equal to 85.3% of the relevant share capital). As of the date of drafting this document, the activities pertaining to and functional to the performance of the competent authorisation procedures at the (national and EU) Supervisory Authorities to which the synergy Transaction is, *inter alia*, subordinated are underway.

Review of the Business Plan

Following the Banking Group’s new development initiatives, the Parent Company appointed a leading advisor to assist it in the preparatory activities for drafting the Group’s new 2025- 2028 Business Plan. In particular, the new plan will be structured with the following key points in mind:

- strategic-industrial assessment and the macroeconomic context;
- analysis of the impacts connected to the above-mentioned extraordinary transaction with Cassa di Risparmio di Orvieto, with particular attention paid to the national and regional macroeconomic scenario, also taking into account the idiosyncratic dynamics linked to international tensions and inflationary trends;
- identification of possible evolutionary strategic scenarios including new initiatives resulting from the acquisition of CRO;
- funding strategies and supply channels;
- measures aimed at optimising operational efficiency in a certain logic of increasing productivity levels and cost reduction;
- analysis of capital requirements and industrial levers that can be activated.

Share capital increases pursuant to Article 5 of the Articles of Association

During 2025, the Board of Directors implemented the following capital increase transactions in accordance with Article 5 of the Articles of Association:

- At the meeting of 27 February 2025, a resolution was passed to increase the share capital by EUR 20,921,780,00, with the creation of a share premium reserve of EUR 9,578,220,00;
- At the meeting of 26 March 2025, a resolution was passed to increase the share capital increase by EUR 6,859,600.00, with the creation of a share premium reserve of EUR 3,140,400.00.

As a result of the aforementioned extraordinary transactions, the Parent Company's share capital amounted to EUR 260,046,877.06 as at the date of approval of these financial statements, divided into 151,639,889 shares with no par value indicated (Article 5.1 of the Articles of Association).

Vittoria IV securitisation

On 31 December 2024, a contract was signed for the sale of 100% of the senior class ABS securities held by the Bank denominated "Series IV Up to Euro 70,000,000 Class A Asset Backed Floating Rate Partly Paid Notes due November 2030". The same securities were sold on 15 January 2025.

Inspections of the Supervisory Authorities

By means of letter delivered by hand dated 18 February 2025, prot. No. 0367858/25, the Bank of Italy notified the Parent Company of the start of the inspection of the Group, pursuant to Articles 54 and 68 of Italian Legislative Decree No. 385/093.

The structures are providing extensive cooperation to the inspections, providing support and their availability to the requests received.

As of the date of approval of this document, the inspections are ongoing and there are no further significant events to report.

SECTION 5 - OTHER ASPECTS

Classification and assessment of loans to customers based on the general impairment model IFRS 9

In order to determine the IFRS 9 impairment losses on the customer loan portfolio as at 31 December 2024, conservative criteria were adopted, as the Group incorporated the “severe” macroeconomic scenario, which is worse than the “adverse” scenario previously used, into its IFRS 9 impairment model, keeping the probability of occurrence (20%) fixed within the model. In order to ensure greater consistency between the estimation of LGD and the adoption of the “adverse” macroeconomic scenario, it was decided to incorporate the reflections of this more conservative scenario on recovery and discounting times, with incremental effects on the loss given default (LGD) parameter calculated for the Private, Corporate and Small Business customer segments by the Cedacri LGD Econometric procedure. Specifically, for the purposes of calculating the expected loss as of 31 December 2024, the Group has therefore used the three scenarios (severe, base and best), appropriately averaging their contributions, in accordance with the assessment of a still highly variable future context and potential uncertainty mainly linked to the macro-financial repercussions of the Russian-Ukrainian conflict, the Israeli-Palestinian conflict and the tendency for greater uncertainty in the current international geopolitical framework.

In order to reflect, from a forward-looking perspective, the greater riskiness developed, as well as the uncertainty about the prospective dynamics of certain sectors of the economy most impacted by recent geopolitical tensions and ongoing conflicts, and in line with ECB regulations, the probability of default (PD) curves have been differentiated from a sectoral perspective, with effects on the calculation of expected losses. The evolution of the geo-sectoral treatment, through the use of specific curves for certain economic sectors, has helped to maintain conservative assessments of the sectors most affected by the effects of the aforementioned tensions, as well as to improve the degree of identification of exposures towards which more stable and robust criteria should be adopted.

Impairment test of goodwill

As required by IAS 36 “Impairment of Assets”, the Group has tested goodwill for impairment when preparing these financial statements as at 31 December 2024, as 12 months have elapsed since the previous assessment, taking into account the financial projections of the cash-generating units (CGUs) included in the Group’s business plan. The only goodwill not subject to impairment test is that generated by the GEOREDD business unit, as it was established in 2024, only 6 months ago.

New accounting standards/interpretations or amendments of existing ones approved by the IASB/IFRIC

The following is an illustration of the new accounting standards or amendments to existing standards approved by the IASB, as well as new interpretations or amendments to existing ones published by the IFRIC, with separate evidence of those applicable in the 2024 financial year and those applicable in subsequent financial years.

Accounting standards newly applicable as from 1 January 2024

During 2024, the following accounting standards, interpretations or amendments to existing accounting standards came into force:

- lease liabilities in a sale and leaseback transaction (Amendments to IFRS 16), endorsed on 20 November 2023 (Regulation (EU) 2023/2579). These amendments provide that, in applying the requirements for measuring lease liabilities in a sale and leaseback transaction, the seller-lessee shall determine the lease payments or revised lease payments in a manner that does not recognise any amount of gain or loss related to the right of use retained by the seller-lessee.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current and Classification of liabilities as current or non-current (Regulation (EU) 2023/2822) - On 23 January 2020, the IASB issued an amendment to IAS 1 “Classification of liabilities as current and non-current” to clarify that the classification of liabilities as current and non-current depends on the rights existing at the end of the reporting period. Its application, initially scheduled for the 2022 financial year, was first postponed to 1 January 2023, with the amendments approved by the IASB on 15 July 2020, and was finally postponed to 1 January 2024, with the amendments issued on 31 October 2022 “Non-current liabilities with Covenants”. The latter amendment provides that only those covenants that an entity is required to meet on or before the reporting date are likely to affect the classification of a liability as current or non-current. It is also required to disclose information in the notes to the financial statements that enables users of the financial statements to understand the risk that non-current liabilities with covenants may become repayable within 12 months.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Financing Arrangement (Regulation (EU) 2024/1317). The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures are intended to introduce new transparency requirements regarding supply chain financing arrangements (also referred to as “supply chain finance” or reverse factoring). The new requirements are intended to provide users of financial statements with information that enables them to assess the impact of such arrangements on an enterprise’s liabilities and cash flows, to understand their effect on the enterprise’s exposure to liquidity risk, and to understand how the enterprise may be affected by the possible unavailability of such arrangements. The changes introduced by Regulation No. 1317 of 15 May 2024 affect the entities that, as purchasers, enter into the financing agreements and not the lenders. Therefore, the case is not of direct interest to the Group.

The entry into force of these new accounting standards, amendments or interpretations did not have a significant impact on the balances recognised in the Balance Sheet and the Profit and Loss Account. As of 31 December 2024, no accounting standards applicable to financial statements as of 1 January 2025 have been endorsed by the European Commission.

Accounting standards not yet approved that will come into effect in future financial years

Finally, as at 31 December 2024, the IASB had issued the following accounting standards, interpretations or amendments to existing accounting standards, the application of which is, however, subject to completion of the endorsement process by the competent bodies of the European Union:

- IFRS 14 Regulatory deferral accounts - issued in January 2014 - Endorsement process suspended pending the new accounting standard on rate-regulated activities;
- IFRS 18 Financial Statement Presentation and Disclosure (issued 9 April 2024);
- Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”: Lack of Exchangeability published by the IASB on 15 August 2023 (2024/2862). The Amendments arose from a request submitted to the IFRS Interpretations Committee concerning the determination of the exchange rate when one currency cannot be converted into another, which led to differences in practice. The Amendments introduce requirements to determine when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it determines that a currency is not exchangeable into another currency. The amendments will apply from 1 January 2025. Earlier application is permitted;
- IFRS 19 Subsidiaries without public accountability: Disclosures (issued 9 May 2024);
- amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7) (issued 30 May 2024);
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28) - issued in September 2014 - Endorsement process suspended pending the conclusion of the IASB project on the equity method.

The aforementioned amendments are not expected to have any impact on the Group’s financial position.

Final Agenda Decisions

The following are the final agenda decisions published by the IFRS Interpretation Committee (IFRS IC) in 2024:

- IAS 27 - Merger between a parent and its subsidiary in separate financial statements - 23 January 2024;
- IFRS 3 - Payments contingent on continued employment during handover periods - 29 April 2024;
- IAS 37 - climate-related commitments - 29 April 2024;
- IFRS 8 - Disclosure of revenues and expenses for reportable segments - 29 July 2024.

The aforementioned interpretations are not expected to have any impact on the Group’s financial position.

Statutory audit of accounts

The financial statements as at 31 December 2024 have been audited by PricewaterhouseCoopers S.p.A. in view of the statutory audit engagement entrusted to it by the Parent Company for the nine-year period 2024-2032.

Transfer of the “Tax Bonus” tax credit - Italian Law No. 77 of 17 July 2020

In order to counter the negative economic effects resulting from the spread of the Covid-19 pandemic, with Italian Law No. 77 of 17 July 2020, converting with amendments the so-called “Relaunch Decree-Law” (*Decreto Rilancio*), the Italian Government issued a series of measures that, among others, allow, under certain conditions, to benefit from a tax deduction for expenses incurred on certain cases.

The law also allows the taxpayer to opt, instead of directly benefiting from the deduction, to assign the corresponding tax credit to other entities, including credit institutions and financial intermediaries who, in turn, may make subsequent assignments.

In relation to the accounting framework to be adopted in the financial statements of the assignee, there is no single reference framework, due to the particular and new characteristics of the instrument in question. In particular, the case in question:

- does not fall within the scope of IAS 12 “Income Taxes” because it cannot be assimilated among the taxes that affect the company’s ability to produce income;
- does not fall within the scope of the definition of government grants according to IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance” because the ownership of the tax credit arises only after payment of a consideration to the assignor;
- does not fall under IFRS 9 “Financial Instruments” because the tax credits acquired do not originate from a contract between the assignee and the Italian State;
- does not fall under IAS 38 “Intangible Assets”, as the tax credits in question can be considered as monetary assets, allowing for the payment of tax debts usually settled in cash.

The tax credit in question therefore represents a case not explicitly dealt with by an IAS/IFRS accounting standard, and as such requires reference to the provisions of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, and in particular the need for the reporting entity to define an accounting treatment that reflects the economic substance and not merely the form of the transaction and that is neutral, prudent and complete.

These receivables are shown under the residual item “130. Other Assets”, as they do not represent, under international accounting standards, tax assets, public grants, intangible assets or financial assets, in line with what is represented in Banca d’Italia/Consob/Ivass Document No. 9 (“Accounting treatment of tax credits related to the “Cure Italy” and “Relaunch” Decree-Laws acquired following disposal by direct beneficiaries or previous purchasers”). Accrued fees, based on the amortised cost criterion, are recognised in the item of the profit and loss account “10. Interest and similar income”.

The approach followed, with particular reference to the application of accounting standard IFRS 9, is the one identified by both the Italian Accounting Standards Board (OIC) and the aforementioned joint Document. Tax credits are, in fact, substantially similar to a financial asset in that they can be used to offset a debt usually paid in cash (tax debts), as well as being exchanged for other financial assets. The condition to be met is that the tax credits themselves can be framed in an entity’s business model. In the case of the Group, the business model Hold To Collect, or Trading was chosen, depending on whether the intention is to hold these receivables until maturity or to sell them to third party assignees.

The Group started this operation as early as 2021. The Board of Directors has authorised the relevant company departments to complete transactions for the purchase of tax credits up to the amount available in the financial statements in terms of internal offsetting and exceeding this amount only if the plafonds have been made available in advance by third-party assignees authorised to do so.

In order to expand the range of services offered to current and potential customers by seizing the business opportunities offered by the market, the Boards of Directors of the Group's Banks resolved to start operations in the segment of the assignment to the Bank of the tax credit deriving from the 110% Superbonus and other so-called minor tax bonuses⁷. To this end, the Group has adopted a specific internal policy governing both the purchase of tax credits for internal offsetting purposes and the purchase of tax credits to be sold to third-party assignees up to the amount of the plafonds made available by the latter.

The Parent Company operates for certain types of tax credits, which exceed the offsetting ceiling, in an "Other- Trading" business model. As part of this business model, the Parent Company entered into framework agreements for the assignment of Tax Credits, as assignor, with corporate and/or financial institutions for trading purposes and, therefore, valued the underlying credits at fair value through profit and loss (FVTPL).

Also as part of this trading business model, the Bank has entered into specific framework transfer agreements between the Parent Company, as assignor, and corporate companies or financial institutions, as assignees. Generally speaking, such framework agreements represent sales contracts without recourse (*pro soluto*) with a commitment by both parties to sell/acquire the tax credits at a future date, within a defined time period, and at a predetermined sales price.

In this regard, it should be noted that the Bank of Italy issued on 24 July 2023 an update to its clarifications issued on 5 January 2021 concerning the prudential treatment of tax credits related to the "Relaunch" and "Cure Italy" decrees and subsequent amendments and additions.

In particular, this note, entitled "Credit Risk - Standardised Method and IRB", has been updated to provide some clarifications on the prudential treatment of tax credits applicable in the case of the purchase of tax credits for the purpose of resale to third parties on the basis of agreements specifically entered into with them.

The updated note highlights, in fact, how the activity of purchasing tax credits for the purpose of resale to third parties (so-called "active management") denotes an intent to trade such credits that exposes the bank to additional risks. By outlining the ways in which such trading activities can be conducted, the note examines the prudential treatment of a possible operational scenario involving the purchase of tax credits that exceed the bank's current and prospective tax liability towards the Treasury and the conclusion of resale agreements with third-party counterparties. In this regard, the Bank of Italy requires that banks intending to adopt this strategy include tax credits purchased in excess of the tax plafond and the related resale contracts to third parties in the supervisory trading book; the provisions of the trading book and market risk rules (i.e. generic risk for instruments exposed to interest rate risk and specific risk) apply to all such positions.

⁷ For Igea Digital Bank, activities followed until 29 September 2022

For this purpose, resale contracts are treated as derivative contracts and are therefore also subject to the provisions for counterparty risks. With reference, in particular, to the aforementioned derivative contracts, the note points out that the type of derivative may vary in relation to the contractual clauses: by way of example, an irrevocable resale contract binding on both parties is treated as a forward derivative, whereas a conditional resale contract is treated as a short position on a call option.

For the treatment of cases other than the case described above, the Bank of Italy is careful to specify that banks should apply similar principles, having regard to the economic substance of the business conducted and the risks arising therefrom. The Parent Company also reflected this prudential approach in its accounts.

Given the provisions of the Joint Document issued by the Bank of Italy, Consob and Ivass and the assimilation (in substance) of tax credits to financial assets, it is considered that resale framework agreements are accounted for as derivative contracts, since the underlying assets are tax credits classified by analogy as financial items. Therefore, the three characteristics that characterise a derivative instrument appear to be present, namely:

- a) the value of the instrument varies as a result of the change in a given interest rate, the price of a given financial instrument, the price of a given commodity, a given exchange rate, price or rate index, credit rating or credit index or other variable, provided that, in the case of a non-financial variable, that variable is not specific to one of the parties to the contract (i.e. the “underlying”);
- b) does not require an initial net investment or requires a smaller initial net investment than other types of contract from which one would expect a similar response to changes in market factors would be expected;
- c) is settled at a future date.

Therefore, as part of a trading business model involving such third-party resale agreements, the Parent Company has measured the Tax Credits acquired at their fair value and, at the same time, has recognised derivatives as financial assets/liabilities held for trading at FVTPL, calculated on the basis of the contractual provisions of the third-party resale agreements entered into. The fair values of these instruments are estimated by the Bank from time to time based on the valuation methodology it has adopted.

Accordingly, it follows that:

- upon initial recognition, the fair value of the tax credit is equal to the purchase price of the receivables covered by the transaction;
- in the fair value hierarchy of IFRS 13, the fair value level is assimilated to a level 3, as there are currently no active markets or comparable transactions;
- The purchase price of tax credits discounts both the time value of money and the ability to use it within the relevant time horizon;
- Subsequent accounting of financial assets takes place at amortised cost (in an HTC business model), using an effective interest rate determined at inception, such that the discounted cash flows associated with expected future compensation, estimated over the expected life of the tax credit, equal the purchase price of the same credits;
- by using the amortised cost method, cash flow estimates are periodically reviewed and the gross

carrying amount of the financial asset is adjusted to reflect actual and restated cash flows. In making these adjustments, new cash flows are discounted at the original effective interest rate. This accounting therefore allows for income to be recognised during the life of that tax credit, as well as for any losses from the transaction to be recognised immediately;

- In the event that estimates of the utilisation of the tax credit by offsetting are revised, the gross carrying amount of the tax credit is adjusted to reflect the estimated, actual and restated utilisations;
- the reference business model at Group level, for credits purchased with the intention of holding them until maturity, as mentioned above, is the Hold to Collect (HTC), offsetting them against tax credits over five to ten years; this consideration is always verified if the transferee bank's purchases fall within the plafond limits;
- SPPI Test: The mechanism of offsetting in fifths ensures that the test is passed, as each offset fifth is assimilated to a constant cash flow, which includes a capital portion and an implicit interest portion (French amortisation), where the interest portion is determined on the basis of an internal rate of return of the transaction determined at the outset and no longer modified;

for the Tax Credits held by the Parent Company under the Other/Trading business model, the purpose of the purchase of these credits is to sell them to third-party counterparties, thus aiming at an active management of these credits. These Tax Credits are recognised at FVTPL on a time-by-time basis, with consequent recognition of the economic components of the delta fair value and any gain/loss from the sale to be recognised in profit or loss account. With reference to the agreements for resale to third parties entered into by the Parent Company in exchange for the chosen active management, the Bank recognises these agreements as derivative financial instruments based on the specific contractual provisions governing the relationship between the selling Bank and the third-party purchaser. Based on the analysis of the contractual clauses in each agreement, the Bank recognises the derivative as a financial asset/liability at FVTPL held for trading on a time-by-time basis.

Regulatory updates pursuant to Decree-Law No. 39 of 29 March 2024 on tax credits.

Italian Decree-Law No. 39 of 29 March 2024 made changes to the legal framework on the operation of tax credits, specifically with regard to tax benefits and the treatment of tax credits. Particularly noteworthy is what is dealt with in Article 4 *bis* "Measures for rationalisation and coordination of tax concessions in the construction sector", a brief extract of which is given below:

- [...] the set-off, pursuant to Article 17 of Legislative Decree No. 241 of 9 July 1997, of tax credits deriving from the exercise of the options referred to in Article 121(1)(a) and (b) of Decree-Law No 34 of 19 May 2020, converted, with amendments, by Law No 77 of 17 July 2020, with the debts referred to in Article 17(2)(e), (f) and (g) of the aforementioned Legislative Decree No 241 of 1997 is not allowed.)) [...], i.e. the prohibition for Banks of offsetting social security contributions;
- [...] The portion of the tax credit not used in the year cannot be used in subsequent years and cannot be claimed back. The instalments of tax credits resulting from the new apportionment referred to in the preceding paragraphs may not be assigned to other parties or further apportioned. The provisions of the preceding paragraphs do not apply to persons who have acquired the instalments of the

aforesaid credits at a price equal to or exceeding 75 per cent of the amount of the corresponding deductions [...]. This point refers to the prohibition of selling to third parties credits purchased at a price lower than 75% of the nominal value of such credit.

As a result of the above, the potential effects of the decree could be reflected in the following two factors:

- decrease in the offsetting capacity due to the inability to use social security contributions (pursuant to Article 121(1)(a) and (b) of Decree-Law No. 34 of 19 May 2020, as subsequently amended);
- increase in credits held for the purpose of offsetting from tax credits in the original trading business model and thus to be allocated to offsetting because they were originally acquired below the 75% threshold.

With regard to the accounting aspects relating to the changes and updates brought about by the aforementioned Decree, the Parent Company carried out analyses to identify the correct accounting treatment of receivables purchased with a price <75%, originally recognised in the Other/Trading (Trading) business model, performing a de-recognition of these receivables measured at Fair Value and an initial recognition at amortised cost, according to the dictates of IFRS).

The impossibility of assigning acquired loans below 75% of their nominal value to third party assignees represents a change to the reference regulatory framework that entails two particularly impactful effects for the Bank:

- the change in the expected cash flows for credits that can no longer be assigned, in terms of IRR;
- the change in the timing of the expected cash flows, which are longer once they have been allocated to offsetting.

The acquired credits were, in fact, intended to be assigned in 4 years, the new decree increases the possible offsetting of these instalments to 6 years, and this entails a change in cash flows.

On the basis of the provisions of the Decree, at the current state of the art and based on the offsetting capacity estimates carried out to date, the Group, and in particular the Parent Company, has a offsetable amount - from 2025, the year in which the Decree becomes applicable, to 2033 - in excess of the value of receivables held for offsetting purposes (including both receivables originally acquired for this purpose and those acquired below the 75% threshold and consequently no longer assignable).

Contributions to deposit guarantee schemes and Resolution mechanisms

Following the transposition into national law of Directive 2014/49/EU (Deposit Guarantee Schemes Directive - “DGSD”) of 16 April 2014 and Directive 2014/59/EU (Bank Recovery and Resolution Directive - “BRRD”) of 15 May 2014, as of the 2015 financial year, credit institutions are obliged to provide the financial resources necessary to finance the Interbank Deposit Protection Fund (FITD) and the National Resolution Fund (merged into the Single Resolution Fund (FRU) as of 2016) through ordinary *ex-ante* contributions to be paid annually, until target levels of 0.8% of the protected deposits of member banks are reached by 3 July 2024 for the Interbank Fund and 1% of the same aggregate by 31 December 2024 for the Resolution Fund.

Should the available financial means of the FITD and/or the FRU prove insufficient, respectively, to guarantee the repayment of protected depositors or to finance the resolution, it is envisaged that credit institutions will have to make extraordinary contributions.

Contributions are recognised in the profit and loss account item “190. Administrative Expenses: b) Other Administrative Expenses” in application of IFRIC Interpretation 21 “Levies”, according to which a liability relating to the payment of a levy arises at the moment when the so-called “obligating event” occurs, i.e. when the obligation to pay the annual fee arises.

In the present case, from an accounting standpoint, the contributions are considered to be similar to a le and the moment of the occurrence of the “obligating event” has been identified as the first quarter for the FRU (1 January of each financial year) and the third quarter for the FITD (30 September of each financial year). For further details, please refer to “Section 12 - Administrative expenses - Item 190”.

PART A.2 - PART RELATING TO THE MAIN FINANCIAL STATEMENTS ITEMS

1. Financial assets at fair value through profit or loss

Recognition criteria

The initial recognition of financial assets takes place on the settlement date for debt securities, equity securities and UCITS units, on the disbursement date for loans, and on the signing date for derivative contracts. Upon initial recognition, financial assets at fair value through profit or loss are recognised at fair value, which normally corresponds to the consideration paid, without considering transaction costs or income directly attributable to the financial instrument, which are recognised in the profit or loss account.

Classification criteria

Financial assets other than those classified as financial assets at fair value through other comprehensive income and financial assets measured at amortised cost are classified in this category. This item, in particular, includes:

- financial assets held for trading, mainly consisting of debt and equity securities and the positive value of derivative contracts held for trading;
- financial assets that must be measured at fair value, represented by financial assets that do not meet the requirements for measurement at amortised cost or fair value through other comprehensive income. These are financial assets whose contractual terms do not exclusively provide for repayments of principal and interest payments on the principal amount to be repaid (“SPPI test” failed) or which are not held as part of a business model whose objective is the holding of assets for the purpose of collecting contractual cash flows (“Hold to Collect” Business Model) or whose objective is achieved by both collecting contractual cash flows and selling financial assets (“Hold to Collect and Sell” Business Model);
- financial assets designated at fair value, i.e., financial assets so defined upon initial recognition and where the conditions are met. In this case, an entity may irrevocably designate a financial asset as measured at fair value through profit or loss if, and only if, doing so eliminates or significantly reduces a measurement inconsistency.

Therefore, the following are recognised under this item:

- debt securities and loans that are included in an Other/Trading business model (i.e., not attributable to the Hold to Collect or Hold to Collect and Sell business models) or that do not pass the SPPI test, including portions of syndicated loans that from the outset, are intended to be sold and that are not attributable to a Hold to Collect and Sell Business Model;
- equity instruments - not qualifying as control, significant influence or joint control - held for trading purposes or for which, upon initial recognition, fair value through other comprehensive income was not selected;
- units in UCITSs.

Valuation criteria

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. The effects of applying this valuation criterion are charged to the Profit and Loss Account.

Market prices are used to determine the fair value of financial instruments listed on an active market.

In the absence of an active market, commonly adopted estimation methods and valuation models are used, which take into account all risk factors related to the instruments and are based on market data such as:

- valuation of listed instruments with similar characteristics,
- discounted cash flow calculations,
- option pricing models,
- values observed in recent comparable transactions, etc.

For equity securities and for derivative instruments involving equity securities that are not listed on an active market, the cost criterion is used as an estimate of fair value only on a residual basis and limited to a few circumstances, i.e. where all the valuation methods referred to above are not applicable, or where there is a wide range of possible fair value measurements, in which cost represents the most significant estimate.

Derecognition criteria

Financial assets are derecognised in the financial statements if the disposal has resulted in the substantial transfer of all risks and rewards associated with the assets themselves. On the other hand, if a material share of the risks and rewards of the transferred financial assets has been retained, they continue to be recognised in the financial statements, even though legal ownership of the assets has been effectively transferred.

In the event that the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is retained over them. Otherwise, the retention of such control, even partially, requires that the assets continue to be recognised in the financial statements to an extent equal to the residual involvement, measured by exposure to changes in the value of the assets transferred and to changes in their cash flows.

Finally, transferred financial assets are derecognised if the contractual rights to receive the related cash flows are retained, with the simultaneous assumption of an obligation to pay those flows, and only those flows, without material delay to other third parties.

Criteria for recognising income components

Gains and losses from trading and valuation gains and losses from the trading book, including derivatives associated with financial assets/liabilities designated at fair value, are recognised in the profit and loss account under item “80. Net result from trading activities”; the same economic effects relating to financial assets designated at fair value and those mandatorily measured at fair value are recorded under item “110. Net result of other financial assets and liabilities at fair value through profit or loss”.

Reclassification criteria

Financial assets at fair value through profit or loss, other than equity securities, can be reclassified into the accounting categories of “Financial assets measured at fair value through profit or loss and “Financial assets measured at amortised cost”. This reclassification may occur in the very rare circumstance where an entity decides to change its business model for managing financial assets. The transfer value is the fair value at the date of reclassification, with prospective effects from that date. In this case, the effective interest rate of the reclassified financial asset is determined on the basis of its fair value at the date of reclassification, which is the date of initial recognition for the allocation of the different stages of credit risk (so-called stage assignment) for impairment purposes.

2. Financial assets measured at fair value through other comprehensive income

Recognition criteria

The initial recognition of financial assets takes place on the settlement date for debt and equity securities and on the disbursement date for loans. Upon initial recognition, assets are recognised at fair value, including transaction costs or income directly attributable to the instrument itself.

Classification criteria

Financial assets that meet both of the following conditions are included in this category:

- the financial asset is held according to a business model whose objective is achieved both through the collection of contractually agreed cash flows and through sale (“Hold to Collect and Sell” Business model), and
- the contractual terms of the financial asset provide, at certain dates, for cash flows consisting solely of payments of principal and interest on the amount of principal to be repaid (i.e. “SPPI test” passed).

This item also includes equity instruments, which are not held for trading, for which at the time of initial recognition the option to designate them at fair value through other comprehensive income was exercised. This option is exercisable at the time of the initial recognition of the individual instrument and is irrevocable. In particular, this item includes:

- debt securities that are attributable to a Hold to Collect and Sell business model and have passed the SPPI test;
- equity interests that do not qualify as control, significant influence and joint control, that are not held for trading purposes, for which the option to designate at fair value through other comprehensive income has been exercised;
- loans that are attributable to a Hold to Collect and Sell business model and that have passed the SPPI test, including the portions of syndicated loans underwritten that, from inception, are earmarked for sale and that are attributable to a Hold to Collect and Sell business model.

Valuation criteria

After initial recognition, assets classified at fair value through other comprehensive income, other than equity securities, are measured at fair value, with the effects of applying amortised cost, impairment and any exchange rate effects recognised in the Profit and Loss Account, while other gains or losses arising from changes in fair value are recognised in a specific equity reserve until the financial asset is derecognised. Upon total or partial disposal, the cumulative gain or loss in the valuation reserve is reversed, in whole or in part, to the Profit and Loss Account.

The equity instruments selected for classification in this category are measured at fair value, and the amounts recognised in equity (Statement of Comprehensive Income) must not be subsequently transferred to the profit and loss account, even in the event of disposal. The only component attributable to the equity securities in question that is recognised in the profit and loss account is the related dividends.

Fair value is determined on the basis of the criteria already illustrated for Financial Assets at Fair Value through Profit or Loss. For equity securities included in this category, which are not listed on an active market, the cost criterion is used as an estimate of fair value only on a residual basis and limited to a few circumstances, i.e. in the event of non-applicability of all the valuation methods referred to above, or in the presence of a wide range of possible fair value measurements, within which cost represents the most significant estimate.

For further information on the criteria for determining fair value, please refer to Section “A.4 Fair Value Disclosures” in Part A of the Notes to the Consolidated Financial Statements.

Derecognition criteria

Financial assets are derecognised in the financial statements if the disposal has resulted in the substantial transfer of all risks and rewards associated with the assets themselves. On the other hand, if a material share of the risks and rewards of the transferred financial assets has been retained, they continue to be recognised in the financial statements, even though legal ownership of the assets has been effectively transferred.

In the event that the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is retained over them. Otherwise, the retention of such control, even partially, requires that the assets continue to be recognised in the financial statements to an extent equal to the residual involvement, measured by exposure to changes in the value of the assets transferred and to changes in their cash flows.

Finally, transferred financial assets are derecognised if the contractual rights to receive the related cash flows are retained, with the simultaneous assumption of an obligation to pay those flows, and only those flows, without material delay to other third parties.

Criteria for recognising income components

Following initial recognition, financial assets classified at fair value through other comprehensive income, represented by debt securities and loans, continue to be measured at fair value, with the interest portion recognised in the profit and loss account on an effective interest rate basis, together with the effects of

exchange rate revaluation and expected losses (impairment). Gains or losses arising from fair value measurement are recognised in a specific equity reserve, which will be recycled to the profit and loss account when the financial asset is derecognised.

In particular, at each financial statement closing or interim reporting date, the aforementioned assets are subject to impairment testing in order to estimate Expected Credit Losses, based on the impairment model also used for “Financial assets measured at amortised cost”. These adjustments are recorded in the profit and loss account under item “130. Net adjustments/write-backs for credit risk”, with a counter-entry in the specific equity valuation reserve (“120. Valuation reserves”); the same applies to recoveries of part or all of the write-downs made in previous financial years.

Equity instruments for which classification in this category has been opted for are measured at fair value; gains and losses arising from fair value measurement are recognised with a counter-entry in a specific equity reserve (“120. Valuation reserves”). These reserves will never be recycled in the profit and loss account even if they are realised through the sale of the business; in such a case, it will be necessary to reclassify them to another equity item (“150. Reserves”). No write-down in the profit and loss account is envisaged for these assets, as they are not subject to any impairment process. In fact, the only component recognised in the profit and loss account is dividends received.

For the methods used to determine fair value, please refer to the criteria already illustrated for “Financial assets at fair value through profit or loss” and to “Part A.4 - Fair Value Disclosures” below.

Reclassification criteria

Financial assets at fair value through profit or loss, other than equity securities, may be reclassified into the accounting categories of “Financial assets at fair value through profit or loss” and “Financial assets at amortised cost”. This reclassification may occur in the very rare circumstance where an entity decides to change its business model for managing financial assets. The transfer value is the fair value at the date of reclassification, with prospective effects from that date.

In the case of reclassification to “Financial assets measured at amortised cost”, the cumulative gain/loss in the valuation reserve is eliminated against an adjustment to the fair value of the financial asset at the date of reclassification.

In the case of reclassification to “Financial assets at fair value through profit or loss”, the cumulative gain/loss in the valuation reserve is reclassified from shareholders’ equity to profit or loss.

3. Financial assets measured at amortised cost

Recognition criteria

Financial assets are initially recognised on the settlement date in the case of debt securities and on the disbursement date in the case of loans. Upon initial recognition, assets are recognised at fair value, including transaction costs or income directly attributable to the instrument itself.

In particular, with regard to loans, the disbursement date normally coincides with the date the contract is signed. If this coincidence does not occur, a commitment to disburse funds is recognised when the contract is signed and closes on the date the loan is disbursed. The loan is recognised on the basis of its fair value, which is equal to the amount disbursed, or subscription price, including costs/income directly attributable to the individual loan and determinable from the origin of the transaction, even if settled at a later date.

Costs which, although having the above-mentioned characteristics, are reimbursed by the debtor counterparty or fall under normal internal administrative costs are excluded.

Classification criteria

This category includes financial assets (particularly loans and debt securities) that meet both of the following conditions

- the financial asset is held according to a business model whose objective is achieved through the collection of contractually agreed cash flows (“Hold to Collect” business model);
- the contractual terms of the financial asset provide, at certain dates, for cash flows consisting solely of payments of principal and interest on the amount of principal to be repaid (i.e. “SPPI test” passed).

More specifically, the following are recognised under this item:

- loans to banks in the various technical forms that meet the requirements set out in the previous paragraph;
- loans to customers in the various technical forms that meet the requirements set out in the previous paragraph;
- debt securities that meet the requirements set out in the previous paragraph.

This item also includes receivables arising from finance leases that, in accordance with IFRS 16, are recognised as a receivable insofar as they transfer risks and rewards to the lessee, including values referring to assets waiting to be granted under finance lease, including buildings under construction.

Also included are “Repurchase Agreements” with the obligation to sell the securities forward and “Securities Lending” transactions with the cash collateral placed at the full disposal of the lender, for the amount corresponding to the spot price, if the characteristics of these transactions are such that they do not result in the security being carried or lent being recognised as a receivable, since no risks and rewards are acquired.

Finally, this category includes operating receivables associated with the provision of financial activities and services as defined in the Italian Consolidated Law on Banking (T.U.B.) and the Italian Consolidated Law on Finance (T.U.F.) (e.g. for distribution of financial products and servicing activities).

Valuation criteria

After initial recognition, the financial assets under review are measured at amortised cost, using the effective interest rate method. In these terms, the asset is recognised in the balance sheet at an amount equal to its initial recognition value less principal repayments, plus or minus the cumulative amortisation (calculated using the effective interest rate method referred to above) of the difference between this initial amount and the amount at maturity (typically attributable to costs/income charged directly to the individual asset) and adjusted for any provision to cover losses. The effective interest rate is identified by calculating the rate that

equals the present value of the future cash flows of the asset, for principal and interest, to the amount disbursed including costs/income attributable to the financial asset. This method of accounting, using a financial logic, allows the economic effect of costs/income directly attributable to a financial asset to be distributed over its expected residual life.

The amortised cost method is not used for assets - valued at historical cost - whose short duration makes the effect of applying the discounting logic negligible, for those without a defined maturity and for revocable loans.

The valuation criteria are closely linked to the inclusion of the instruments under consideration in one of the three stages (credit risk stages) provided for by IFRS 9, the last of which (stage 3) comprises impaired financial assets and the remaining ones (stages 1 and 2) performing financial assets.

With reference to the accounting representation of the above valuation effects, the value adjustments referring to this type of asset are recognised in the Profit and Loss Account:

- at the time of initial registration, in an amount equal to the expected twelve-month loss;
- at the time of the subsequent valuation of the asset, where the credit risk has not significantly increased since initial recognition, in relation to changes in the amount of expected loss adjustments over the following twelve months;
- upon subsequent valuation of the asset, if the credit risk has increased significantly since initial recognition, in relation to the recognition of value adjustments for expected losses relating to the entire remaining contractual life of the asset;
- at the time of the subsequent valuation of the asset, where - after there has been a significant increase in credit risk with respect to initial recognition - the “materiality” of that increase has then ceased to exist, in connection with the adjustment of cumulative value adjustments to take account of the change from an expected loss over the entire residual life of the instrument (“lifetime”) to one at twelve months.

The financial assets in question, if performing, are subject to an assessment, aimed at defining the value adjustments to be recognised in the financial statements, at the level of the individual loan relationship (or “tranche” of security), according to the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD).

If, in addition to a significant increase in credit risk, there is also objective evidence of impairment, the amount of the loss is measured as the difference between the carrying amount of the asset - classified as “impaired”, like all other relationships with the same counterparty - and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the loss, to be recognised in the Profit and Loss Account, is defined on the basis of an analytical valuation process or determined by homogeneous categories and, therefore, attributed analytically to each position and takes into account forward-looking information and possible alternative recovery scenarios.

Impaired assets include financial instruments that have been assigned the status of non-performing, probable default or past due for more than 90 days according to Bank of Italy rules, in accordance with IAS/IFRS and European Supervisory provisions.

The expected cash flows take into account the expected recovery times and the presumed realisable value of any collateral.

The original effective rate of each asset remains unchanged over time even if there has been a restructuring of the relationship resulting in a change in the contractual rate and even if the relationship becomes, in practice, non-interest bearing.

If the reasons for the impairment loss are removed as a result of an event occurring after the impairment was recognised, a write-back of the impairment loss is recognised in the Profit and Loss Account. The write-back cannot exceed the amortised cost that the financial instrument would have had in the absence of previous adjustments.

Write-backs related to the passage of time are recognised in net interest margin.

In some cases, during the life of the financial assets under consideration, and in particular loans, the original contractual terms are subsequently amended by agreement between the parties to the contract. When, during the life of an instrument, the contractual terms are changed, it is necessary to determine whether the original asset should continue to be recognised in the financial statements or whether, on the contrary, the original instrument should be derecognised and a new financial instrument should be recognised.

In general, changes in a financial asset entail its derecognition and the recognition of a new asset when they are “material”. The assessment as to the “materiality” of the change must be made by considering both qualitative and quantitative elements. In some cases, it may be clear, without resorting to complex analyses, that the changes introduced substantially alter the characteristics and/or contractual flows of a given activity, while in other cases, further analyses (including quantitative analyses) will need to be carried out to assess the effects of the changes and verify whether or not it is necessary to derecognise the activity and recognise a new financial instrument.

Qualitative and quantitative analyses aimed at defining the “materiality” of contractual changes made to a financial asset must therefore take into account:

- the purposes for which the changes were made e.g. renegotiations for commercial reasons and forbearance measures due to financial difficulties of the counterparty. The former, which are aimed at “retaining” the customer, involve a debtor who is not in financial difficulty. This includes all renegotiation transactions that are aimed at adjusting the onerousness of the debt to market conditions. Such transactions entail a change in the original terms of the contract, usually requested by the debtor, which relates to aspects related to the onerousness of the debt, with a consequent economic benefit for the debtor. As a general rule, it is considered that whenever the bank renegotiates in order to avoid losing its customer, such renegotiation should be regarded as material because, if it were not carried out, the customer would be able to obtain financing from another intermediary, and the bank would suffer a decrease in expected future revenues. The latter, carried out for “credit risk reasons” (forbearance measures), are attributable to the bank’s attempt to maximise the cash flow recovery of the original loan. The underlying risks and rewards, after modification, are usually not substantially transferred and, consequently, the accounting representation that provides the most relevant information for the reader of the financial statements

is that made through “modification accounting” - which implies the recognition in the profit and loss account of the difference between the carrying amount and the present value of the modified cash flows discounted at the original interest rate;

- the presence of specific objective elements (“triggers”) affecting the characteristics and/or contractual flows of the financial instrument (such as, by way of example only, a change of currency or a change in the type of risk to which one is exposed, when correlated to equity and commodity parameters), which are deemed to lead to derecognition in consideration of their impact (expected to be significant) on the original contractual flows.

For further information, please refer to *Section 16 - Other Information, Impairment Method*

Derecognition criteria

Financial assets measured at amortised cost are derecognised when the contractual rights to the cash flows of funds from them expire or when the financial asset is sold, thereby transferring substantially all the risks and rewards associated with it.

When it is not possible to ascertain the substantial transfer of risks and rewards, financial assets are derecognised from the financial statements if the control over them has not been retained. If, on the other hand, control has not been retained, even partially, it is necessary for the assets to continue being recognised on the financial statements to the extent of the residual involvement, which is measured by exposure to changes in the value of the assets transferred and changes in their cash flows.

Securities delivered as part of a transaction that contractually provides for their repurchase are not derecognised from the financial statements.

If the contractual cash flows of a financial asset are subject to renegotiation or modification, in accordance with IFRS 9, it is necessary to assess whether the aforementioned modifications have the characteristics to determine whether or not to derecognise the financial asset. More specifically, contractual modifications result in the financials asset being derecognised and a new one being recognised where they are deemed to be material. In order to assess the materiality of the modification, a qualitative analysis must be carried out on the reasons for which the modifications were made. In this respect, a distinction is made between:

- renegotiations made for commercial purposes to performing customers for reasons other than the debtor’s economic and financial difficulties. These are renegotiations that are granted, at market conditions, to avoid losing customers in cases in which they request that the cost of the loan be adjusted to the conditions applied by other banks. These types of contractual changes are considered to be material, as they are intended to prevent a reduction in future revenues that would occur if the customer decided to switch to another operator. They entail the recognition in the profit and loss account of any differences between the carrying amount of the derecognized financial asset and the carrying amount of the new recognised asset;
- renegotiations due to financial difficulties of the counterparty: these include forbearance measures granted to counterparties in financial difficulty that aim to maximise the repayment of the original loan by the customer and thus avoid or contain possible future losses, through the granting of contractual terms that are potentially more favourable to the counterparty. In such cases, the change

is usually closely related to the debtor's inability to repay the cash flows originally established and, therefore, if no other factors are present, this indicates that there has been no substantial extinction of the original cash flows that would lead to the asset being derecognised. Consequently, the aforementioned renegotiations or contractual amendments qualify as being non-material. Therefore, they do not lead to the derecognition of the financial asset and, according to Paragraph 5.4.3 of IFRS 9, result in the difference between the carrying amount before the modification and the value of the recalculated financial asset, discounted at the original effective interest rate, being recognised in the profit and loss account.

In order to assess the materiality of the contractual amendment, in addition to understanding the underlying reasons for the amendment, it is necessary to assess whether there are any elements that alter the original nature of the contract in that they introduce new elements of risk or have an impact deemed material on the original contractual flows of the asset such as to result in its derecognition and the consequent recognition of a new financial asset. This includes, for example, the introduction of new contractual clauses that change the reference currency of the contract, that allow for the conversion/replacement of the receivable into equity instruments of the debtor, or that result in the failure of the SPPI Test.

Criteria for recognising income components

Interest from loans held with banks and customers is classified in consolidated income profit and loss account under item 10. Interest and similar income are recognised on an accrual basis, based on the effective interest rate, i.e. applying the latter to the gross carrying amount of the financial asset except for:

- impaired financial assets purchased or originated. As outlined above, for such financial assets, the effective interest rate adjusted for credit risk is applied to the amortised cost of the financial asset from the time of initial recognition;
- financial assets that are not impaired financial assets acquired or originated but have become impaired financial assets at a later stage. For these financial assets, the effective interest rate is applied to the amortised cost of the financial asset in subsequent periods.

If there is an improvement in the credit risk of the financial instrument, as a result of which the financial asset is no longer impaired, and the improvement can be objectively related to an event occurring after the application of the requirements in point (b) above, interest income is calculated in subsequent periods by applying the effective interest rate to the gross carrying amount.

It should be noted that the Group applies the criterion referred to in point (b) above only to impaired assets measured using a specific analytical method. This excludes stage 3 financial assets valued on a flat-rate basis, for which interest is calculated on the gross value of the exposure.

Adjustments and write-backs are recognised at each reporting date in the consolidated profit and loss account under item 130. - Net adjustments/write-backs for credit risk. Gains and losses from the sale of receivables are recognised in the consolidated profit and loss account under item 100. Gains (Losses) on disposal or repurchase.

Positive income components represented by interest income and similar income related to securities are recorded on an accrual basis, based on the effective interest rate, in the interest items of the profit and loss account.

Gains or losses relating to securities are recognised in the consolidated profit and loss account under item 100. Gains/losses on disposal or repurchase at the time the assets are sold.

Any impairment of securities is recognised in the profit and loss account under item 130. - Net adjustments/write-backs for credit risk. Subsequently, if the reasons for the impairment loss are removed, write-backs of impairment losses are recognised in the profit and loss account under the same item.

Reclassification criteria

According to the general rules in IFRS 9 on the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be highly infrequent, financial assets may be reclassified from the category measured at amortised cost into one of the other two categories provided by IFRS 9 (Financial Assets at Fair Value through Other Comprehensive Income or Financial Assets at Fair Value through Profit or Loss). The transfer value is the fair value at the time of reclassification, and the effects of reclassification operate prospectively from the date of reclassification. Gains or losses resulting from the difference between the amortised cost of the financial asset and its fair value are recognised in the profit and loss account in the case of reclassification to Financial assets at fair value through profit or loss, and in equity, in the valuation reserve, in the case of reclassification to Financial assets at fair value through other comprehensive income.

4. Hedging transactions

The Group avails itself of the possibility, provided for at the time of the introduction of IFRS 9, to continue to fully apply the provisions of IAS 39 on “hedge accounting” (in the carved-out version approved by the European Commission) for each type of hedge (the so-called “Opt-out” option).

Recognition criteria

Hedging derivatives, like all derivatives, are initially recognised and subsequently measured at fair value.

Hedging derivatives and financial assets and liabilities subject to effective hedging are reported in the financial statements according to the criteria for hedge accounting. In particular, derivative instruments with a positive fair value are recognised under item 50. “Hedging derivatives” on the assets side of the balance sheet, while derivatives with a negative fair value at the reporting date are recorded under item 40. “Hedging derivatives” on the liabilities side of the balance sheet.

Classification criteria

The portfolio of risk hedging derivatives includes derivative instruments with the purpose of neutralising recognisable losses on hedged assets or liabilities. The market risk hedging relationships entered into by the Bank take the form of hedging against the risks associated with changes in the fair value of a given financial

statements item (fair value hedge); hedging instruments are accounted for according to the “trade date” principle. In order for a transaction to be accounted for as a “hedging transaction”, the following conditions must be met:

- the hedging relationship is formally documented;
- the hedge is effective at the time it begins and thereafter throughout its term.

Only instruments involving a counterparty outside the Group can be designated as hedging instruments.

At each annual or interim reporting date, the latter condition must be verified by means of an “effectiveness test”. The effectiveness of the hedge exists if the changes in the fair value of the hedging financial instrument almost entirely neutralise the changes in the fair value of the hedged instrument; the result of the test, for the effectiveness condition to be verified, must be in a range between 80% and 125%. If the test shows an inadequate hedging relationship, the hedging relationship is removed, and the hedging financial instrument is allocated to the trading book.

Criteria for valuation and recognition of income components

Hedged positions must be valued at current value, but only taking into account the effects of the hedged risk; the relevant results must be charged to the profit and loss account.

In fair value hedges, hedging derivatives must be valued at current value; the fair value of instruments listed on active markets is given by the closing prices of the markets, while for unlisted financial instruments the fair value corresponds to the present value of expected cash flows, which is determined by taking into account the different risk profiles of the instruments being valued. The resulting capital gains and losses are recognised in the profit and loss account under the item “Net result from hedging activities” as a balancing entry to the change in the carrying amount of the derivative.

Hedged financial instruments are valued at fair value and the gain or loss attributable to the hedged risk is recognised in the profit and loss account under the item “Net result from hedging activities” as a balancing entry to the change in the carrying amount of the hedged item. If the hedge no longer meets the criteria for hedge accounting, the difference between the carrying amount of the hedged instrument, measured at the time the hedge ceases, and the carrying amount the instrument would have had if the hedge had never been entered into, is recognised in the profit and loss account using the amortised cost technique, in the case of interest-bearing financial instruments; in the case of non-interest-bearing financial instruments, this difference is recognised directly in the profit and loss account.

Derecognition criteria

Risk hedging relationships prospectively cease to produce accounting effects when they expire or when the relevant business unit decides to close them early or to revoke them, or when they no longer meet the requirements to be recognised in the financial statements (in this case, the closure produces accounting effects from the time these requirements are no longer met or the last effectiveness test passed).

5. Equity investments

Recognition criteria

Equity investments are initially recognised at cost, including directly attributable ancillary charges.

Classification criteria

This item includes interests held in associates and jointly controlled companies.

Associates are considered to be those non-subsiaries in which significant influence is exercised. Significant influence is presumed to be exercised in all cases where the company holds 20% or more of the voting rights and, irrespective of the share held, where there is the power to participate in the management and financial decisions of the investee companies, by virtue of particular legal ties, such as shareholders' agreements, the purpose of which is for the participants in the agreement to ensure representativeness in the management bodies and to safeguard the unity of management direction, without however having control.

Jointly controlled companies are those for which there are contractual or other arrangements under which the unanimous consent of all parties sharing control is required for strategic financial and management decisions to be taken.

Criteria for valuation and recognition of income components

Investments in associates and investments in joint ventures are valued using the equity method. This means that, after initial recognition, the carrying amount is subsequently increased or decreased to recognise the Group's share of the investee companies' profits and losses realised after the acquisition date, with an offsetting entry in the consolidated profit and loss account under item 250. Gains (losses) on equity investments. Dividends received from an investee are deducted from the carrying amount of the equity investment. If there is evidence that the value of an investment may have been impaired, the recoverable amount of the equity investment is estimated, taking into account the present value of the future cash flows that the investment may generate, including the final disposal value of the investment. In the event that the recoverable amount of the asset is less than its carrying amount, the impairment loss is recognised in the profit and loss account under item 250. Gains (Losses) on equity investments in the consolidated financial statements.

Dividends from investees are accounted for in consolidated balance sheet item 70. Dividends and similar income The latter are recognised in the profit and loss account only when (par. 5.7.1A of IFRS 9):

- the entity's right to receive payment of the dividend arises;
- it is likely that the economic benefits from the dividend will flow to the entity;
- the amount of the dividend can be reliably measured.

Normally, the above conditions are met when the dividend is received following the shareholders' resolution to approve the financial statements and distribute the profit for the year by the investee company. In the consolidated financial statements, dividends received are deducted from the carrying amount of the investee company. Any adjustments/write-backs in connection with the valuation of equity investments as well as gains

or losses on disposal are charged to item 250. Gains (Losses) on equity investments in the consolidated financial statements.

Derecognition criteria

Equity investments are derecognised when the right to receive cash flows from the asset has expired or where the equity investment is disposed of by transferring substantially all the risks and rewards associated with it.

6. Tangible assets

Recognition criteria

Tangible fixed assets are recorded at their purchase cost (when reasonably determinable), increased by any directly attributable ancillary charges, when there is a concrete possibility that they will be able to produce future economic benefits.

With regard to real estate, in application of the prescribed criteria, the value of the land is separated from the value of the buildings standing on it and is not subject to depreciation on the assumption that these assets have an unlimited useful life.

Expenditures incurred subsequently are added to the carrying amount of the asset or recognised as a separate asset if it is probable that future economic benefits will flow to the asset in excess of those initially estimated and the cost can be measured reliably.

All other expenses incurred at a later date (e.g. routine maintenance work) are recognised in the profit and loss account, in the financial year in which they are incurred, under the item:

- 190.b) “Other administrative expenses”, if they relate to activities for functional use;
- 230 “Other operating expenses/income”, if they refer to property held for investment purposes.

For tangible assets represented by rights-of-use, the initial recognition value corresponds to the sum of the lease liability (present value of future lease payments to be paid over the lease term), lease payments made prior to or on the effective date of the lease, initial direct costs, and any costs for dismantling or restoring the asset underlying the lease.

Classification criteria

Tangible assets include land, capital properties, investment property, technical plant, furniture, furnishings and equipment of any kind that are expected to be used over a period of more than one financial year. In detail:

- Assets held for use in the production or supply of goods and services are classified as “property, plant and equipment held for functional use” and recognised in accordance with IAS 16;
- Real estate held for rental to third parties or for capital appreciation through sale is classified as “property, plant and equipment held for investment purposes” and follows the rules of IAS 40;
- properties held with a view to enhancing the value of the investment through renovation or redevelopment work, with a view to subsequent sale, are classified as inventories and are subject to the rules set out in IAS 2.

This item also includes rights of use of tangible assets acquired under lease agreements, in the capacity of lessee, regardless of their legal classification (so-called Right of Use).

Valuation criteria

These assets are measured at adjusted cost, i.e., they are subject to periodic depreciation determined on the basis of the estimated useful life of the asset and on the assumption that their ultimate realisable value is close to zero. If, during the course of the financial year, circumstances arise that indicate that an asset may be impaired, the asset is subjected to an impairment test in order to determine whether the asset in question, if impaired, needs to be adjusted accordingly. Moreover, if in a subsequent period the causes that generated the loss cease to exist, the asset may be revalued.

The useful life of tangible assets is reviewed at the end of each period and, if expectations differ from previous estimates, the depreciation allowance for the current and subsequent years is adjusted.

Derecognition criteria

Tangible assets are derecognised at the end of the depreciation process or when it is considered that they no longer contribute to the production of future economic benefits.

Criteria for recognising income components

Depreciation allowances, calculated as indicated above, are to be charged directly to the profit and loss account under the item “net adjustments/write-backs on tangible assets”.

If there is objective evidence that an individual asset may be impaired, the carrying amount of the asset is compared with its recoverable amount, which is the higher of its fair value less costs to sell and its value in use, understood as the present value of the future cash flows expected to arise from the asset. Any value adjustments are recognised under item 180. “Net adjustments/write-backs on tangible assets” in the profit and loss account.

If the value of a previously impaired asset is reinstated, the new carrying amount may not exceed the net carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

6.1 Tangible assets represented by the right of use of assets under “lease” agreements

Under IFRS 16, a “lease” is a contract, or part of a contract, that, in exchange for consideration, transfers the right to use an asset (the underlying asset) for a period of time. Under IFRS 16, leases are accounted for on the basis of the right of use model, whereby, at the inception date, the lessee has a financial obligation to make payments due to the lessor to remunerate the lessor for its right to use the underlying asset during the lease term. When the asset is made available to the lessee for its use (commencement date), the lessee recognises both the liability and the asset consisting of the right of use.

In particular, the right of use acquired under a lease is recognised as the sum of the present value of future lease payments to be made over the lease term, lease payments made on or before the lease term, any

incentives received, initial direct costs and any estimated costs of dismantling or restoring the asset underlying the lease.

The recognised financial liability corresponds to the present value of the lease payments due.

With regard to the discount rate, based on IFRS 16 requirements, the Bank uses the interest rate implicit in each lease agreement. This rate takes into account the term of the lease as well as the economic environment in which the transaction takes place and is therefore in line with the standard's requirements. The term of the lease is determined by taking into account:

- periods covered by an option to extend the lease if its exercise is reasonably certain;
- periods covered by an option to terminate the lease, where its exercise is reasonably certain.

During the term of the lease agreement, the lessee shall:

- measure the right of use at cost, net of accumulated depreciation and accumulated impairment losses determined and accounted for in accordance with IAS 36 "Impairment of Assets", adjusted for any redetermination of the lease liability;
- increase the liability arising from the lease transaction as a result of the accrual of interest expense calculated at the interest rate implicit in the lease, or, alternatively, at the marginal lending rate, and reduce it for principal and interest payments.

If there is a change in the payments due under the lease, the liability must be redetermined; the impact of the redetermination of the liability is recognised as a balancing entry to the asset consisting of the right of use.

7. Intangible assets

Recognition criteria

Intangible fixed assets, other than goodwill, are recorded at purchase cost, including any directly attributable accessory charges.

Any incremental expenses on third-party assets, for the portion not individually identifiable, are reclassified under "Other assets".

Classification criteria

IAS 38 defines intangible assets as those non-monetary assets without physical substance that are held for use over a period of many years or indefinitely, and that meet the following characteristics:

- identifiability;
- the company has control over them;
- it is probable that there will be future economic benefits from the asset that will flow to the company;
- the cost of the asset can be measured reliably.

In the absence of any of the above characteristics, expenditure to acquire or generate it internally is recognised as an expense in the period in which it is incurred.

Intangible assets include, in particular, application software for long-term use and other identifiable intangible assets that originate from legal or contractual rights.

Intangible assets also include goodwill, which represents the positive difference between the acquisition cost and the fair value of the assets and liabilities of the acquired company.

Valuation criteria

The assets in question, which have a limited lifespan, are valued using the adjusted cost method, i.e. they are depreciated in relation to their estimated residual value and, where applicable, are subject to impairment testing. The latter is mandatory (on an annual basis) for goodwill, which, having an indefinite life, is not subject to amortisation. Therefore, each year, the adequacy of the carrying amount will be verified in order to determine whether the asset in question, if it registers any impairment losses, should be adjusted accordingly.

In the latter case, the value of the loss will be accounted for by writing down the asset as a balancing entry in the profit and loss account; conversely, any write-back of goodwill is not accounted for, as required by IAS/IFRS accounting standards.

Derecognition criteria

Intangible assets are eliminated from the balance sheet upon disposal or when no future economic benefits are expected. Capital gains and losses arising from the disposal or write-off of an intangible asset are determined as the difference between the net sale price and the carrying amount of the asset and are recorded in the profit and loss account.

Criteria for recognising income components

The amortisation of intangible assets is charged to the profit and loss account under the item “net adjustments/write-backs on intangible assets”, net of the effects of write-downs and write-backs. In the case of leasehold improvements, which, in accordance with the Supervisory Authority’s requirements, are reported under “Other assets”, the corresponding depreciation allowances are recorded under the item “Other operating income/expenses”.

If there is objective evidence that an individual asset may be impaired, the carrying amount of the asset is compared with its recoverable amount, which is the higher of its fair value less selling costs and its value in use, understood as the present value of the future cash flows expected to arise from the asset. Value adjustments, if any, are recognised in item 190 “Net adjustments/write-backs on intangible assets” of the profit and loss account.

For intangible assets with an indefinite useful life, even if there are no indications of impairment, the carrying amount is compared annually with the recoverable amount. If the carrying amount is higher than the recoverable value, a loss equal to the difference between the two values is recognised in item 190 “Net adjustments/write-backs on intangible assets” of the profit and loss account.

An impairment of goodwill due to the deterioration of its value is recognised in item 240 “Impairment losses on goodwill”.

If the value of an intangible asset, other than goodwill, previously written down is reinstated, the new carrying amount may not exceed the net carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Goodwill

Goodwill is recognised at cost less any accumulated impairment losses and is not subject to amortisation.

Goodwill is subject to annual impairment testing, similar to the treatment reserved for intangible assets with an indefinite useful life. For this purpose, it is allocated to the CGU (Cash Generating Unit) identified in the Bank as a whole.

For the development of the aforementioned impairment test, it is necessary, as governed by IAS 36, to make a comparison between the recoverable value of the CGU and its carrying amount. Recoverable amount is defined as the greater of “value in use”, represented by the present value of the future cash flows expected to originate from the asset or CGU in question, and “fair value”, corresponding to the amount for which an asset could be exchanged between knowledgeable parties, in an arm’s length transaction, net of selling costs.

An impairment loss is recognised if the carrying amount of the asset or CGU exceeds its recoverable amount.

The valuation approach proposed by IAS 36 for estimating value in use is identifiable with the method known in the doctrine as Discounted Cash Flow (DCF or financial method) which estimates the value in use of an asset by discounting expected cash flows determined on the basis of economic-financial projections developed for the asset being valued. The model predominantly used by entities operating in the financial sector is the Dividend Discount Model (DDM), the development of which is based on the estimation of projections of available cash flows, the discount rate and the long-term growth rate.

Section 10 - Intangible Assets in Part B of these Notes to the Financial Statements details the methodologies used in the development of the impairment test.

8. Non-current assets and groups of assets held for sale

Recognition criteria

Assets and groups of non-current assets held for sale are initially recognised at the lower of carrying amount and fair value less selling costs. There are exceptions for certain types of assets (e.g. financial activities falling within the scope of IFRS 9) for which IFRS 5 specifically provides that the measurement criteria of the relevant accounting standard must be applied.

Classification criteria

This item includes non-current assets held for sale and groups of assets and associated liabilities held for sale, in accordance with IFRS 5.

More specifically, this item includes those assets and groups of assets whose carrying amount will be recovered principally through a sale transaction rather than through their continued use.

In order for the recovery of a non-current asset or a group of assets held for sale to be realised through a sales transaction, two conditions must be met:

- the asset must be available for immediate sale in its current condition, subject to conditions, which are usual and customary, for the sale of such assets (or groups of assets held for sale);
- the sale of the non-current asset (or group of assets held for sale) must be highly probable.

For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, and an active program to identify a buyer and complete the plan must have been initiated. Furthermore, the asset must be actively traded on the market and offered for sale at a reasonable price relative to its current fair value. Completion of the sale should be expected within one year from the date of classification, and the actions required to complete the sales programme should demonstrate that the programme is unlikely to be significantly altered or cancelled.

Non-current assets and groups of assets held for sale, as well as discontinued operations, and related liabilities are shown under specific headings in the item for consolidated assets (120. Non-current assets and groups of assets held for sale) and consolidated liabilities (70. Liabilities associated with assets held for sale).

Valuation criteria

In subsequent measurements after initial recognition, assets and groups of non-current assets held for sale continue to be measured at the lower of their carrying amount and their fair value less selling costs, except for certain types of assets (e.g. financial assets falling within the scope of IFRS 9) for which IFRS 5 specifically requires that the valuation criteria of the relevant accounting standard be applied.

In cases where assets held for sale are depreciable, the depreciation process is discontinued from the time the assets are classified as non-current assets held for sale.

Derecognition criteria

Non-current assets and groups of assets held for sale are derecognised from the balance sheet at the time of disposal.

If an asset (or a group of assets held for sale) classified as held for sale no longer meets the criteria for recognition under IFRS 5, the asset (or group of assets held for sale) should no longer be classified as being held for sale.

A non-current asset that ceases to be classified as held for sale (or ceases to be part of a group of assets held for sale) shall be measured at the lower of:

- the carrying amount before the asset (or group of assets held for sale) was adjusted for any depreciation, amortisation, impairment losses or reversals of impairment losses that would otherwise have been recognised had the asset (or group of assets held for sale) not been classified as held for sale;
- its recoverable amount at the date of the subsequent decision not to sell.

The items include current and deferred tax assets and current and deferred tax liabilities recognised in accordance with IAS 12, respectively.

Income taxes relating to assets held for sale are also calculated in accordance with current tax regulations and are recognised in the profit and loss account on an accrual basis, consistently with the recognition of the costs and revenues that generated them, with the exception of those relating to items debited or credited directly to shareholders' equity, for which the related taxation is recognised, for consistency, in equity.

Criteria for recognising income components

Income and expenses, the results of valuations and realised gains/losses (net of tax effect) attributable to groups of assets held for sale or recognised as such during the year, are shown in the relevant item of the profit and loss account under item 320. Profit (loss) from current operations after tax. Income and expenses related to individual non-current assets held for sale are recognised in the most appropriate item of the profit and loss account.

9. Current and deferred taxation

Current taxation

Tax assets and liabilities for current taxes are recognised at the amount due or recoverable against taxable profit (loss), in applying current tax rates and regulations. Current taxes not yet paid, in whole or in part at the reporting date, are included in the item Current tax liabilities in the consolidated balance sheet.

In the case of overpayments, which have resulted in a recoverable receivable, this is recorded under the item Current tax assets in the consolidated balance sheet.

In accordance with IAS 12, the Group offsets current tax assets and liabilities if, and only if, it:

- has an enforceable right to offset the recognised amounts;
- intends to extinguish the net residual or realise the asset and settle the liability simultaneously.

Deferred taxation

Deferred tax assets and liabilities are accounted for using the balance sheet liability method, taking into account temporary differences between the not been classified as of an asset or liability and its recognised value for tax purposes. They are calculated using the tax rates applicable under the current law in the financial year in which the deferred tax asset will be realised or the deferred tax liability will be settled.

Tax assets are recognised only if it is considered probable that taxable income will be realised in the future against which the asset can be used.

In particular, tax law may result in differences between taxable income and statutory income, which, if temporary, only cause a time lag that results in the taxable moment being brought forward or postponed with respect to the accrual period, leading to a difference between the carrying amount of an asset or liability in the balance sheet and its recognised value for tax purposes. These differences are divided into deductible temporary differences and taxable temporary differences.

Deferred tax assets

Deductible temporary differences indicate a future reduction in taxable income, as taxation is brought forward in relation to the accrual basis. They generate deferred tax assets because they will result in a lower tax burden in the future, provided that sufficient taxable income is realised in subsequent years to cover the realisation of the taxes paid in advance.

Deferred tax assets are recognised for all deductible temporary differences if it is probable (the probability test) that taxable income will be realised against which the deductible temporary differences can be utilised. However, the probability of recovering the so-called qualified deferred tax assets relating to goodwill, other intangible assets and adjustments to receivables, is to be considered automatically fulfilled due to the legal provisions that provide for their transformation into a tax credit when there is a statutory loss for the financial year and/or a negative corporate income tax (IRES) or a regional tax on productive activities (IRAP) taxable base.

The transformation takes effect, when there is a statutory loss, from the date of approval by the shareholders' meeting of the individual financial statements in which the loss is recognised or, in where there is a negative IRES or IRAP taxable base, from the transmission of the model in which the loss is determined.

The origin of the difference between the higher taxable income and the statutory income is mainly due to negative income components that are deductible for tax purposes in financial years subsequent to those in which they are recognised.

Deferred tax liabilities

Taxable temporary differences indicate a future increase in taxable income and consequently generate deferred tax liabilities, as these differences give rise to amounts taxable in the financial years following those in which they are recognised in the separate profit and loss account, resulting in a deferral of taxation with respect to the accrual basis.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of reserves in suspense for tax purposes, as no transactions are expected to be carried out that would result in their taxation.

The origin of the difference between lower tax income and statutory income is due to:

- positive income components taxable in financial years subsequent to those in which they were recorded in the financial statements;
- negative income components deductible in financial years prior to the financial year in which they are recorded in the financial statements according to criteria under the law.

Deferred tax assets and liabilities are systematically measured to take into account any changes in regulations or rates.

Deferred tax assets and deferred tax liabilities are accounted for at the balance sheet level with open balances and without offsets and are recorded in consolidated balance sheet items 110. Tax assets, subheading "b) deferred tax assets" and 60. Tax liabilities, subheading "b) deferred tax liabilities".

Where deferred tax assets and liabilities relate to items that have impacted the profit and loss account, the balancing item is represented by income taxes. In cases where deferred tax assets and liabilities relate to transactions that have directly affected Shareholders' Equity without affecting the profit and loss account (such as valuations of financial instruments measured at fair value through other comprehensive income), they are recorded with a balancing entry in Shareholders' Equity, affecting the specific reserve when provided for.

10. Provisions for risks and charges

Provisions for risks and charges for commitments and guarantees given

The sub-item of provisions for risks and charges under consideration includes provisions for credit risk recognised against commitments to disburse funds and guarantees issued that fall within the scope of application of the impairment rules under IFRS 9. For these cases, in principle, the same methods of allocation between the three stages (credit risk stages) and calculation of the expected loss shown with reference to financial assets measured at amortised cost or at fair value through comprehensive income are adopted.

The aggregate also includes provisions for risks and charges set up against other types of commitments and guarantees given, which, due to their own special nature, do not fall within the aforementioned scope of application of impairment pursuant to IFRS 9.

Other provisions

Other provisions for risks and charges include provisions for legal or employment-related obligations or disputes, including tax disputes, arising from a past event for which it is probable that economic resources will be disbursed to fulfil the obligations, provided a reliable estimate of the amount can be made.

Consequently, the recognition of a provision occurs if and only if:

- There is an ongoing obligation (legal or implied) as a result of a past event;
- it is probable that in order to fulfil the obligation it will be necessary to use resources that will produce economic benefits;
- a reliable estimate of the amount resulting from the performance of the obligation can be made.

The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation existing at the reporting date and reflects risks and uncertainties that inevitably come with a variety of facts and circumstances. Where the time element is significant, provisions are discounted using current market rates. Provisions and increases due to the time factor are recognised in the Profit and Loss Account.

The provision is reversed when it becomes unlikely that resources will be used to produce economic benefits to fulfil the obligation or when the obligation is extinguished.

11. Financial liabilities measured at amortised cost

Recognition criteria

The initial recognition of the financial liabilities under review occurs upon receipt of the amounts collected or settlement of the debt securities issued and is made on the basis of the relative fair value, which is normally

equal to the amount collected or the issue price, increased by any additional costs/income directly attributable to the individual funding or issue transaction and not reimbursed by the creditor counterparty. Internal administrative costs are excluded.

Repurchase agreements with a repurchase obligation are recorded in the financial statements as funding transactions for the amount received on a spot basis.

Classification criteria

The item “Financial liabilities measured at amortised cost” includes the sub-items “Payables due to banks”, “Payables due to customers”, and “Securities issued” and consists of the various forms of interbank and customer funding and funding through certificates of deposit and outstanding bonds.

Debts recorded by the lessee in connection with finance lease transactions are also included, as are repurchase agreements and securities lent with cash collateral that is at the full disposal of the lender. Finally, operating debts related to the provision of financial services as defined in the Italian Consolidated Law on Banking (T.U.B.) and the Italian Consolidated Law on Finance (T.U.F.) are included.

Valuation criteria

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. An exception to this are short-term liabilities, for which the time factor is negligible, which continue to be recorded at the amount collected.

Derecognition criteria

Financial liabilities are derecognised when they expire or are extinguished. Derecognition also occurs when previously issued bonds are repurchased. The difference between the carrying amount of the liability and the amount paid to acquire it is recorded in the Profit and Loss Account. The placement of own securities on the market after their repurchase is considered a new issue with recognition at the new placement price.

Criteria for recognising income components

Interest, whether or not calculated using the effective interest method, is charged to the profit and loss account under the item “interest expense”. The difference, if any, between the carrying amount of the bonds issued and their repurchase value is recorded under the item “gains/losses on disposal/repurchase of financial liabilities”.

12. Financial liabilities held for trading

Recognition criteria

Initial recognition of financial trading liabilities takes place on the settlement date for cash liabilities and on the signing date for derivative contracts.

Initial recognition is made on the basis of the fair value of the liability, normally equal to the amount collected, without considering transaction costs or income directly attributable to the instrument itself, which are charged directly to the profit and loss account.

For the methods used to determine fair value, please refer to “Part A.4 - Fair Value Disclosures” below.

Classification criteria

This item includes:

- financial liabilities issued with the intention of repurchasing them in the short-term;
- liabilities that are part of a portfolio of financial instruments that are jointly managed and for which there is a proven strategy to achieve profits in the short-term;
- derivative contracts with a negative fair value and not designated as hedging instruments, including those linked to assets/liabilities designated at fair value through profit or loss and embedded derivatives that are separated from financial liabilities measured at amortised cost.

Liabilities arising from technical overdrafts generated by securities trading and certain own issues of certificates, managed as part of an overall portfolio of financial trading instruments, are also included.

Criteria for valuation and recognition of income components

Financial liabilities held for trading are measured at current fair value with the result of the valuation recognised in the profit and loss account.

Gains and losses arising from changes in fair value and/or from the disposal of trading instruments are recognised in the profit and loss account.

For derivative instruments, in the event that the fair value of a financial liability becomes positive, this item is recorded under the item “Financial assets at fair value through profit or loss: a) financial assets held for trading”.

Gains and losses from trading and valuation gains and losses from the trading book are recorded in the profit and loss account under item “80. Net income from trading activities”.

Derecognition criteria

Financial liabilities held for trading are derecognised when the contractual rights to the related cash flows expire or when the financial liabilities are transferred with the transfer of substantially all risks and rewards of ownership.

13. Financial liabilities designated at fair value

These types of liabilities are not present in the group’s financial statements.

14. Transactions in foreign currencies

Recognition criteria

Transactions in foreign currencies are recorded on initial recognition in the currency of account, by applying the exchange rate in force on the date of the transaction to the foreign currency amount.

Classification criteria

Assets and liabilities in foreign currencies include not only those explicitly denominated in a currency other than the euro, but also those with financial indexation clauses linked to the exchange rate of the euro against a specific currency or basket of currencies. For the purposes of the conversion methods to be used, foreign currency assets and liabilities are divided into monetary and non-monetary items.

Monetary items consist of cash amounts and assets and liabilities that express the right to receive or the obligation to pay fixed or determinable amounts of money (receivables, debt securities, financial liabilities). Non-monetary items (such as equity securities) are assets or liabilities that do not include the right to receive or the obligation to pay fixed or determinable amounts of money.

Criteria for valuation and recognition of income components

Assets and liabilities, arising from transactions in foreign currencies, are converted into the reporting currency using the spot exchange rate at the financial year end-date. The effects resulting from this valuation are charged to the profit and loss account under the item “net trading income”.

15. Insurance assets and liabilities

These types of assets and liabilities are not present in the group’s financial statements.

16. Other information

a) Content of other financial statements items

Staff severance pay

Pursuant to IAS 19, this item is considered a “defined contribution plan” and is subject to a special actuarial calculation performed on the basis of forecasts concerning the retirement date and salary increases of individual employees, demographic changes, etc.

The actuarial valuation of staff severance pay (TFR) is carried out using the “accrued benefits” method using the “Projected Unit Credit Method” (PUCM) as set out in paragraphs 64-66 of IAS 19. This methodology takes the form of valuations that express the average present value of the accrued pension obligations based on the service the worker has rendered up to the time the valuation is made by projecting, however, the worker’s salary.

The calculation methodology can be schematised in the following steps:

- projection for each employee in the workforce at the valuation date, of the severance pay already accrued and of the future severance pay that will be accrued up to the random payment date;
- determination for each employee of the probable payments of severance pay to be made by the Company in the event of the employee’s termination due to dismissal, resignation, disability, death and retirement, as well as in the event of requests for advances;
- discounting, at the valuation date, of each probable payment;

- re-proportioning, for each employee, of the probable and discounted benefits on the basis of the seniority accrued at the valuation date with respect to the total seniority corresponding to the random date of settlement.

More precisely, the amount recognised as a liability under item 90 is equal to the present value of the obligation at the reporting date, plus/minus any actuarial gains/losses.

Any advances paid to employees are deducted from the amount to be revalued and discounted.

Following the changes introduced by IAS 19, Regulation (EU) 475/2012, the application of which became compulsory from 1 January 2013, accrued severance pay must, at the employee's choice, be allocated to a complementary pension scheme or kept in the company.

Accruals and deferrals

Accruals that relate to charges and income for the financial year accrued on the assets and liabilities to which they relate are posted as adjustments to the assets and liabilities to which they relate. In the absence of relationships to which they can be traced, they will be shown under "Other assets" or "Other liabilities".

Valuation reserves

This item includes valuation reserves related to equity securities designated at fair value through other comprehensive income, financial assets (other than equity securities) designated at fair value through other comprehensive income, cash flow hedges, actuarial gains (losses) on defined benefit plans, gains/losses related to changes in creditworthiness related to liabilities under the fair value option, and tangible assets.

Treasury shares

Any treasury shares held are deducted from shareholders' equity. Similarly, their original cost and the gains or losses arising from their subsequent sale are recognised as movements in equity.

Leasehold improvement costs

Leasehold improvements costs are capitalised in view of the fact that for the term of the lease the user company has control over the assets and can derive future economic benefits from them. These costs, which are classified as Other assets in accordance with the Bank of Italy Instructions, are amortised over a period not exceeding the term of the lease.

b) Illustration of other significant accounting treatments

Securitisations - derecognition of transferred financial assets

In securitisation transactions originated by the Bank, the transfer of financial assets to a vehicle company, even if without recourse, is such as to lead to their derecognition only if there is a substantial transfer of risks and rewards. In the event that the substantial transfer of risks and rewards cannot be ascertained, the transferred assets are derecognised if the Bank retains no control over them. In such circumstances, the difference between the carrying amount of the transferred assets and the consideration received, including newly acquired assets, is recognised as a gain or loss in the profit and loss account.

Conversely, no derecognition is made from the balance sheet if the Bank has retained the risks and rewards associated with the securitised portfolio, even if sold without recourse, by, for example, fully subscribing to the tranche of junior securities, i.e. securities bearing the risk of first losses, or by taking on similar exposures. Consequently, in the separate financial statements of the originator bank, the assigned receivables must continue to be registered in the financial statements as “Assets sold and not derecognised”, while the consideration received from the sale must be recognised as a balancing entry in a liability to the special purpose vehicle, net of securities subscribed by the bank itself.

For further details, please refer to the information provided in these Notes to the Financial Statements under “Part E - Section 1 - C. Securitisation Transactions”.

Revenue from contracts with customers (IFRS 15)

Revenues are gross flows of economic benefits that flow to the entity as consideration for the obligation to transfer to the customer a wide range of goods and services in the ordinary course of business.

Under IFRS 15, an entity must recognise revenue based on the consideration expected to be received for goods and services provided in the ordinary course of business. In detail, the recognition of revenue must take place on the basis of the following five steps:

- identification of a contract, defined as an agreement of commercial substance between two or more parties capable of generating rights and obligations;
- identification of the individual obligations (“performance obligations”) contained in the contract;
- determination of the transaction price, i.e. the expected consideration for the transfer of the goods or services to the customer;
- allocation of the transaction price to each performance obligation, based on the stand-alone selling price of the individual obligation;
- recognition of the revenue allocated to the individual obligation when it is settled, i.e. when the customer obtains control of the goods and services. This recognition takes into account the fact that certain services may be rendered at a specific time or over a period of time.

Revenue arising from contractual obligations with customers is recognised in profit or loss when it is probable that the entity will receive the consideration to which it is entitled in exchange for the goods or services transferred to the customer. This consideration must be allocated to the individual obligations under the contract and must be recognised as income in the profit and loss account according to the timing of performance of the obligation. In detail, revenues may be recognised in the profit and loss account:

- at a specific time, when the entity fulfils the performance obligation by transferring the promised good or service to the customer, or
- over time, as the entity fulfils the performance obligation by transferring the promised good or service to the customer.

The performance obligation is considered to have been performed when the customer acquires control of the transferred good or service. The consideration promised in the contract with the customer may include fixed amounts, variable amounts, or both. In detail, the contract price may vary as a result of reductions, discounts,

rebates, incentives, performance bonuses or other similar elements. The variability of the consideration may also depend on the occurrence or non-occurrence of a future event. In the case of variable consideration, revenue is recognised in profit or loss account when the revenue can be reliably estimated and only if it is highly probable that all or a significant portion of the consideration will not subsequently be derecognised. If the entity receives a consideration from the customer that it expects to refund to the customer, in whole or in part, a liability for expected future repayments shall be recognised. The estimate of this liability is updated at each reporting date or interim reporting date and is based on the portion of the consideration that the entity expects not to be entitled to.

Costs

Costs related to obtaining and fulfilling contracts with customers are recognised in the profit and loss account in the periods in which the corresponding revenues are recognised; costs that do not have a direct association with revenues are immediately recognised in the profit and loss account.

Revenues and costs relating to financial instruments

With reference to income and expenses related to financial assets/liabilities, it should be noted that:

- Interest is recognised on a pro-rata basis using the contractual interest rate or the effective interest rate in the case where amortised cost is applied. In the latter case, any marginal costs and income, which are considered an integral part of the return on the financial instrument, are considered in the effective interest rate and recognised as interest. Interest income (or interest expense) also includes positive (or negative) differentials or margins accrued up to the reporting date on financial derivative contracts:
 - hedging of interest-bearing assets and liabilities;
 - classified in the balance sheet in the trading book, but managerially linked to financial assets and/or liabilities designated at fair value (fair value option);
 - managerially linked to assets and liabilities classified in the trading book and which provide for the settlement of differentials or margins at multiple maturities;
- default interest, which may be contractually provided for, is recognised in the profit and loss account only when actually collected;
- dividends are recognised in the profit and loss account at the time the legal right to collect them arises, and thus at the time their distribution is approved;
- gains and losses resulting from the initial recognition of financial instruments at fair value are recognised in profit or loss, when the transaction is recognised, based on the difference between the consideration paid or received and the fair value of the instrument itself, only when the fair value can be determined by reference to current market transactions and observable on the market or through valuation techniques whose inputs are observable market parameters; otherwise, these gains and losses are distributed over time taking into account the nature and duration of the instrument;
- Gains and losses arising from the sale of financial instruments are recognised in profit or loss when the sale is completed, with the related transfer of risks and rewards, based on the difference between the consideration received and the carrying amount of the instruments.

Off-balance sheet credit exposures - guarantees given and commitments

Off-balance sheet credit exposures consist of guarantees given and commitments to disburse funds on predefined terms and conditions that involve the assumption of a credit risk and fall within the scope of the impairment provisions of IFRS 9.

The initial recognition value of guarantees issued is equal to the fair value, which normally corresponds to the amount received when the guarantee was issued.

Subsequently, the guarantees issued are valued at the greater of the amount recognised on initial recognition, net of any amortised portion, and the estimated amount required to fulfil the obligation.

For the purpose of calculating the expected loss, the same allocation methods are used in the three stages of credit risk as provided for by IFRS 9 and already described in Part “3 - Financial assets measured at amortised cost” and “2 - Financial assets measured at fair value through other comprehensive income”.

As shown in Part “11 - Provisions for Risks and Charges”, the provisions related to the impairment of guarantees given and commitments to disburse funds are entered under balance sheet item “100. Provisions for risks and charges: a) commitments and guarantees given, in accordance with the provisions of Bank of Italy Circular No. 262; the balancing entry is the profit and loss account item “200. Net provisions for risks and charges: a) commitments and guarantees given”

Method for determining expected losses

Impairment losses on financial assets

At each reporting date, in accordance with IFRS 9, financial assets other than those measured at fair value through profit or loss are subject to an assessment to determine whether there is any evidence that the carrying value of the assets may not fully recoverable.

A similar analysis is also performed for commitments to disburse funds and for guarantees issued that fall within the scope to be subject to impairment according to IFRS 9.

In the event that such evidence exists (so-called “evidence of impairment”), the financial assets in question - consistently with all the remaining financial assets pertaining to the same counterparty - are considered impaired and are included in stage 3.

With respect to these exposures, represented by the financial assets classified - pursuant to the provisions of Bank of Italy Circular No. 262/2005 - in the categories of non-performing loans, probable defaults and exposures past due for more than 90 days, value adjustments equal to the expected losses over their entire residual life must be recognised.

Impairment losses on performing financial assets

For financial assets for which there is no evidence of impairment, it is necessary to check whether there are indicators that the credit risk of the individual transaction has significantly increased since initial recognition. The consequences of this verification, from the point of view of classification (or, more appropriately, staging) and valuation, are as follows:

- where such indicators exist, the financial asset is placed in stage 2. The valuation, in this case, in accordance with the dictates of international accounting standards and even in the absence of a manifest impairment loss, provides for the recognition of value adjustments equal to the expected losses over the entire residual life of the financial instrument. These adjustments are subject to review at each subsequent reporting date both to periodically check their appropriateness with respect to the constantly updated loss estimates, and to take into account - in the event that the indicators of a “significant increase” in the credit risk cease to exist - the changed forecast horizon for calculating the expected loss;
- where these indicators do not exist, the financial asset is transferred to stage 1. The valuation, in this case, in accordance with the dictates of international accounting standards and even in the absence of manifest impairment, provides for the recognition of expected losses, for the specific financial instrument, over the following twelve months. These adjustments are subject to review at each subsequent reporting date both to periodically check their congruity with respect to the constantly updated loss estimates, and to take into account - should indicators of a “significantly increase” in credit risk arise - the changed forecast horizon for calculating the expected loss.

With regard to the identification of the “significant increase” in the credit risk (a necessary and sufficient condition for the classification of the asset under assessment in stage 2), the elements determining the “staging” of individual positions were identified as follows:

- presence of forbearance measures;
- more than 30 days past due;
- negative variation of a predetermined number of rating classes modulated according to the starting rating class (E.G. the higher the credit quality of the starting rating class, the greater the “tolerance” on the magnitude of the downgrading);
- temporary classification in “Watch List” status following analysis of anomalies reported by Cedacri’s CQM credit monitoring procedure.

With regard to the fourth stage allocation rule reported above (watchlist), for the purposes of the stage 2 classification, on a conservative basis the Group identified the temporary classification in the class (WATCHL) of the monitoring family in the CQM procedure as a potential indicator of a significant increase in credit risk, automating the monthly feed of the SAS IFRS 9 platform with the perimeter of positions intercepted by the aforementioned monitoring class.

Once the allocation of exposures to different stages of credit risk has been defined, the determination of expected losses (ECLs) is performed, at the level of individual transactions or tranches of securities, through the application of the standard model based on Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) parameters.

For PD, LGD and EAD, the following definitions apply:

- PD (Probability of Default): the probability of migrating from performing to impaired status within a one-year time horizon. In models consistent with supervisory provisions, the PD factor is typically quantified through the rating;

- LGD (Loss Given Default): percentage of loss in case of default. In models consistent with supervisory provisions, it is quantified through the historical experience of discounted recoveries on past impaired loans;
- EAD (Exposure At Default) or credit equivalent: amount of exposure at the time of default.

Value adjustments for expected losses are then quantified as the product of PD, LGD and EAD.

Impairment losses on non-performing financial assets

For impaired assets, i.e. assets for which, in addition to a significant increase in credit risk, objective evidence of impairment has been found, impairment losses are quantified on the basis of a valuation process - either analytical or flat rate based on homogeneous risk categories - aimed at determining the present value of expected future recoverable cash flows, discounted on the basis of the original effective interest rate.

Impaired assets include exposures that have been assigned the status of non-performing, probable default or past-due for more than 90 days according to the definitions established by current supervisory provisions (Bank of Italy Circular No. 272 “Accounts Matrix”) and recalled by Bank of Italy Circular No. 262, as they are considered to be consistent with the accounting rules set forth by IFRS 9 in terms of objective evidence of impairment.

Projected cash flows take into account expected recovery times and the presumed net realisable value of any guarantees. For fixed-rate positions, the original effective rate used to discount expected recovery flows, determined as illustrated above, remains unchanged over time even if there is a change in the contractual rate attributable to the debtor’s financial difficulties. For variable interest rate positions, the rate used to discount the flows is updated with respect to the indexation parameters (e.g. Euribor), while the spread originally set remains constant.

The original value of the financial assets is reinstated in subsequent years if the credit quality of the exposure improves compared to that which led to the previous write-down. The recovery is recorded in the profit and loss account under the same heading and, in any case, may not exceed the amortised cost that the asset would have had if no previous adjustments had taken place.

As at 31 December 2024, a loan portfolio was identified in the Bank’s impaired exposures that could potentially be sold in 2025. For the purpose of calculating value adjustments, IFRS 9 requires that all information, available at the reporting date, on past events and current conditions, as well as forecasts of future economic conditions, be taken into account (i.e. “forward-looking”); in this respect, it is also possible to consider, within the context of the credit recovery scenarios, that relating to the sale of credit positions, without prejudice to the “Held To Collect” reference business model. Accordingly, in order to factor the aforementioned “sales scenario” into the determination of the value adjustments as at 31 December 2024, an add-on component was determined, based on the market value with a view to non-recourse sale and the probability of such sale, in order to approximate the recoverable value of the exposures at market prices (“Add-On Sell”).

In summary, the process described above has led to:

- the identification of a perimeter of impaired loans to be evaluated in a sale scenario for a Gross Book Value of approximately 54% of the Group's total Gross Book Value at the date, and a number of accounts equal to 2,630;
- the determination by a primary Advisor of a range of the Portfolio's fair value; this valuation was carried out on the basis of methodologies developed by the most authoritative doctrine and used by best practice, which for simplicity can be aggregated into the following steps:
 - stock analysis;
 - definition of cluster analysis;
 - estimating cash flows using benchmark curves;
 - estimated fair value range (including management and legal costs component and WACC).
- the definition of a 90% probability of sale, defined primarily on the basis of the Group's strategic objective;
- the determination of the amount of additional value adjustments, to be recognised in order to reflect a value as at 31 December 2024 resulting from the weighting of a 10% base (retention) scenario and a 90% sales scenario.

Renegotiations

In the event of a renegotiation of a financial asset, i.e. when the original contractual terms are changed at the will of the parties, it is necessary to ascertain whether the financial asset should continue to be recognised in the financial statements or, if not, whether the original financial asset should be derecognised by recognising a new financial instrument.

This requires an assessment of whether the changes in the contractual terms of the renegotiation are material or not.

In the case of material changes, the entity shall derecognise the financial instrument being modified and recognise a new financial asset on the basis of the new contractual terms, whether the renegotiation is formalised by entering into a new contract or whether the renegotiation involves an amendment to an existing contract. In particular, renegotiations are considered material if they:

- introduce specific objective elements affecting the characteristics and/or cash flows of the financial instrument (such as the change of the currency of denomination, the change of counterparty not belonging to the same group as the original debtor, the introduction of indexation to equity or commodity parameters, the introduction of the possibility of converting the credit into equity/equity financial instruments/other non-financial assets, the provision of "pay if you can" clauses that allow the debtor maximum freedom to repay the credit in terms of timing and amount) in view of the significant impact expected on the original cash flows; or
- are made to customers who are not in financial difficulty, with the aim of adjusting the onerousness of the contract to current market conditions. In the latter case, it should be noted that if the bank does not grant a renegotiation of the contractual terms, the customer would have the opportunity to obtain financing from another intermediary with the consequent loss for the bank of the revenue streams under the renegotiated contract; in other words, in the case of a renegotiation of a

commercial nature, it is considered that for the bank there is no loss to be recognised in the profit and loss account as a result of the realignment to the best current market conditions for its customers.

Otherwise, i.e. where there are non-material changes, the renegotiated exposures will not be subject to derecognition. Non-material renegotiations include modifications granted to counterparties with financial difficulties (granting of forbearance measures), which are attributable to the bank's attempt to maximise recovery of the original exposure, the risks and rewards of which, however, continue to be retained by the bank. Exceptions are changes that introduce substantial objective elements into the contract, which in themselves are capable of leading to the derecognition of the financial asset, as discussed above.

For financial assets measured at amortised cost that are classified as probable defaults, in the presence of renegotiations that are considered non-material, the gross value is recalculated by calculating the present value of the cash flows resulting from the renegotiation, based on the original rate of the exposure existing before the renegotiation. The difference between this gross value, as determined above, and the higher gross carrying amount prior to the modification is recognised as a loss in the profit and loss account (item 140 "Gains (Losses) from contractual modifications without derecognition" so-called "modification accounting"). Any renegotiation measures represented by write-offs of the gross exposure are shown in the profit and loss account item "130. Net adjustments/write-backs for credit risk".

Impairment losses on equity investments

At each reporting date, investments in associates or jointly controlled entities are subject to an impairment test in order to verify whether there is objective evidence that the carrying value of the assets is not fully recoverable.

The presence of impairment indicators (such as, for example, the presence of lower than expected economic performance of the investee company, significant changes in the environment or in the market in which the company operates or in market interest rates, etc.) leads to the recognition of an impairment loss to the extent that the recoverable amount of the investment is lower than its carrying amount.

The recoverable amount is the higher of the fair value less costs to sell and the value in use of the investment. As a consequence, the need to estimate both values does not arise if one of them has been valued higher than the carrying amount.

For the valuation methods used to determine fair value, please refer to paragraph "A.4 - Fair Value Disclosures" in this Part A.

The value in use of the investment is the present value of the expected cash flows from the asset. This quantity responds to a general logic according to which the value of an asset is a direct expression of the cash flows it is capable of generating over the period of its use. The determination of value in use therefore requires an estimate of the expected cash flows from the use of the assets or their ultimate disposal expressed in terms of present value through the use of appropriate discount rates.

When an investment does not generate cash flows largely independent of other assets, it is tested for impairment not independently, but at the CGU level. Therefore, when the assets attributable to a subsidiary are included in a CGU larger than the investment itself, the impairment test can only be performed at the

latter level and not at the level of the individual investee for which a value in use would not be correctly estimated.

If the outcome of the impairment shows that the recoverable amount is higher than the carrying amount of the investment, no impairment is recognised; otherwise, an impairment is recognised in the consolidated profit and loss account item 250. Gains (losses) on equity investments.

In the event that the recoverable amount subsequently proves to be higher than the new carrying amount because it can be demonstrated that the elements that led to the impairment are no longer present, a write-back of the impairment loss is permitted up to the amount of the previously recognised adjustment.

Accounting treatment of events after the reporting date

IAS 10 governs the accounting and disclosure of subsequent events, i.e. those events, both favourable and unfavourable, that occur between the reporting date and the date on which the financial statements are authorised for issue (IAS 10 par. 3).

Three types of subsequent events can be identified:

- a) those that provide evidence of conditions that existed at the reporting date, i.e. adjusting events (IAS 10 par. 3);
- b) those that are indicative of conditions that arose after the reporting date, i.e. non-adjusting events (IAS 10 para. 3);
- c) those that are indicative of the need to consider whether the going concern assumption is still appropriate (IAS 10 para. 15).

Adjusting events

An entity is required to adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date (IAS 10 para. 8).

IAS 10 par. 9 gives some examples of adjusting events after the reporting date:

- the conclusion after the reporting date of a lawsuit confirming that the entity had an outstanding obligation at the reporting date. In this case, the entity must adjust previously recognised provisions (IAS 10 para. 9(a);
- knowledge of information after the reporting date that indicates that an asset was impaired at the reporting date, or that the amount of an impairment loss on that asset previously recognised needs to be adjusted (e.g. bankruptcy of a customer, sale of inventories after the reporting date) (IAS 10 9(b));
- the determination after the reporting date of the cost of assets purchased or the consideration for assets sold, prior to the reporting date (IAS 10 par. 9(c);
- the determination after the reporting date of the amount of profit-sharing or bonus payments to be made, if the entity had a legal or constructive obligation at the reporting date to make such payments as a result of events before that date (IAS 10 para. 9(d); the discovery of fraud or errors showing that the financial statements are incorrect (IAS 10 para. 9(e).



PART A.3 - DISCLOSURE OF TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

At the reporting date, there were no transfers between portfolios of financial assets requiring disclosure under IFRS 7.

PART A.4 - FAIR VALUE DISCLOSURES

Qualitative disclosures

This section contains the disclosure of both the financial instruments subject to reclassification from one portfolio to another in accordance with the rules established by IFRS 9, and the disclosure of the fair value hierarchy in accordance with IFRS 13.

Fair value is the price at which it is possible to liquidate an asset or transfer a liability in a transaction between market participants at a given valuation date. Therefore, it is an exit price and not an entry price.

The fair value of a financial liability that is due cannot be less than the amount payable on demand, discounted from the first date on which payment could be required.

For financial instruments measured at fair value in the financial statements, the Bank uses Mark to Market, for those listed the classification coincides with Level 1 of the fair value hierarchy.

For unlisted financial instruments, on the other hand, the Bank uses:

- **Comparable Approach:** a valuation method based on the use of observable market inputs whose use implies a classification at Level 2 of the fair value hierarchy;
- **Mark to Model:** valuation method linked to the application of pricing models whose inputs determine the classification at Level 3 (use of at least one significant unobservable input) of the fair value hierarchy.

A.4.1 - Fair Value Levels 2 and 3: Valuation techniques and inputs used

If a financial instrument does not meet the conditions for Level 1 of the fair value classification, a valuation is used to identify a price at which the instrument could be exchanged between independent parties in balanced bargaining conditions.

If this technical valuation is based on observable market inputs, the instrument is classified as Level 2 and a Comparable Approach is applied.

The market inputs used within the Comparable Approach are:

- quoted prices on active markets for similar assets or liabilities;
- quoted prices for the instrument under analysis or similar instruments on inactive markets, i.e. markets where there are few transactions. Prices are not current or vary substantially over time and between different market makers, or little information is made public;
- observable market inputs (e.g. interest rates, observable yield curves, credit spreads, quoted volatilities, ...);
- inputs derived from observable market data whose relationship is corroborated by parameters including correlation.

In cases where the valuation techniques adopted also use unobservable inputs and their contribution to the formulation of fair value is to be considered significant, the valuation of a financial asset or liability is to be considered to be Level 3.

The most commonly used model for measuring Level 2 and Level 3 of fair value is the Discounted Cash Flow Model, which involves discounting expected cash flows at a rate adjusted for the risks associated with the instrument.

A.4.2 - Assessment processes and sensitivity

The Bank conducted an assessment of potential sensitivity impacts to unobservable market parameters in the valuation of instruments classified in Level 3 of the fair value hierarchy and measured at fair value on a recurring basis.

This assessment showed that there were no significant impacts with respect to the present situation.

A.4.3 - Fair value hierarchy

IFRS 13 requires the classification of financial instruments measured at fair value to be based on the degree of observability of the inputs analysed for pricing.

Specifically, there are three levels of classification:

- Level 1: the fair value of instruments classified in this level is determined on the basis of quoted prices observable in active markets;
- Level 2: the fair value of instruments classified in this level is determined on the basis of valuation models using observable inputs in active markets;
- Level 3: the fair value of instruments classified in this level is determined on the basis of valuation models that use predominantly inputs unobservable in active markets.

The indicated levels are to be applied in a hierarchical order, giving higher priority to the use of observable market parameters that allow for the valuation of assets/liabilities on the basis of market participants' own assumptions, and lower priority to valuation techniques that do not consider market parameters and thus reflect a higher degree of discretion in the valuation by the bank.

A.4.4 - Other Information

The valuation criteria for portfolios measured at fair value are provided below.

Fixed Income Bonds

Securities are priced according to the liquidity conditions of their respective reference market. Liquid instruments listed in active markets are valued at the mark to market and consequently positions in these instruments are classified as Level 1 in the fair value hierarchy. If there are no quotations that meet the criteria for determining fair value, it is noted that no active market exists. Therefore, either the comparable approach, or the operating quotation on a non-active market, or the mark-to-model valuation is applied and

Level 2 in the fair value hierarchy is assigned. Where a fair quotation cannot be determined by applying the above criteria, the instrument is placed in level 3, and the price is determined through a specific request to a market broker or through the implementation of an *ad hoc* pricing model.

Loans and payables to banks and customers and outstanding Securities

For financial instruments recognised in the financial statements at amortised cost and classified as loans and payables to banks or customers and as outstanding securities, fair value is determined for financial statement disclosure on the basis of the following methods:

- for medium- to long-term performing loans to customers, the fair value is determined by discounting the expected cash flows on the basis of a risk-free curve to which a spread expressive of credit risk is applied and determined on the basis of expected losses (PD and LGD). The fair value thus determined is classified in the hierarchy at Level 3;
- For longer-term loans and payables to banks, the fair value is determined by discounting the expected cash flows on the basis of a risk-free curve to which a spread reflecting the credit risk is applied;
- For “impaired” loans to customers (non-performing loans, probable defaults, past-due exposures), fair value is determined by discounting the positions, net of adjustment provisions reflecting the associated credit risk, at the rate of the last status step. For such exposures, the exit price would be significantly influenced by the impairment forecasts, which are the result of a subjective assessment, expressed by the position manager, with reference to the recovery rate and the related timing; by virtue of this, the positions are considered Level 3 in the fair value hierarchy;
- For assets and liabilities that are payable on demand or have a short maturity, the carrying amount is considered to be a good approximation of fair value. The fair value thus determined is conventionally classified at Level 3 in the fair value hierarchy;
- For bond issues measured at amortised cost in the financial statements, the fair value measurement is determined by reference to existing quotations on an active market or on the basis of a valuation technique carried out by discounting the cash flows of the security on the basis of the reference interest rate curve, that is appropriately adjusted to take into account the change in its creditworthiness on the basis of the method described above for the valuation of Fixed Income Bonds. The same applies to considerations regarding the fair value hierarchy;
- For debt securities classified in the portfolio of “Loans to customers” the fair value was determined through the use of prices contributed on active markets or through the use of valuation models, as described above for financial assets and liabilities recorded in the financial statements at fair value.

Financial liabilities measured at fair value on a recurring basis

Level 3 financial liabilities refer to derivatives implied by commitments to sell and buy on certain types of tax credit assignment contracts activated by the parent company as early as 2023. These commitments were measured using an internal fair value measurement model and thus classified as Level 3. The parent company used a leading consultancy firm for the analysis of these contracts and for the development of the fair value valuation model.



Quantitative disclosure

A.4.5 - Fair value hierarchy

A.4.5.1 - Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level

Financial assets/liabilities measured at fair value	31/12/2024			31/12/2023		
	L1	L2	L3	L1	L2	L3
1 Financial assets at fair value through profit or loss	2,034	3,667	32,186	4,899	3,614	36,532
a) financial assets held for trading	2,034	-	1,111	4,899	-	1,479
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	3,667	31,075	-	3,614	35,052
2 Financial assets measured at fair value through other comprehensive income	628,413	-	17,318	322,374	-	9,688
3 Hedging derivatives	-	26	-	-	41	-
4 Tangible assets	-	-	-	-	-	-
5 Intangible assets	-	-	-	-	-	-
Total	630,446	3,693	49,504	327,273	3,655	46,220
1 Financial liabilities held for trading	185	179	3,330	93	-	1,625
2 Financial liabilities designated at fair value	-	-	-	-	-	-
3 Hedging derivatives	-	83	-	-	123	-
Total	185	262	3,330	93	123	1,625

Key:

L1=Level1

L2=Level2

L3=Level3

As at 31 December 2024, assets measured at fair value on a recurring basis were divided into the following fair value levels:

- L1 (level 1): consisting of debt and equity securities issued by governments, banks and other issuers;
- L2 (level 2): consisting of capitalisation bonds for the amount of EUR 3.6 million;

- L3 (level 3): Level L3 of the portfolio “Financial assets at fair value through other comprehensive income” includes other residual unlisted financial assets for which no Level 2 fair value information is available. Level L3 of the portfolio “Financial assets mandatorily measured at fair value” includes mainly units of UCITSs, measured at fair value on the basis of information available from the management funds, mainly represented by units of the Keystone fund. Level L3 of the portfolio “Financial assets held for trading” includes derivatives on tax receivables amounting to approximately EUR 192 thousand.

Hedging derivatives consist (on the asset side of the balance sheet) of interest rate options to hedge interest rate risk on variable-rate mortgages with CAPs granted to customers, and (on the liability side of the balance sheet) of interest rate swaps to hedge interest rate risk on fixed-rate mortgages, also granted to ordinary customers, for an insignificant amount; in both cases, their fair value is determined on the basis of a valuation model provided by the outsourcer.

Level L3 of the portfolio “Financial liabilities held for trading” includes derivatives on tax receivables amounting to approximately EUR 3.3 million. The total amount of tax receivables held for trading purposes measured at fair value and shown in the financial statements under other assets was equal to EUR 291 million. The valuation of these tax receivables at fair value, Level 3, is performed according to a cash flow valuation model, taking into account agreements to resell these receivables to third parties.

A.4.5.2 - Annual changes in assets measured at fair value on a recurring basis (Level 3)

	Financial assets at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Tangible assets	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
1 Opening balances	36,532	1,479	-	35,052	9,688	-	-	-
2 Increases	1,727	1,183	-	544	8,886	-	-	-
2.1 Purchases	1,727	1,183	-	544	8,703	-	-	-
2.2 Profits charged to:	-	-	-	-	183	-	-	-
2.2.1 Profit and Loss Account	-	-	-	-	183	-	-	-
- of which capital gains	-	-	-	-	-	-	-	-
2.2.2 Shareholders' equity	-	X	X	X	-	-	-	-
2.3 Transfers from other levels	-	-	-	-	-	-	-	-
2.4 Other Increases	-	-	-	-	-	-	-	-
3 Decreases	6,073	1,552	-	4,521	1,256	-	-	-
3.1 Sales	2,642	1,538	-	1,104	1,256	-	-	-
3.2 Refunds	-	-	-	-	-	-	-	-
3.3 Losses charged to:	3,100	14	-	3,085	-	-	-	-
3.3.1 Profit and Loss Account	3,100	14	-	3,085	-	-	-	-
- of which capital losses	3,085	-	-	3,085	-	-	-	-
3.3.2 Shareholders' equity	-	X	X	X	-	-	-	-
3.4 Transfers from other levels	-	-	-	-	-	-	-	-
3.5 Other decreases	331	-	-	331	-	-	-	-
4 Closing balance	32,186	1,111	-	31,075	17,318	-	-	-

A.4.5.3 - Annual changes in liabilities measured at fair value on a recurring basis (Level 3)

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1 Opening balances	1,625	-	-
2 Increases	3,399	-	-
2.1 Issues	-	-	-
2.2 Losses charged to:	3,399	-	-
2.2.1 Profit and Loss Account	3,339	-	-
- of which capital losses	2,913	-	-
2.2.2 Shareholders' equity	X	-	-
2.3 Transfers from other levels	-	-	-
2.4 Other Increases	-	-	-
3 Decreases	1,694	-	-
3.1 Refunds	-	-	-
3.2 Repurchases	-	-	-
3.3 Profits charged to:	1,694	-	-
3.3.1 Profit and Loss Account	1,694	-	-
- of which capital gains	1,694	-	-
3.3.2 Shareholders' equity	X	-	-
3.4 Transfers to other levels	-	-	-
3.5 Other decreases	-	-	-
4 Closing balance	3,330	-	-

A.4.5.4 - Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	31/12/2024				31/12/2023			
	CA	L1	L2	L3	CA	L1	L2	L3
1 Financial assets measured at amortised cost	3,327,890	490,913	-	2,803,453	3,262,906	684,487	-	2,533,353
2 Tangible assets held for investment purposes	240	-	-	240	252	-	-	252
3 Non-current assets and groups of assets held for sale	14,500	-	-	-	-	-	-	-
Total	3,342,630	490,913	-	2,803,693	3,263,158	684,487	-	2,533,605
1 Financial liabilities measured at amortised cost	4,835,561	24,705	-	4,812,058	4,575,025	-	-	4,570,107
2 Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	4,835,561	24,705	-	4,812,058	4,575,025	-	-	4,570,107

Key:

CA=Carrying amount

L1=Level1

L2=Level2

L3=Level3

PART A.5 - DAY ONE PROFIT/LOSS DISCLOSURE

The Group does not have any operations that generate significant income components that can be classified in the so-called “day one profit/loss”.

PART B

"INFORMATION ON THE CONSOLIDATED BALANCE SHEET"

PART B - INFORMATION ON THE CONSOLIDATED BALANCE SHEET

ASSETS

Section 1 - CASH AND CASH EQUIVALENTS - ITEM 10

1.1 Cash and cash equivalents: composition

	Total 31/12/2024	Total 31/12/2023
a) Cash	25,360	28,752
b) Current accounts and on-demand deposits with Central Banks	279,062	555,732
c) Current accounts and on-demand deposits with banks	58,170	62,335
Total	362,592	646,819

In addition to cash and cash equivalents, this item includes on-demand receivables from banks as per the provisions of Bank of Italy Circular No. 262.

Section 2 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - ITEM 20

2.1 Financial assets held for trading: breakdown by instrument type

Items/Values	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
A. Cash assets						
1 Debt securities	-	-	359	417	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	359	417	-	-
2 Equity securities	2,034	-	561	4,482	-	575
3 UCITS units	-	-	-	-	-	-
4 Financing	-	-	-	-	-	-
4.1 Repos	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	2,034	-	920	4,899	-	575
B. Derivative instruments						
1 Financial derivatives	-	-	191	-	-	904
1.1 trading	-	-	191	-	-	904
1.2 related to the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2 Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 related to the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	-	-	191	-	-	904
Total (A+B)	2,034	-	1,111	4,899	-	1,479

Item 20 “Financial assets held for trading” shows cash assets acquired mainly for the purpose of short-term gain.

The criteria adopted for classifying financial instruments into the three levels of the “fair value hierarchy” are indicated in “Section A.3 - Fair Value Disclosures” of “Part A - Accounting Policies” of the Notes to the Financial Statements.

2.2 Financial assets held for trading: breakdown by debtors/issuers/counterparties

Items/Values	Total 31/12/2024	Total 31/12/2023
A. Cash assets		
1 Debt securities	359	417
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	358	344
d) Other financial companies	-	73
of which: insurance companies	-	-
e) Non-financial companies	-	-
2 Equity securities	2,595	5,057
a) Banks	1,361	4,482
b) Other financial companies	-	-
of which: insurance companies	-	-
c) Non-financial companies	1,233	575
d) Other issuers	-	-
3 UCITS units	-	-
4 Financing	-	-
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total (A)	2,953	5,474
B. Derivative instruments		
a) Central Counterparties	-	-
b) Other	191	904
Total (B)	191	904
Total (A+B)	3,144	6,379

The breakdown by debtor/issuer was determined in accordance with the Bank of Italy's classification criteria for sectors and groups of economic activity.

2.3 Financial assets designated at fair value: breakdown by instrument type

There were no changes in this item at the reporting date of the Financial Statements.

2.4 Financial assets designated at fair value: breakdown by debtor/issuer

There were no changes in this item at the reporting date of the Financial Statements.

2.5 Other financial assets mandatorily measured at fair value: breakdown by instrument type

Items/Values	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1 Debt securities	-	-	-	-	-	20
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	20
2 Equity securities	-	-	-	-	-	-
3 UCITS units	-	-	31,075	-	-	35,032
4 Financing	-	3,667	-	-	3,614	-
4.1 Repos	-	-	-	-	-	-
4.2 Other	-	3,667	-	-	3,614	-
Total	-	3,667	31,075	-	3,614	35,052

Key:

L1=Level1

L2=Level2

L3=Level3

U.C.I.T.S. units include the Keystone fund, which specialises in the management of non-performing loans. The fair value of these instruments is determined on the basis of the latest available update of the NAV communicated by the asset management company (SGR). In particular, a correction (so-called fair value adjustment) is appropriately applied to the relevant fraction of the NAV, which takes into consideration specific risk factors attributable to the U.C.I.T.S. units held, such as credit risk, liquidity risk and market risk, also in consideration of the provisions of the joint Bank of Italy - Consob - IVASS Communication No. 8 of 2019 relating to transactions involving the sale of portfolios of impaired loans for which a counterpart of units issued by a mutual fund is envisaged.

2.6 Other financial assets mandatorily measured at fair value: breakdown by debtor/issuer

	Total 31/12/2024	Total 31/12/2023
1 Equity securities	-	-
of which: banks	-	-
of which: other financial companies	-	-
of which: non-financial companies	-	-
2 Debt securities	-	20
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	20
of which: insurance companies	-	-
e) Non-financial companies	-	-
3 UCITS units	31,075	35,032
4 Financing	3,667	3,614
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	3,667	3,614
of which: insurance companies	3,667	3,614
e) Non-financial companies	-	-
f) Households	-	-
Total	34,742	38,666

Section 3 - FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - ITEM 30

3.1 Financial assets measured at fair value through other comprehensive income: breakdown by instrument type

Items/Values	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1 Debt securities	618,992	-	8,156	321,337	-	532
1.1 Structured securities	3,271	-	-	2,239	-	-
1.2 Other debt securities	615,720	-	8,156	319,098	-	532
2 Equity securities	9,421	-	9,163	1,037	-	9,156
3 Financing	-	-	-	-	-	-
Total	628,413	-	17,318	322,374	-	9,688

The exposure in debt securities amounted to a total of EUR 618,992 million and was mainly represented by bonds issued by public administrations amounting to EUR 588,617 million.

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtor/issuer

Items/Values	Total 31/12/2024	Total 31/12/2023
1 Debt securities	627,147	321,870
a) Central Banks	-	-
b) Public administrations	598,422	314,229
c) Banks	17,045	1,027
d) Other financial companies	555	2,365
of which: insurance companies	-	-
e) Non-financial companies	11,126	4,249
2 Equity securities	18,584	10,192
a) Banks	7,616	2,500
b) Other issuers:	10,967	7,692
- other financial companies	-	-
of which: insurance companies	-	-
- non-financial companies	10,967	7,692
- others	-	-
3 Financing	-	-
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	645,731	332,062

3.3 Financial assets measured at fair value through other comprehensive income: gross value and total value adjustments

	Gross value					Total value adjustments				Total partial write-offs
	First stage	of which: Low credit risk instruments	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated	
Debt securities	627,375	627,375	-	-	-	228	-	-	-	-
Financing	-	-	-	-	-	-	-	-	-	-
Total 31/12/2024	627,375	627,375	-	-	-	228	-	-	-	-
Total 31/12/2023	321,979	320,918	-	-	-	109	-	-	-	-

The breakdown of financial assets measured at fair value through other comprehensive income is applied in accordance with the impairment model in application of IFRS 9.

Section 4 - FINANCIAL ASSETS MEASURED AT AMORTISED COST - ITEM 40

4.1 Financial assets measured at amortised cost: breakdown by type of receivables due from banks

Type of transaction/Values	Total 31/12/2024						Total 31/12/2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stages	Third stage	Impaired acquired or originated	L1	L2	L3	First and second stages	Third stage	Impaired acquired or originated	L1	L2	L3
A. Receivables due from Central Banks	37,649	-	-	-	-	37,649	33,280	-	-	-	-	33,280
1 Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
2 Minimum reserve	37,649	-	-	X	X	X	33,280	-	-	X	X	X
3 Repos	-	-	-	X	X	X	-	-	-	X	X	X
4 Other	-	-	-	X	X	X	-	-	-	X	X	X
B. Receivables due from banks	58,080	-	-	-	-	58,081	58,531	-	-	-	-	58,532
1 Financing	58,080	-	-	-	-	58,081	58,531	-	-	-	-	58,532
1.1 Current accounts	21,540	-	-	X	X	X	16,004	-	-	X	X	X
1.2 Time deposits	36,539	-	-	X	X	X	42,527	-	-	X	X	X
1.3 Other financing:	-	-	-	X	X	X	-	-	-	X	X	X
- Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
- Lease financing	-	-	-	X	X	X	-	-	-	X	X	X
- Others	-	-	-	X	X	X	-	-	-	X	X	X
2 Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	95,729	-	-	-	-	58,365	91,811	-	-	-	-	58,880

Key:
L1=Level1
L2=Level2
L3=Level3

Item 40 a) mainly includes the balance of the deposit held with the central institute for the fulfilment of the Minimum Reserve requirements.

4.2 Financial assets measured at amortised cost: breakdown by type of Loans to customers

Type of transaction/Values	Total 31/12/2024						Total 31/12/2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stages	Third stage	Impaired acquired or originated	L1	L2	L3	First and second stages	Third stage	Impaired acquired or originated	L1	L2	L3
1 Financing	2,455,957	108,638	22,964	-	-	2,587,559	2,150,928	123,040	11,434	-	-	2,285,594
1 Current accounts	310,254	19,618	3,433	X	X	X	246,204	28,299	121	X	X	X
2 Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
3 Loans	1,627,484	80,713	19,494	X	X	X	1,515,299	84,778	11,164	X	X	X
4 Credit cards, personal loans and salary-backed loans	246,955	64	37	X	X	X	133,742	236	148	X	X	X
5 Lease financing	-	-	-	X	X	X	-	-	-	X	X	X
6 Factoring	71,158	6,132	-	X	X	X	56,601	7,576	-	X	X	X
7 Other loans	200,106	2,112	-	X	X	X	199,081	2,150	-	X	X	X
2 Debt securities	644,602	-	-	490,913	-	157,529	885,693	-	-	684,514	-	188,880
1 Structured securities	-	-	-	-	-	-	5,820	-	-	5,800	-	-
2 Other debt securities	644,602	-	-	490,913	-	157,529	879,873	-	-	678,714	-	188,880
Total	3,100,559	108,638	22,964	490,913	-	2,745,088	3,036,621	123,040	11,434	684,514	-	2,474,474

Key:
L1=Level1
L2=Level2
L3=Level3

The breakdown by risk stages of financial assets measured at amortised cost is applied in accordance with the impairment model in application of IFRS 9.

The item “Other debt securities” includes Senior ABS securities (third-party securitisations) in amounting to approximately EUR 145 million.

For further details on credit quality, please refer to Part E Information on risks and related hedging policies.

4.3 Financial assets measured at amortised cost: breakdown by debtor/issuer of Loans to customers

Type of transaction/Values	Total 31/12/2024			Total 31/12/2023		
	First and second stages	Third stage	Impaired assets acquired or originated	First and second stages	Third stage	Impaired assets acquired or originated
1 Debt securities	644,602	-	-	885,693	-	-
a) Public administrations	492,988	-	-	692,397	-	-
b) Other financial companies	144,962	-	-	191,802	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	6,652	-	-	1,495	-	-
2 Loans to:	2,455,957	108,638	22,964	2,150,928	123,040	11,434
a) Public administrations	13,613	551	-	14,993	123	-
b) Other financial companies	52,465	93	-	16,515	299	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	1,800,277	98,071	18,670	1,642,031	101,404	10,180
d) Households	589,602	9,924	4,294	477,389	21,214	1,254
Total	3,100,559	108,638	22,964	3,036,621	123,040	11,434

4.4 Financial measured at amortised cost: gross value and total value adjustments

	Gross value					Total value adjustments				Total partial write-offs
	First stage	of which: Low credit risk instruments	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated	
Debt securities	616,103	619,108	35,932	-	-	276	7,156	-	-	-
Financing	2,303,948	75,914	268,848	173,825	41,767	13,239	7,872	65,187	18,803	12
Total 31/12/2024	2,920,051	695,022	304,780	173,825	41,767	13,515	15,027	65,187	18,803	12
Total 31/12/2023	2,871,046	756,190	277,069	169,835	12,918	9,873	9,809	46,795	1,485	12

The breakdown by risk stages of financial assets measured at amortised cost is applied in accordance with the impairment model in application of IFRS 9.

For more detailed information on the impairment model, please refer to Part A - Accounting Policies and Part E - “Information on Risks and Related Hedging Policies”.

Loans include EUR 1,193,920 thousand related to liquidity granted through public guarantee mechanisms, broken down as follows.

	Gross value					Total value adjustments			
	First stage	of which: Low credit risk instruments	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated
Loans granted through guarantee mechanisms	1,012,509	-	116,071	88,366	-	3,517	3,032	16,477	-
Total 31/12/2024	1,012,509	-	116,071	88,366	-	3,517	3,032	16,477	
Total 31/12/2023	1,065,205	-	102,848	68,567	-	2,520	2,042	7,642	-

Section 5 - HEDGING DERIVATIVES - ITEM 50

5.1 Hedging derivatives: breakdown by hedge type and level

	Fair Value 31/12/2024			NV 31/12/2024	Fair Value 31/12/2023			NV 31/12/2023
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives		26		3,039		41		3,560
1) Fair value	-	26	-	3,039	-	41	-	3,560
2) Cash Flows	-	-	-	-	-	-	-	-
3) Foreign Investments	-	-	-	-	-	-	-	-
B. Credit derivatives								
1) Fair value	-	-	-	-	-	-	-	-
2) Cash Flows	-	-	-	-	-	-	-	-
Total	-	26	-	3,039	-	41	-	3,560

Key:

NV = notional value

L1=Level1

L2=Level2

L3=Level3

5.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transactions/Type of hedge	Fair Value							Financial flows		Foreign investments
	Specific						Generic	Specific	Generic	
	debt securities and interest rates	equities and equity indices	currencies and gold	receivable	commodities	others				
1 Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2 Financial assets measured at amortised cost	-	X	-	26	X	X	X	-	X	X
3 Portfolio	X	X	X	X	X	X	-	X	-	X
4 Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	-	-	-	26	-	-	-	-	-	-
1 Financial liabilities	-	X	-	-	-	-	X	-	X	X
2 Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	-	-	-	-	-	-	-	-	-	-
1 Projected transactions	X	X	X	X	X	X	X	-	X	X
2 Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 6 - VALUE ADJUSTMENT OF FINANCIAL ASSETS SUBJECT TO GENERIC HEDGING - ITEM 60

At the date of preparation of the financial statements, this item was not recognised.

Section 7 - EQUITY INVESTMENTS - ITEM 70

7.1 Equity investments: Information on equity investments

Company names	Registered office	Head office	Shareholder	Shareholding %	Availability of votes %
A. Wholly-owned subsidiaries					
Igea Digital Bank S.p.A.	Rome	Rome	Banca del Fucino	100.00	100.00
Fucino Finance S.p.A.	Rome	Rome		100.00	100.00
C. Companies subject to significant influence					
S.E.P. Società Edilizia Pineto S.p.A.	Rome	Rome	Banca del Fucino	40.00	40.00
E-Way Finance S.p.A.	Rome	Albanella (SA)		34.00	34.00
E-Way Wind S.p.A.	Rome	Rome		34.00	34.00
E-Way Solar S.p.A.	Rome	Rome		34.00	34.00
HoldCo S.p.A.	Rome	Rome		34.00	34.00
E-Way Baselice 2.0 S.p.A.	Rome	Rome		34.00	34.00

7.3 Significant equity investments: accounting information

Company names	Carrying amount of equity investments	Total assets	Total liabilities	Total revenues	Profit (loss) from current operations after tax	Profit (loss) from discontinued operations after tax	Profit (Loss) for the year (1)	Other income components after tax (2)	Comprehensive income (3)=(1)+(2)
A. Wholly-owned subsidiaries									
Igea Digital Bank S.p.A.	-	192,389	174,250	5,275	(5,119)	-	(5,119)	2	(5,117)
Fucino Finance S.p.A.	-	245,578	222,936	2,503	(1,199)	-	(1,199)	-	(1,199)
C. Companies subject to significant influence									
E-Way Finance S.p.A.	6,555	17,947	13,340	6,149	(348)	-	(348)	-	(348)
E-Way Wind S.p.A.	23,919	6,790	4,069	-	(257)	-	(257)	-	(257)
E-Way Solar S.p.A.	21,396	21,095	9,912	-	(510)	-	(510)	-	(510)
HoldCo S.p.A.	19,121	5,191	5,141	-	(50)	-	(50)	-	(50)
E-Way Baselice 2.0 S.p.A.	1,977	1,367	116	-	(16)	-	(16)	-	(16)

The figures in the table refer to 2024.

7.4 Non-significant equity investments: accounting information

Company names	Carrying amount of equity investments	Total assets	Total liabilities	Total revenues	Profit (loss) from current operations after tax	Profit (loss) from discontinued operations after tax	Profit (Loss) for the year (1)	Other income components after tax (2)	Comprehensive income (3)=(1)+(2)
C. Companies subject to significant influence									
1 - S.E.P. Società Edilizia Pineto S.p.A.	5,681	41,978	27,506	30	(173)	-	(173)	-	(173)

The figures in the table refer to 2024.

7.5 Equity investments: annual changes

	Total 31/12/2024	Total 31/12/2023
A. Opening balance	45,741	32,366
B. Increases	92,495	13,322
B.1 Purchases		10,000
- of which business combinations		
B.2 Write-backs		-
B.3 Revaluations		1,538
B.4 Other changes	92,495	1,785
C. Decreases	(59,588)	(52)
C.1 Sales		-
- of which business combinations		-
C.2 Value adjustments	(15,696)	-
C.3 Write-downs	(3,902)	(52)
C.4 Other changes	(39,990)	-
D. Closing balance	78,648	45,741
E. Total revaluations	1,679	1,679
F. Total adjustments	22,591	2,993

The changes as at 31 December 2024 mainly relate to:

- the entry of E-Way Finance, E-Way Wind, E-Way Solar, HoldCo and E-Way Baselice for EUR 92.5 million;
- the deconsolidation of Fucino Green and the former interest in E-Way Finance amounting to EUR 39.9 million and the adjustment to the residual fair value of the former E-Way Finance amounting to EUR 15.7 million.

7.6 Significant assessments and assumptions to establish the existence of joint control or significant influence

For the criteria and methods for determining the scope of consolidation and the reasons for joint control or significant influence, please refer to Part A - Accounting Policies (IFRS 12 par. 7(b) and (c)).

7.7 Commitments relating to equity investments in jointly controlled companies

There are no commitments or contingent liabilities deemed to be significant.

7.8 Commitments relating to equity investments in companies subject to significant influence

There are no commitments or contingent liabilities deemed to be significant.

7.9 Significant restrictions

There are no significant restrictions on the ability of associates to transfer funds to the entity in the form of dividends, loan repayments or advances made by the entity.

7.10 Other information

It is not deemed necessary to provide any further information other than that set out above.

Section 8 - INSURANCE ASSETS - ITEM 80

The tables in this section do not show any information and are therefore omitted.

Section 9 - TANGIBLE ASSETS - ITEM 90

9.1 Tangible assets for functional use: breakdown of assets measured at cost

Tangible assets, excluding rights of use acquired under leases, amounted to EUR 85,996 million as at 31 December 2024. Tangible assets recognised in the financial statements are free from restrictions and commitments to secure liabilities.

Assets/Values	Total 31/12/2024	Total 31/12/2023
1 Owned assets	85,996	91,953
a) land	30,687	30,687
b) buildings	48,199	48,163
c) furniture	2,455	2,182
d) electronic equipment	2,427	2,395
e) other	2,229	8,526
2 Rights of use acquired under leases	23,500	24,760
a) land	-	-
b) buildings	22,206	23,253
c) furniture	-	-
d) electronic equipment	-	-
e) other	1,294	1,507
Total	109,496	116,712
of which: obtained through the enforcement of guarantees received	-	-

9.2 Tangible assets held for investment purposes: breakdown of assets valued at cost

Assets/Values	Total 31/12/2024				Total 31/12/2023			
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1 Owned assets	240	-	-	240	252	-	-	252
a) land	-	-	-	-	-	-	-	-
b) buildings	240	-	-	240	252	-	-	252
2 Rights of use acquired under leases	-	-	-	-	-	-	-	-
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	240	-	-	240	252	-	-	252
of which: obtained through the enforcement of guarantees received	-	-	-	-	-	-	-	-

The buildings held for investment purposes relate to 2 real estate units located in the municipality of Avezzano.

9.3 Tangible assets for function use: breakdown of revalued assets

There were no changes in this item at the reporting date.

9.4 Tangible assets held for investment purposes: breakdown of assets measured at fair value

There were no tangible assets held for investment purposes measured at fair value.

9.5 Inventories of tangible assets governed by IAS 2: breakdown

There were no tangible assets governed by IAS 2.

9.6 Tangible assets for functional use: annual changes

	Land	Buildings	Furniture	Electronic equipment	Other	Total
A. Gross opening balance	30,687	103,254	6,361	9,894	12,285	162,481
A.1 Total Net Impairments	-	31,838	4,180	7,498	8,507	52,023
A.2 Net opening balance	30,687	71,416	2,182	2,395	3,778	110,458
B. Increases:	-	6,344	637	1,207	434	8,622
B.1 Purchases	-	4,623	637	1,207	434	6,900
B.2 Capitalised improvement costs	-	1,648	-	-	-	1,648
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive changes in fair value charged to	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) profit and loss account	-	-	-	-	-	-
B.5 Exchange rate gains	-	-	-	-	-	-
B.6 Transfers from real estate held for investment purposes	-	-	X	X	X	-
B.7 Other changes	-	73	-	-	-	73
C. Decreases:	-	7,356	364	1,175	689	9,583
C.1 Sales	-	-	-	-	39	39
C.2 Depreciation	-	7,356	364	1,175	650	9,544
C.3 Impairment adjustments charged to	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) profit and loss account	-	-	-	-	-	-
C.4 Negative changes in fair value charged to	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) profit and loss account	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Transfers to	-	-	-	-	-	-
a) tangible assets held for investment purposes	-	-	X	X	X	-
b) non-current assets and groups of assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	-	-	-	-	-
D. Net closing balance	30,687	70,404	2,455	2,427	3,523	109,496
D.1 Total Net Impairments	-	37,337	4,507	8,587	9,911	60,341
D.2 Gross closing balance	30,687	107,742	6,962	11,014	13,434	169,837
E. Measurement at cost	-	-	-	-	-	-

For all asset classes, the Bank applies the cost criterion.

The item "E. Measurement at cost" is not reported as it is only required for tangible assets measured at fair value, which are not held by the Group.

9.7 Tangible assets held for investment purposes: annual changes

	Total	
	Land	Buildings
A. Opening balance	-	252
B. Increases	-	-
B.1 Purchases	-	-
B.2 Capitalised improvement costs	-	-
B.3 Positive changes in fair value	-	-
B.4 Write-backs	-	-
B.5 Exchange rate gains	-	-
B.6 Transfers from real estate for functional use	-	-
B.7 Other changes	-	-
C. Decreases	-	12
C.1 Sales	-	-
C.2 Depreciation	-	12
C.3 Negative changes in fair value	-	-
C.4 Impairment adjustments	-	-
C.5 Exchange rate losses	-	-
C.6 Transfers to:	-	-
a) buildings for functional use	-	-
b) non-current assets and groups of assets held for sale	-	-
C.7 Other changes	-	-
D. Closing balance	-	240
E. Measurement at fair value	-	-

Tangible assets for investment purposes are recorded in the financial statements at purchase or construction cost.

9.8 Inventories of tangible assets governed by IAS 2: annual changes

There were no tangible assets governed by IAS 2.

9.9 Commitments to purchase tangible assets

The Group had no purchase commitments on tangible assets.

Section 10 - INTANGIBLE ASSETS - ITEM 100

10.1 Intangible assets: breakdown by type of asset

Assets/Values	Total 31/12/2024		Total 31/12/2023	
	Fixed-term	Open-ended term	Fixed-term	Open-ended term
A.1 Goodwill	X	2,001	X	1,698
A.1.1 pertaining to the group	X	2,001	X	1,698
A.1.2 pertaining to minority interests	X	-	X	-
A.2 Other intangible assets	1,666	-	2,246	-
of which: software	-	-	-	-
A.2.1 Assets measured at cost:	1,666	-	2,246	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	1,666	-	2,246	-
A.2.2 Assets measured at fair value:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	1,666	2,001	2,246	1,698

Intangible assets amounted to EUR 3.6 million as at 31 December 2024, of which EUR 2 million related to goodwill.

All intangible assets of the Group are valued at cost. No internally generated intangible assets are recognised. Intangible assets with a limited duration consist of costs for the purchase of EDP programmes, which have a defined useful life and are therefore amortised on the basis of this, normally over a three-year period.

Goodwill impairment test

Goodwill, totalling EUR 2,001,061, refers to the following extraordinary transactions:

- Igea Banca's acquisition of Banca del Fucino S.p.A. at the end of 2018 (goodwill of EUR 898,982);
- Igea Banca's acquisition of Pasvim S.p.A. at the end of 2019 (goodwill of EUR 177,458);
- merger of Igea Finanziaria S.p.A. into Banca Popolare dell'Etna Soc. Coop. in 2015 (goodwill of EUR 621,957);
- purchase of the GEOREDD business unit on 11 July 2024 (goodwill of EUR 302,664).

As of 31 December 2024, as GEOREDD's goodwill was generated in the last 6 months, it was not subject to an impairment test.

Definition of CGUs

For the first three goodwill items, the CGUs (Cash Generating Units) to which the goodwill was to be attributed were first determined; these units were identified as follows:

- Banca del Fucino
- Fucino Finance

consistent with its management and control system and Management's strategic vision of the company.

For the development of the impairment test model, the Group engaged the services of an independent advisor.

Banca del Fucino CGU

The impairment test is the procedure that verifies the existence or non-existence of an impairment loss on an asset (tangible or intangible) recognised in the financial statements. An impairment loss is defined as the difference between the carrying amount of the asset being analysed and its so-called recoverable amount, defined as the higher of value in use and the fair value of the asset less costs of disposal, where:

- value in use is the present value of the expected future cash flows that are expected to result from the use of an asset;
- fair value less costs of disposal is the amount obtainable, net of costs of disposal, for the sale of an asset or that would be paid for the transfer of a liability in a regular market transaction between market participants at the valuation date.

For Banca del Fucino, the value in use was considered as the recoverable amount. The recoverable amount, understood as value in use, of goodwill was determined by following an equity approach to valuation focused on the expected income flows provided by management for the period 2024-2026.

The recoverable amount, understood as value in use, of the goodwill described above was determined by following an equity approach to valuation focused on the expected income flows provided by the Plan. The applicability of an income-type model based on prospective flows is also based on the fact that the Group's business project has always been received with some interest by investors. The income approach, in its application version, is represented by the following (general) formula:

$$W = \sum_{t=1}^n \frac{UN_t}{(1 + k_e)} + \frac{\frac{UN_{norm:n+1}}{(k_e - g)}}{(1 + k_e)^n}$$

Where:

W: economic value of the bank's equity capital;

UN_t: net profit flow (un) at year 't', which can be inferred from the plan for years 1 to 'n';

UN_{norm:n+1}: net profit flow (un) normalised for the financial years starting from 'n+1'.

Ke: estimated cost of equity for the bank.

G: expected growth factor (if any) of the net profit stream beyond the analytical valuation horizon.

The impairment test, consistent with IAS 36, was performed by comparing the recoverable amount of the CGU with its carrying amount as of 31 December 2024.

In order to determine the carrying amount necessary for the impairment test, reference was made to the accounting situation as of 31 December 2024, which shows shareholders' equity of EUR 320,936,807 identified with the carrying amount.

Applying an income valuation method (equity side), it is basic to determine the cost of equity (K_e) applicable to the Target. The estimate was therefore based on the Capital Asset Pricing Model (CAPM) summarised in the following formula:

$$K_e = i_{Free Risk} + \beta_e \cdot ERP$$

Where:

- $i_{Free Risk}$ = risk-free return determined with reference to (Italian) government bonds with a 10-year maturity;
- Beta = degree of systematic risk that the company would bring to a diversified market portfolio. For the purposes of this valuation, the beta equity calculated on the basis of the average value expressed by a sample of banks [comparable companies] according to the methodology set out below was taken as the benchmark;
- ERP = [equity risk premium, also referred to as MRP - market risk premium] = risk premium expected from an investment in the equity market, estimated on the basis of the long-term return differential between the investment in the equity market and the investment in risk-free securities (government bonds).

The **beta equity** estimate for the Target was based on the sample of banks with comparable transactions.

From the “**comparables**” data, the cost of **equity** of the Target was reconstructed.

The **risk free** rate was conservatively taken to be equal to the average annual value found on 31 December 2024 for long-term (10-year) government bonds, i.e. 3.70%.

This resulted in a cost of equity of 7.41%, as summarised below.

Components	Values	Notes
Risk Free rate	3.70 %	10 years maturity Bond (Italy) - 12 months average as of 31.12.2024
Market Risk Premium	4.33 %	Industrialised countries Market Risk Premium (Damodaran January 2025)
Relevered Beta	0.39	Beta Levered - Comparable Companies Damodaran, Banks (Regional), January 2025
Alpha	2.00 %	Additional Risk Premium
Ke	7.41 %	$Ke = Rf + (MRP \times Relevered\ Beta) + Additional\ Risk\ Premium$

For the purpose of calculating Terminal Value, the formula of the perpetuity of available cash flow growth has been adopted: it is assumed that the Company's cash flow grows at a constant rate (g) beyond the explicit projection period and that the residual value is equal to the capitalisation of the Company's normalised cash flow expected in the future.

In particular, the prospective cash flow, i.e. the reference net profit used to calculate the Terminal Value, based on the information available, was calculated on the basis of the average gross profit for 2025-2026, on which a tax rate of 39.99% was prudentially applied.

On the basis of the above considerations, the intrinsic value of the **equity** of Banca del Fucino was quantified according to the scheme illustrated in the model below.

€/Mln	
NPV FCFO	44.09
Terminal Value (NPV)	365.96
Equity Value as at 31.12.2024 (Recoverable amount)	410.04

The **recoverable amount**, as at 31 December 2024 was EUR 410,041,498 and was compared with the carrying amount of the CGU, estimated at EUR 320,936,807 million.

€	31.12.2024
Recoverable Amount	401,041,498
Carrying Amount	320,936,807
Highest value	89,104,691

The valuation procedure was also accompanied by a sensitivity analysis performed on the differential between the recoverable amount resulting from the application of the chosen methodology and the respective carrying amount as a result of the fluctuation of the discount rate (Ke) and the growth rate (g).

This analysis was carried out assuming a fluctuation of 25 basis points both upwards and downwards for the Ke parameter and a fluctuation of 50 basis points both upwards and downwards for the long-term growth rate.

The result of the sensitivity analysis carried out identifies the difference between the recoverable value and the carrying amount ranging from a minimum of EUR 73.85 million to a maximum of EUR 145.96 million.

The estimates obtained from the valuation model do not show any **impairment losses** at the CGU level.

Fucino Finance CGU

For the CGU Fucino Finance (formerly Pasvim), the fair value less cost of disposal was considered as the recoverable amount, through the application of the complex equity method.

This method is based on the assumption that the value of the company corresponds to its equity, appropriately as described below.

The simple equity method assumes, in the initial phase, the quantification of the equity in the financial statements, which can be deduced from an up-to-date balance sheet.

It then proceeds to:

- a) an analysis of the various asset and liability items in order to check their consistency (e.g. with regard to the correct recording of receivables and payables, the adequacy of provisions, etc.);
- b) expressing non-monetary assets (equity investments, inventory, technical or intangible fixed assets, etc.) at current values.

With regard to the first point, an audit must be carried out to ascertain the proper accounting of all assets and liabilities, the real collectability of receivables, the consistency of payables, and so on, making adjustments where necessary. This task is obviously easier, and in any case not always necessary, when audited financial statements are available.

In connection with the second point, it is necessary to express non-monetary assets at current values. The adjustments and revaluations now analysed, and any others that may be necessary, lead to the identification of a series of capital gains or losses which, after being appropriately reduced to take account of the potential tax burdens to which they are subject, are added to the carrying amount of the net equity, thus increasing the so-called “adjusted net equity”, which is the final result of the equity method.

A further aspect that cannot be overlooked in the context of asset valuations concerns the possible valuation of intangible assets. The term “simple” equity method is therefore used when no value adjustments are made in relation to these assets; the term “complex” equity method is used when, on the other hand, the assets in question are included among the assets and appropriately valued.

In relation to the foregoing considerations, and in particular to the aforementioned absence of a multi-year Plan, the choice of valuation method was therefore made in favour of a “complex” equity method, by identifying the financial intermediary licence pursuant to Article 106 of the Italian Consolidated Law on Finance (TUB) (hereinafter also referred to as the “Licence” or “Licence pursuant to Article 106”) as an asset worthy of independent valuation.

The impairment test, consistent with IAS 36, was performed by comparing the recoverable amount of the CGU with its carrying amount as of 31 December 2024. In order to determine the carrying amount necessary for the

impairment test, reference was made to the accounting situation as at 31 December 2024, which shows Net Assets of EUR 22,641,930

Below is the calculation of the carrying amount:

Euro	31.12.2024
Capital	29,850,000
Reserves	(6,009,448)
Profit (Loss) for the year	(1,198,622)
TOTAL NET ASSETS (A)	22,641,930
Goodwill (B)	177,458
Total Carrying amount (A+B)	22,819,388

As described above, the valuation method used to estimate the **recoverable amount** is the complex equity method.

The valuation of the CGU under the complex equity method follows a similar model to the simple equity method, and considers, in addition to the assets and liabilities shown in the financial statements, certain intangible assets not shown in the financial statements, such as goodwill, trademarks, patents, concessions, etc.

The model can be represented as follows:

$$W = PN + R - I + BI$$

where:

W = Economic value of the enterprise

PN = book net equity

R = Value adjustments of assets comprising the company's assets

I = Latent tax burden

BI = Intangibles

With regard to the "R" adjustments to the book net equity, it was deemed reasonable not to apply any adjustments due to the absence of elements that would lead to any possible changes to the values under review. With regard to any intangibles ("BI"), it was deemed reasonable to estimate the value of the Licence pursuant to Article 106.

The implied value of the Licence pursuant to Article 106 is attributable to the well-established history of the former PASVIM, that was incorporated in 2000 with an endowment of Lire 2 billion, on the initiative of the Municipality of Pavia, the Pavia Chamber of Commerce, the Pavia Provincial Administration and the European Regional Bank with the aim of providing resources and expertise to local SMEs. During 2008, the Company, while retaining the same acronym, changed its name to Partner Sviluppo Imprese Spa - PASVIM, to reflect

changes in its mission to support entrepreneurial initiatives. Therefore, the prevalent activity of PASVIM, compared to when it was started in 2000, was no longer constituted by acquiring equity investments to support the launch of new entrepreneurial initiatives (venture capital activity), but became exclusively focused on the granting of guarantee facilities.

The solution identified by PASVIM, in order to make a significant contribution to the less structured part of entrepreneurship, that of the micro-enterprises of commerce and craftsmanship, which still face considerable difficulties in accessing the credit market, was to become a financial intermediary supervised by the Bank of Italy, by registering on the special list referred to in Article 107 of the Italian Consolidated Law on Banking (TUB). In fact, PASVIM became a supervised intermediary with a measure of 19 January 2009 when the Bank of Italy ordered its inclusion among financial intermediaries, an act that positively sanctioned the closure of the preliminary investigation procedure that PASVIM had undertaken in 2008. PASVIM's registration in the special list under Article 107, and subsequently in the register of supervised intermediaries under Article 106 in 2017, has therefore made it possible to provide guarantees to businesses through the intermediation of collective guarantee Cooperatives and Consortia.

The process of registration in the special list pursuant to Article 107 of Italian Legislative Decree 385/93 for the start-up of the new business line relating to the provision of guarantee facilities was completed on 19 January 2009, with Bank of Italy enrolment measure No. 50060.

In order to determine the value of this Licence, reference was made to the “reproduction cost” method. Cost criteria are based on the assumption that a rational investor would assign a value to an existing asset that does not exceed its replacement (or reproduction) cost. Replacement (or reproduction) cost includes charges associated with the construction, at prices applicable at the valuation date, of similar assets with an equivalent usefulness. The total costs were therefore estimated at EUR 800,000.

In order to verify the appropriateness of these costs, a benchmark analysis was carried out (consistent with publicly available information). In particular, a number of comparable companies were identified for which the amount of costs attributable to obtaining the Licence was verified.

On the basis of the above considerations, the **fair value** was quantified according to the scheme illustrated below:

	Recoverable amount
Capital	29,850,000
Reserves	(6,009,448)
Profit (Loss) for the year	(1,198,622)
TOTAL NET ASSETS (A)	22,641,930
Licence (B)	800,000
Total FAIR VALUE (A+B)	23,441,930

The **recoverable amount** thus obtained was compared with the **carrying amount** of the CGU, estimated at EUR 22,819,388

31.12.2024	Results
Recoverable amount	23,441,930
Carrying amount	22,819,388
Headroom / (impairment loss)	622,542

The estimates obtained from the valuation model do not show any **impairment losses** at the CGU level.

10.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total
		DEF	INDEF	DEF	INDEF	
A. Opening balance	1,698	-	-	2,637	-	4,334
A.1 Total Net Impairments	-	-	-	391	-	391
A.2 Net opening balance	1,698	-	-	2,246	-	3,944
B. Increases	303	-	-	642	-	945
B.1 Purchases	-	-	-	642	-	642
B.2 Increase in internal intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Positive changes in fair value	-	-	-	-	-	-
- to shareholders' equity	X	-	-	-	-	-
- to profit and loss account	X	-	-	-	-	-
B.5 Exchange rate gains	-	-	-	-	-	-
B.6 Other changes	303	-	-	-	-	303
C. Decreases	-	-	-	1,222	-	1,222
C.1 Sales	-	-	-	-	-	-
C.2 Value adjustments	-	-	-	1,222	-	1,222
- Amortisation	X	-	-	1,222	-	1,222
- Write-downs	-	-	-	-	-	-
+ shareholders' equity	X	-	-	-	-	-
+ profit and loss account	-	-	-	-	-	-
C.3 Negative changes in fair value	-	-	-	-	-	-
- to shareholders' equity	X	-	-	-	-	-
- to profit and loss account	X	-	-	-	-	-
C.4 Transfers to non-current assets held for sale	-	-	-	-	-	-
C.5 Exchange rate losses	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Net closing balance	2,001	-	-	1,666	-	3,667
D.1 Total net value adjustments	-	-	-	684	-	684
E. Gross closing balance	2,001	-	-	2,350	-	4,351
F. Measurement at cost	-	-	-	-	-	-

Key:

DEF=defined duration

INDEF=indefinite duration

The intangible assets described were entirely purchased externally and are measured at cost. The sub-item "F. Measurement at cost" is not reported as its compilation is only required for intangible assets measured at fair value.

10.3 Other information

At the reporting date of these Financial Statements, there were no commitments for the purchase of intangible assets.

Section 11 - TAX ASSETS AND TAX LIABILITIES - ASSETS ITEM 110 AND LIABILITIES ITEM 60

This section shows the breakdown of and changes in deferred tax assets and liabilities, with balancing entries in both shareholders' equity and the profit and loss account.

With the exception of the portion of tax attributable to Group companies not operating in the financial sector, the rate used to determine corporate income tax (IRES) does not take into account the rate reduction provided for by the 2016 Stability Law (Italian Law No. 208 of 28 December 2015) since, for credit and financial institutions, the same law introduced an IRES surcharge that keeps the overall tax level unchanged at 27.5%. For regional tax on production activities (IRAP) purposes, the effective rates were determined by taking into account the territorial distribution of the tax base.

Deferred Tax Assets (DTA) have been recognised after verifying that the amounts recorded are supported by a judgement of probability as to their recoverability, in accordance with the provisions of IAS 12. For the purpose of making this judgement, current tax provisions - including the rules for transforming certain deferred tax assets into tax credits - and the ability to generate future taxable income were taken into account.

Probability test disclosure

IAS 12 provides, as a general rule, that DTAs must be recognised in the financial statements for all so-called "deductible temporary (or timing) differences" if the reporting entity considers it probable that it will realise future taxable income against which such differences can be utilised (*i.e.* passing the so-called probability test).

This assumption also remains valid with respect to the benefit associated with the possibility of using past tax losses to reduce future taxable income; with the further clarification that, in the presence of recent tax losses, DTAs on tax losses should only be recognised if, and to the extent that, there is convincing evidence that sufficient taxable income will be available against which such losses can be utilised. For logical and systematic reasons, the same criterion provided for the recognition of DTAs associated with tax losses must also be adopted with reference to those arising from the possibility of carrying forward to subsequent tax periods any excess Italian tax deductions (*Aiuto alla Crescita Economica*- ACE) that are unused at the end of a given financial year (this tax relief was repealed by Article 5 of Italian Legislative Decree No. 216/2023 with effect from the 2024 tax year, without prejudice to the possibility of carrying forward any surplus previously carried forward).

In other words, the prerequisite for recognising DTAs is always the probability of generating sufficient taxable income to absorb them, with the special feature that, for certain cases (DTAs on tax losses and ACE surpluses), the assessment of this probability requires greater rigour, as it must be supported by "convincing evidence".

From an operational perspective, IAS 12 specifies that, in assessing whether a "*taxable profit will be available against which the deductible temporary [editors' note, timing] difference can be utilised*", account must be taken both of the financial year "*in which the deductible temporary differences can be derecognised*" and to

subsequent periods in which any tax loss, generated by the reversal of the deductible timing difference, may be carried forward (see par. 28 of IAS 12). To this end:

- deductible temporary differences and timing differences must be compared with future taxable income, with tax deductions arising from the reversal of such deductible temporary differences being excluded from the calculation;
- taxable amounts arising from deductible temporary differences that are expected to occur in future years should not be taken into account, as deferred tax assets arising from such differences will themselves require the existence of future taxable income in order to be recognised. In fact, the assessment of the probability of recovering DTAs that have already been recognised or are recognisable in the financial statements will have to be carried out annually in accordance with a continuity principle in verifying the conditions set forth in IAS 12.

The probability test relating to the deferred tax assets recognised in the financial statements for the financial year ending 31 December 2024 was performed separately on the individual member entities of the Group, in order to take into account the different nature and, therefore, the specific conditions of utilisation of the respective temporary differences.

In particular, the probability test was carried out on the basis of the following considerations and assumptions:

- IAS 12 does not identify the time horizon to be considered for estimating future taxable income necessary to estimate the probability of DTA recovery;
- The Italian tax system currently does not provide any time limit for the utilisation of past tax losses;
- future taxable income was determined on the basis of the business plans prepared by the management bodies of the individual companies and the information provided by the respective management bodies. For the time horizon subsequent to that taken into consideration by the aforementioned business plans, taxable income was (conservatively) estimated to be constant;
- With specific reference to the Parent Bank, the DTAs (both IRES and IRAP) recognised in the financial statements for temporary differences generated by value adjustments on Loans to customers that, pursuant to Article 2(55) to (57) of Italian Legislative Decree No. 225/2010, can be transformed into tax credits were not subjected to a probability test. This is because the potential conversion of such DTAs into tax credits, if certain conditions are met, is a sufficient element to ensure their recognition, thereby automatically passing the recoverability test. In particular, the recovery of such deductible temporary differences may take place through the ordinary “reversal” of the same to reduce a positive taxable base (IRES and IRAP) or, upon the occurrence of a statutory loss, tax loss or negative IRAP production value, through the transformation into a tax credit. The relevant decreases have, however, been taken into account as an adjustment to the tax result of individual tax periods if and to the extent that the relevant calculation results in the deferral of the utilisation of tax losses and/or past ACE surpluses;
- the recovery of deferred tax assets relating to the higher impairment losses on receivables due from recognised in the financial statements as a result of the transition to IFRS 9 was assessed, for both IRES and IRAP purposes, by taking into account the provisions of (a) the 2019 Budget Law (Italian Law No. 145 of 30 December 2018), which provided, as a general rule, for their deduction in 10 constant

instalments starting from the tax period in progress on 31 December 2018; (b) the 2020 Budget Law (Italian Law No. 160), which postponed to the tax period in progress on 31 December 2028 the deduction of the instalment, originally, provided for the 2019 tax period and (c) by Budget Law 2025 (Italian Law No. 207 of 30 December 2024), which postponed (i) the deduction of the instalment, originally, provided for the 2025 taxable year to the tax period in progress on 31 December 2026 and three subsequent taxable years and (ii) the deduction of the instalment, originally, provided for the 2026 taxable year to the tax period in progress on 31 December 2027 and the two subsequent tax periods;

- with reference to the 2025 tax period, the reabsorption of tax losses and ACE surpluses takes into account the provisions of Article 1(18) of the 2025 Budget Law (i.e., Italian Law No. 207), whereby *“limited to the greater taxable income of the same tax period determined as a result of the provisions of paragraphs 14 through 17 of this Article” (i.e., postponement of deductions referred to the so-called qualified DTAs and the IFRS 9 portion) the utilisation is made “to an extent not exceeding 54 per cent of the same greater taxable income”*.

Given this, the estimated future taxable income and production value of the Group allow for the reabsorption of the deferred tax assets recognised in the financial statements for the year ending 31 December 2024, within a timeframe deemed congruous.

11.1 Deferred tax assets: breakdown

Assets/Values	Total	
	31/12/2024	31/12/2023
Tax losses carried forward	29,729	29,564
Value adjustments on Loans to customers prior to 2016	399	744
Value adjustments on Loans to customers FTA IFRS 9	9,812	12,264
ACE surpluses carried forward	636	636
Provisions for risks and charges	9,574	4,810
Other	1,960	2,505
Total	52,110	50,522

Deferred tax assets at the Group level amounted to EUR 52.1 million (EUR 50.5 million as at 31 December 2023) and therefore increased by approximately EUR 1.6 million overall.

Tax losses carried forward refer to the negative results achieved by Group companies in previous financial years; in particular, these deferred tax assets refer mainly to the parent company Banca del Fucino for EUR 24.8 million and to the subsidiary Igea Digital Bank for EUR 4.9 million.

Deferred tax assets relating to adjustments to Loans to customers recognised and not yet deducted at the end of the tax period in progress on 31 December 2015 refer entirely to the parent company Banca del Fucino and have been recognised by taking into account the applicable tax regulations, by allowing them to be transformed into tax credits when certain conditions are met, guarantees their recovery, irrespective of the Bank's ability to generate future profitability (so-called “tax capability”).

Reference is made, in particular, to the rules introduced by Italian Decree-Law No. 225 of 29 December 2010, converted, with amendments, by Italian Law No. 10 of 26 February 2011, as subsequently amended and supplemented both by Italian Decree-Law No. 201 of 6 December 2011, converted, with amendments, by Italian Law No. 214 of 22 December 2011, and by Italian Law No. 147 of 27 December 2013. In its current wording, the regulations provide for the transformation upon the occurrence of a statutory loss, a tax loss for IRES purposes and/or a negative production value for IRAP purposes.

The purpose of the aforementioned regulations is, firstly, to prevent banks from having to deduct convertible deferred tax assets from Own Funds following the entry into force of the new prudential supervisory provisions, known as Basel III. This, in fact, mitigates the competitive disadvantage between Italian banks and those established in other European countries that resulted from the previous limits on the tax deductibility of certain accounting items, such as adjustments to loans, which in Italy is particularly penalising as it generates the recognition of substantial deferred tax assets.

In this context, in order to overcome the critical issues raised by the European Commission regarding the compatibility of the rules on the transformation of deferred tax assets with the State aid rules, with Italian Decree-Law No. 59 of 3 May 2016 (the so-called “Banking Decree”), converted, with amendments, by Italian Law No. 119 of 30 June 2016, made the maintenance of the right to the transformation conditional upon the exercise of a specific option involving the payment of an annual fee at a rate of 1.5% (to be applied on any positive difference between the qualified DTAs and the total taxes paid from 2008 until the relevant tax period).

With regard to the “tax capability”, therefore, in respect of deductible temporary differences arising from impairment losses on Loans to customers not deducted at the end of the tax period in progress on 31 December 2015, the current regulatory provisions effectively eliminate the risk of non-recoverability.

Table 11.4 shows the changes in deferred tax assets that can be converted into tax credits pursuant to Italian Law No. 214/2011.

Deferred tax assets on the higher adjustments to Loans to customers recognised in the financial statements as a result of the transition to IFRS 9 relate for EUR 8.6 million to the Parent Bank and for EUR 1.2 million to the subsidiary Igea Digital Bank and take into account the provisions of (a) the 2019 Budget Law (Italian Law No. 145 of 30 December 2018), which provided, as a general rule, for the deduction of these higher loan adjustments in 10 equal instalments starting from the tax period in progress on 31 December 2018; (b) by the 2020 Budget Law (Italian Law No. 160), which postponed to the tax period in progress on 31 December 2028 the deduction of the instalment, originally, provided for the 2019 tax period 2019 and (c) by the 2025 Budget Law (Italian Law No. 207 of 30 December 2024), which postponed (i) the deduction of the instalment, originally, provided for the 2025 tax period to the tax period in progress on 31 December 2026 and the three subsequent tax periods and (ii) the deduction of the instalment, originally, provided for the 2026 tax period to the tax period in progress on 31 December 2027 and the two subsequent tax periods.

Deferred tax assets on ACE surpluses carried forward (Italian Decree-Law No. 201/201) are attributable to unused portions of the benefit by the parent company Banca del Fucino, which may be deducted from taxable income in the future.

DTAs on Provisions for risks and charges and write-downs refer to provisions for risks and charges and value adjustments on loans to non-customers that are not deductible in this tax period.

Other deferred tax assets are mainly attributable to negative changes in the fair value of securities measured at fair value through other comprehensive income, to write-downs of real estate and to the portion of provisions not deducted in relation to the liability connected to the staff severance pay. The decrease compared to the previous year is mainly attributable to the reversal of impairment losses recognised on securities measured at fair value through other comprehensive income.

11.2 Deferred tax liabilities: breakdown

	Total 31/12/2024	Total 31/12/2023
- As a balancing entry to the Profit and Loss Account	1,150	469
- As a balancing entry to the Shareholders' Equity	691	149
Total	1,841	618

Deferred taxes with a balancing entry in the profit and loss account mainly refer to the tax effect recognised on the gross misalignments between the carrying amount and tax value of the provision for staff severance pay, on the fair value of the derivative assets recognised by the parent bank against commitments to sell tax credits recognised in the trading book, and on the exchange gain recognised, by the parent bank Banca del Fucino, as a result of the unified extraordinary transaction of the Green segment (reverse merger of Fucino Green S.r.l. into E-Way Finance S.p.A. and the subsequent demerger of the incorporating company) under the principle of neutrality governed by Articles 172 and 173 of the Italian Consolidated Income Tax Law (TUIR).

Deferred taxes with a balancing entry in shareholders' equity, on the other hand, are mainly attributable to misalignments between the carrying amount and the tax values of the loyalty reserve and to positive changes in the fair value of securities valued through the statement of comprehensive income.

11.3 Changes in deferred tax assets (offsetting entry to the profit and loss account)

	Total 31/12/2024	Total 31/12/2023
1 Initial amount	48,508	51,219
2 Increases	5,812	1,277
2.1 Deferred tax assets recognised during the financial year	5,812	1,274
a) relating to previous financial years	-	-
b) due to changes in accounting criteria	-	-
c) write-backs	-	-
d) other	5,812	1,274
2.2 New taxes or tax rate increases	1	2
2.3 Other Increases	-	-
3 Decreases	3,460	3,808
3.1 Deferred tax assets derecognised during the financial year	3,460	3,749
a) reversals	3,460	3,749
b) write-downs for non-recoverability	-	-
c) change of accounting criteria	-	-
d) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	59
a) conversion into tax credits under Law No. 214/2011	-	-
b) other	-	59
4 Final amount	50,860	48,687

The increase in deferred tax assets recognised with a balancing entry in the profit and loss account is mainly attributable to the net effect of:

- recognition of deferred tax assets recognised on non-deductible write-downs for the period;
- reversal of deferred tax assets (indicated in the item “reversals”) previously recognised on the higher value adjustments on Loans to customers recognised on the first-time adoption of IFRS 9, in compliance with the cyclical nature established by law;
- reversal of deferred tax assets against the utilisation of the provision for litigation risks.

11.4 Changes in deferred tax assets under Law 214/2011

	Total 31/12/2024	Total 31/12/2023
1 Initial amount	744	1,050
2 Increases	-	-
3 Decreases	344	306
3.1 Reversals	-	306
3.2 Conversion into tax credits	344	-
a) arising from operating losses	-	-
b) arising from tax losses	344	-
3.3 Other decreases	-	-
4 Final amount	399	744

The decrease in deferred tax assets pursuant to Italian Law No. 214/2011 is due to the reversal to the profit and loss account by the Parent Bank for the portion pertaining to the year and to the transformation into a tax credit of DTAs on tax losses pursuant to the regulations introduced, as already stated, by Italian Decree-Law No. 225 of 29 December 2010.

11.5 Changes in deferred taxes (balancing entry to the profit and loss account)

	Total 31/12/2024	Total 31/12/2023
1 Initial amount	469	145
2 Increases	1,048	412
2.1 Deferred taxes recognised in the financial year	910	412
a) relating to previous financial years	-	-
b) due to changes in accounting criteria	-	-
c) other	910	412
2.2 New taxes or tax rate increases	-	-
2.3 Other Increases	138	-
3 Decreases	367	88
3.1 Deferred taxes derecognised during the financial year	367	88
a) reversals	367	88
b) due to changes in accounting criteria	-	-
c) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
4 Final amount	1,150	469

The increase in deferred taxes with a balancing entry in the profit and loss account derives mainly from the net effect of:

- Recognition of taxation on the exchange gain recognised as a result of the unified extraordinary transaction of the Green segment (reverse merger of Fucino Green S.r.l. into E-Way Finance S.p.A. and subsequent demerger of the incorporating company) by virtue of the neutrality principle governed by Articles 172 and 173 of the Consolidated Law on Income Tax (TUIR);
- reversal of deferred taxes recognised on gross misalignments between the carrying amount and the tax value of the provision for staff severance pay and on the fair value of derivative assets recognised against commitments concerning the tax receivables recognised in the trading book.

11.6 Changes in deferred tax assets (with balancing entry in shareholders' equity)

	Total 31/12/2024	Total 31/12/2023
1 Initial amount	1,834	4,300
2 Increases	398	55
2.1 Deferred tax assets recognised during the financial year	398	55
a) relating to previous financial years	-	-
b) due to changes in accounting criteria	-	-
c) other	398	55
2.2 New taxes or tax rate increases	-	-
2.3 Other Increases	-	-
3 Decreases	982	2,521
3.1 Deferred tax assets derecognised during the financial year	982	2,521
a) reversals	982	2,521
b) write-downs for non-recoverability	-	-
c) due to changes in accounting criteria	-	-
d) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
4 Final amount	1,250	1,834

The overall amount of the reduction in deferred tax assets with a balancing entry in shareholders' equity compared to 31 December 2023 derives mainly from changes in the fair value of debt and equity securities measured with a balancing entry in the statement of comprehensive income.

11.7 Changes in deferred taxes (with balancing entry in shareholders' equity)

	Total 31/12/2024	Total 31/12/2023
1 Initial amount	149	81
2 Increases	758	87
2.1 Deferred taxes recognised in the financial year	758	87
a) relating to previous financial years	-	-
b) due to changes in accounting criteria	-	-
c) other	758	87
2.2 New taxes or tax rate increases	-	-
2.3 Other Increases	-	-
3 Decreases	216	19
3.1 Deferred taxes derecognised during the financial year	216	19
a) reversals	216	19
b) due to changes in accounting criteria	-	-
c) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
4 Final amount	691	149

The overall amount of the increase in deferred taxes with a balancing entry in shareholders' equity compared to 31 December 2023 mainly arose from changes in the fair value of debt and equity securities measured with a balancing entry in the statement of comprehensive income.

11.8 Other information

It was not deemed necessary to add further information to that already provided in the above tables.

Section 12 - NON-CURRENT ASSETS AND GROUPS OF ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES - ASSETS ITEM 120 AND LIABILITIES ITEM 70

	Total 31/12/2024	Total 31/12/2023
A. Assets held for sale		
A.1 Financial assets	14,500	-
A.2 Equity investments	-	-
A.3 Tangible assets	-	-
of which: obtained through the enforcement of guarantees received	-	-
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	-
Total (A)	14,500	-
<i>of which measured at cost</i>	<i>14,500</i>	<i>-</i>
<i>of which measured at fair value level 1</i>	<i>-</i>	<i>-</i>
<i>of which measured at fair value level 2</i>	<i>-</i>	<i>-</i>
<i>of which measured at fair value level 3</i>	<i>-</i>	<i>-</i>
B. Discontinued operations		
B.1 Financial assets at fair value through profit or loss	-	-
- financial assets held for trading	-	-
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	-	-
B.2 financial assets measured at fair value through other comprehensive income	-	-
B.3 financial assets measured at amortised cost	-	-
B.4 Equity investments	-	-
B.5 Tangible assets	-	-
of which: obtained through the enforcement of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total (B)	-	-
<i>of which measured at cost</i>	<i>-</i>	<i>-</i>
<i>of which measured at fair value level 1</i>	<i>-</i>	<i>-</i>
<i>of which measured at fair value level 2</i>	<i>-</i>	<i>-</i>
<i>of which measured at fair value level 3</i>	<i>-</i>	<i>-</i>
C. Liabilities associated with assets held for sale		
C.1 Payables	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total (C)	-	-
<i>of which measured at cost</i>	<i>-</i>	<i>-</i>
<i>of which measured at fair value level 1</i>	<i>-</i>	<i>-</i>
<i>of which measured at fair value level 2</i>	<i>-</i>	<i>-</i>
<i>of which measured at fair value level 3</i>	<i>-</i>	<i>-</i>
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities measured at amortised cost	-	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Provisions	-	-
D.5 Other liabilities	-	-
Total (D)	-	-
<i>of which measured at cost</i>	<i>-</i>	<i>-</i>
<i>of which measured at fair value level 1</i>	<i>-</i>	<i>-</i>
<i>of which measured at fair value level 2</i>	<i>-</i>	<i>-</i>
<i>of which measured at fair value level 3</i>	<i>-</i>	<i>-</i>

12.2 Other information

The item refers to the Vittoria IV security, sold on 15 January 2015.

Section 13 - OTHER ASSETS - ITEM 130

13.1 Other assets: breakdown

Assets/Values Assets/Values	Total	
	31/12/2024	31/12/2023
Items for subsidised loans	4,402	4,909
Items in processing	55,482	49,531
Accruals and deferrals	4,968	3,668
Leasehold improvements	3,622	3,113
Receivables due from Finvest Spa and Torlonia Partecipazioni Spa	1,655	2,125
Tax credits acquired	532,301	388,152
Other items	18,939	26,883
Total	621,370	478,381

The sub-item “Tax credits acquired”, which as a whole accounts for approximately 85.67% of the total of the item, is made up of tax credits acquired by the Bank for use in offsetting (amounting to EUR 241 million), in consideration of its Tax Capacity, as well as to be assigned to third parties (amounting to EUR 291 million).

The sub-item “Items in processing”, which as a whole accounts for 8.93% of the item total, is mainly made up of transit accounts that allow dialogue between several procedures and accommodate items that are to be settled by other procedures automatically or which, instead, are awaiting manual settlement.

The sub-item “Other Items”, which together account for 3.05% of the total, consists mainly of trade receivables relating to Advisory activities.

PART B - INFORMATION ON THE CONSOLIDATED BALANCE SHEET

LIABILITIES

Section 1 - FINANCIAL LIABILITIES MEASURED AT AMORTISED COST - ITEM 10

1.1 Financial liabilities measured at amortised cost: breakdown by type of payables to banks

Type of transaction/Values	Total 31/12/2024				Total 31/12/2023			
	CA	Fair Value			CA	Fair Value		
		L1	L2	L3		L1	L2	L3
1 Payables to central banks	200,926	X	X	X	375,943	X	X	X
2 Payables due to banks	743,767	X	X	X	709,543	X	X	X
2.1 Current accounts and on-demand deposits	27,291	X	X	X	21,637	X	X	X
2.2 Time deposits	454,941	X	X	X	266,924	X	X	X
2.3 Financing	261,535	X	X	X	420,962	X	X	X
2.3.1 Repurchase Agreements	261,535	X	X	X	420,962	X	X	X
2.3.2 Other	-	X	X	X	-	X	X	X
2.4 Payables for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Lease payables	-	X	X	X	20	X	X	X
2.6 Other payables	-	X	X	X	-	X	X	X
Total	944,693	-	-	942,538	1,085,486	-	-	1,080,202

Key:

L1=Level1

L2=Level2

L3=Level3

1.2 Financial liabilities measured at amortised cost: breakdown by type of payables due to customers

Type of transaction/Values	Total 31/12/2024				Total 31/12/2023			
	CA	Fair Value			CA	Fair Value		
		L1	L2	L3		L1	L2	L3
1 Current accounts and on-demand deposits	2,433,209	X	X	X	2,180,208	X	X	X
2 Time deposits	1,217,094	X	X	X	1,155,671	X	X	X
3 Financing	72,348	X	X	X	13,554	X	X	X
3.1 Repurchase Agreements	2,854	X	X	X	2,954	X	X	X
3.2 Other	69,493	X	X	X	10,600	X	X	X
4 Payables for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
5 Lease payables	23,712	X	X	X	24,796	X	X	X
6 Other payables	17,804	X	X	X	16,370	X	X	X
Total	3,764,166	-	-	3,767,521	3,390,599	-	-	3,393,963

Key:

L1=Level1

L2=Level2

L3=Level3

Payables due to customers are not specifically hedged. The fair value is assumed to be equal to the financial statements value as these are mainly payables on demand or with short-term maturity. The item “lease payables” is a representation of the dictates of IFRS 16.

The sub-item “other loans” includes loans received from Cassa Depositi e Prestiti (CDP), with reference to the 2009 ABI-CDP Agreement for the reconstruction of buildings damaged by the Abruzzo earthquake.

The sub-item “other payables” consists of outstanding bank drafts and banker’s cheques as well as miscellaneous amounts available to customers.

1.3 Financial liabilities measured at amortised cost: breakdown by type of outstanding securities

Type of securities/Values	Total 31/12/2024				Total 31/12/2023			
	CA	Fair Value			CA	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	125,841	24,705	-	101,136	98,067	-	-	95,067
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	125,841	24,705	-	101,136	98,067	-	-	95,067
2. other securities	860	-	-	862	874	-	-	876
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	860	-	-	862	874	-	-	876
Total	126,702	24,705	-	101,998	98,941	-	-	95,943

Key:

L1=Level1

L2=Level2

L3=Level3

The sub-item “other securities” consists of short-term and medium/long-term registered and bearer certificates of deposit. The fair value measurement of financial liabilities measured at amortised cost (securities outstanding), presented for the sole purpose of fulfilling disclosure requirements, is based on a hierarchy of levels in accordance with IFRS 13 and depending on the characteristics and significance of the inputs used in the measurement process.

For more detailed information, please refer to “Part A - Accounting Policies, A.4 - Fair Value Disclosures” of the Notes to the Financial Statements.

1.4 Details of subordinated debts/securities

	31/12/2024	31/12/2023
A.2 Non-subordinated debts	4,708,860	4,476,085
- banks	944,693	1,085,486
- customers	3,764,166	3,390,599
B.1 Subordinated securities	33,234	43,770
- banks	-	-
- customers	33,234	43,770
B.2 Non-subordinated securities	93,468	55,171
- banks	72,932	28,187
- customers	20,536	26,984
Total	4,835,561	4,575,025

1.5 Details of structured debts

At the reference date of the financial statements, there were no structured debts.

1.6 Lease payables

Assets/Values	Total	
	31/12/2024	31/12/2023
Residual life		
- Up to 1 year	9,477	4,704
- From 1 to 5 Years	257	13,456
- Over 5 years	13,978	6,636
Total	23,712	24,796

Section 2 - FINANCIAL LIABILITIES HELD FOR TRADING - ITEM 20

2.1 Financial liabilities held for trading: breakdown by instrument type

Type of transaction/Values	Total 31/12/2024					Total 31/12/2023				
	NV	Fair Value			Fair Value *	NV	Fair Value			Fair Value *
		L1	L2	L3			L1	L2	L3	
A. Cash liabilities										
1 Payables due to banks	-	-	-	-	-	-	-	-	-	-
2 Payables due to customers	-	-	-	-	-	-	-	-	-	-
3 Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total (A)	-	-	-	-	-	-	-	-	-	-
B. Derivative instruments										
1 Financial derivatives		185	179	3,330			93	-	1,625	
1.1 Trading	X	185	179	3,330	X	X	93	-	1,625	X
1.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2 Credit derivatives		-	-	-			-	-	-	
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	X	185	179	3,330	X	X	93	-	1,625	X
Total (A+B)	X	185	179	3,330	X	X	93	-	1,625	X

Key:

NV = nominal or notional amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

Fair value * = Fair value calculated by excluding value changes due to changes in the issuer's creditworthiness since the issuance date

This item includes EUR 185 thousand for the negative fair value of certain options held by the Parent Company in an active market and therefore classified at an L1 fair value and EUR 179 thousand for the negative fair value of unlisted options. It also includes the negative FV of tax credit derivatives amounting to EUR 3.3 million and related to contracts for the resale to third parties of the annuities held to date by the Parent Company.

2.2 Details of “Financial liabilities held for trading”: Subordinated liabilities

At the date of preparation of the financial statements, this item was not recognised.

2.3 Details of “Financial liabilities held for trading”: structured debts

At the date of preparation of the financial statements, this item was not recognised.

Section 3 - FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE - ITEM 30

At the date of preparation of the financial statements, this item was not measured.

Section 4 - HEDGING DERIVATIVES - ITEM 40

4.1 Hedging derivatives: breakdown by hedge type and level

	Fair value 31/12/2024			NV 31/12/2024	Fair value 31/12/2023			NV 31/12/2023
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	-	83	-	2,061	-	123	-	2,658
1) Fair value	-	83	-	2,061	-	123	-	2,658
2) Cash Flows	-	-	-	-	-	-	-	-
3) Foreign Investments	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash Flows	-	-	-	-	-	-	-	-
Total	-	83	-	2,061	-	123	-	2,658

Key:

NV :notional value

L1=Level1

L2=Level2

L3=Level3

The negative fair value of hedging derivatives, equal to EUR 83 thousand, relates to interest rate swap contracts entered into to hedge the interest rate risk on fixed-rate mortgage loans granted to ordinary customers.

4.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transactions/Type of hedge	Fair Value							Financial flows		Foreign investments
	Specific						Generic	Specific	Generic	
	debt securities and interest rates	equities and equity indices	currencies and gold	receivables	commodities	others				
1 Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2 Financial assets measured at amortised cost	-	X	-	83	X	X	X	-	X	X
3 Portfolio	X	X	X	X	X	X	-	X	-	X
4 Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	-	-	-	83	-	-	-	-	-	-
1 Financial liabilities	-	X	-	-	-	-	X	-	X	X
2 Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	-	-	-	-	-	-	-	-	-	-
1 Projected transactions	X	X	X	X	X	X	X	-	X	X
2 Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 5 - VALUE ADJUSTMENT OF FINANCIAL LIABILITIES SUBJECT TO GENERIC HEDGING - ITEM 50

At the date of preparation of the financial statements, this item was not measured.

Section 6 - TAX LIABILITIES - ITEM 60

For information on tax liabilities, please refer to Section 11 of Assets.

Section 7 - LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE - ITEM 70

For information on liabilities associated with assets held for sale, please refer to Section 12 of Assets.

Section 8 - OTHER LIABILITIES - ITEM 80

8.1 Other liabilities: breakdown

	31/12/2024	31/12/2023
Other payables to personnel	2,564	2,462
Payables to social security institutions /Amounts to be paid to the tax authorities	18,518	22,022
Items in processing	30,414	37,206
Accruals and deferrals	7,694	14,318
Other items	69,936	69,537
Total	129,236	145,546

The sub-item “Payables to social security institutions /Amounts to be paid to the tax authorities” mainly includes payables for withholding taxes and contributions to be paid to the tax and social security authorities.

The sub-item “Items in processing” consists mainly of transit accounts that allow dialogue between several procedures and accommodate items that are to be settled by other procedures automatically or are awaiting manual settlement.

The sub-item “Other items” consists mainly of portfolio risk of about EUR 28 million and various debts that will be settled in the course of 2025. This item also includes payables related to factoring transactions.

Other liabilities do not include amounts arising from contracts with customers in accordance with IFRS 15, paragraphs 116(a), 118, 120 and 128, as they do not exist.

Section 9 - STAFF SEVERANCE PAY - ITEM 90

9.1 Staff severance pay: annual changes

	Total 31/12/2024	Total 31/12/2023
A. Opening balance	2,816	3,088
B. Increases	606	937
B.1 Provision for the financial year	595	794
B.2 Other changes	11	143
C. Decreases	405	1,209
C.1 Settlements made	36	165
C.2 Other changes	369	1,044
D. Closing balance	3,018	2,816
Total	3,018	2,816

At the reporting date of these financial statements, the Bank recognised the provision for staff severance pay in accordance with IAS 19 “Employee benefits”. Therefore, the item “D. Closing balance” of the recognised provision coincides with its actuarial value (Defined Benefit Obligation - DBO).

The actuarial loss was recognised in the “Valuation reserve” in accordance with IAS 19.

9.2 Other information

The values relating to the liability for staff severance indemnities are derived from an actuarial report commissioned from an actuary external to the Bank.

The actuarial reference model for the valuation of staff severance pay (“Projected Unit Credit Method”) is based on various demographic and economic assumptions. For some of the assumptions used, where possible, explicit reference was made to the Bank’s direct experience, for the others, reference “best practice” was taken into account.

The technical bases used are outlined below:

Summary of Demographic Technical Bases

Demographic Hypotheses	31/12/2024
Death	ISTAT 2022
Incapacity	INPS tables broken down by age and gender
Retirement age	100% upon fulfilment of AGO requirements

Summary of Economic Technical Bases

Financial Assumptions	31/12/2024	31/12/2023
Annual discount rate	3.38 %	3.17 %
Annual inflation rate	2.00 %	2.00 %
Annual rate of increase of staff severance pay (TFR)	3.00 %	3.00 %
Annual rate of salary increase	Executives 2.5 % Middle Managers 1.0 % White-collar workers 1.0 % Blue-collar workers: 1.0 %	Executives 2.5 % Middle Managers 1.0 % White-collar workers 1.0 % Blue-collar workers: 1.0 %

Annual frequencies of Turnover and Severance Pay Advances

Annual frequencies	31/12/2024	31/12/2023
Advances Frequency	2.00 %	2.00 %
Turnover Frequency	2.00 %	2.00 %

Reconciliation of IAS 19 Valuations for the period 01-01-2024 - 31-12-2024

	31/12/2024
Defined Benefit Obligation as at 01-01-2024	2,816
Service Cost	277
Interest Cost	92
Benefits paid	(27)
Transfers in/ (out)	9
Expected DBO as at 31-12-2024	3,167
Actuarial (Gains)/Losses from experience	(96)
Actuarial (Gains)/Losses from change of financial assumptions	(53)
Defined Benefit Obligation as at 31-12-2024	3,018

Reconciliation of IAS 19 and statutory severance pay as at 31-12-2024

	31/12/2024
Defined Benefit Obligation as at 31-12-2024	3,018
Statutory severance pay as at 31-12-2024	3,071
Surplus/ (Deficit)	(53)

Section 10 - PROVISIONS FOR RISKS AND CHARGES - ITEM 100

10.1 Provisions for risks and charges: breakdown

Items/Components	Total 31/12/2024	Total 31/12/2023
1 Provisions for credit risk related to financial commitments and guarantees given	858	682
2 Provisions on other commitments and other guarantees given	355	459
3 Company retirement funds	-	-
4 Other provisions for risks and charges	6,664	5,020
4.1 legal and tax disputes	4,862	3,016
4.2 personnel expenses	1,802	1,872
4.3 other	-	132
Total	7,877	6,161

The item “Provisions for credit risk related to commitments and financial guarantees given” includes the value of total provisions for credit risk related to commitments to disburse funds and financial guarantees given that are subject to the impairment rules of IFRS 9.

Sub-item 4.2 “Personnel expenses” includes provisions for seniority and loyalty bonuses, to be paid to employees, either during their employment or upon termination of employment, in accordance with the provisions of the Supplementary Company Contract.

The provision for “legal disputes” consists of provisions set aside over time for outstanding disputes relating to bankruptcy clawback actions and compound interest; changes during the financial year are shown at the end of Table 10.2 in this section.

10.2 Provisions for risks and charges: annual changes

	Provisions on other commitments and other guarantees given	Retirement funds	Other provisions for risks and charges	Total
A. Opening balance	459	-	5,020	5,479
B. Increases	-	-	3,577	3,577
B.1 Provision for the financial year	-	-	3,502	3,502
B.2 Changes due to the passage of time	-	-	75	75
B.3 Changes due to changes in the discount rate	-	-	-	-
B.4 Other changes	-	-	-	-
C. Decreases	104	-	1,933	2,037
C.1 Use during the financial year	104	-	1,656	1,760
C.2 Changes due to changes in the discount rate	-	-	145	145
C.3 Other changes	-	-	132	132
D. Closing balance	355	-	6,664	7,019

It should be noted that the table above shows the annual changes in the provisions for risks and charges, except for those in the item “provisions for credit risk relating to commitments and financial guarantees given”, which are shown in Table A.1.4 in Part E.

This table under “Provisions for other commitments and other guarantees given” includes the value of total provisions for credit risk for commitments to disburse funds and financial guarantees given that are subject to the impairment rules of IAS 37.

The accrual for the year for “Other Provisions” relates mainly to lawsuits and litigation, as well as the prudent provision for possible disputes over tax credits in the amount of EUR 2.1 million. The decreases in the financial year refer for EUR 1,656 thousand mainly to the utilisation for the closure of certain old disputes with customers.

10.3 Provisions for credit risk related to financial commitments and guarantees given

	Provisions for credit risk related to financial commitments and guarantees given				
	First stage	Second stage	Third stage	Impaired acquired or originated	Total
Commitments to disburse funds	94	7	-	-	100
Financial guarantees given	65	12	679	2	758
Total	159	19	679	2	858

As noted above, this table includes the value of total credit risk provisions for commitments to disburse funds and financial guarantees issued that are subject to the impairment rules of IFRS 9.

The breakdown of these provisions by risk stages is applied in accordance with the provisions of the IFRS 9 impairment model. In this regard, for more detailed information, please see “Part A - Accounting Policies” and “Part E - Information on Risks and Related Hedging Policies”.

10.4 Provisions on other commitments and other guarantees given

Please refer to paragraph 10.2 of this section.

10.5 Defined benefit company pension funds

The Group has no defined benefit pension funds.

10.6 Provisions for risks and charges - other provisions

Assets/Values	Total	
	31/12/2024	31/12/2023
Legal Disputes	4,862	2,016
Personnel Expenses	1,802	2,872
Other provisions	-	132
Total	6,664	5,020

Section 11 - INSURANCE LIABILITIES - ITEM 110

At the date of preparation of the financial statements, this item was not measured.

Section 12 - REDEEMABLE SHARES - ITEM 130

The Group has not issued any redeemable shares.

Section 13 - GROUP ASSETS - ITEMS 120, 130, 140, 150, 160, 170 and 180

13.1 “Capital” and “Treasury Shares”: breakdown

	Total 31/12/2024	Total 31/12/2023
A. Capital		
A.1 Ordinary shares	232,265	217,523
A.2 Non-voting shares	-	-
A.3 Preference shares	-	-
A.4 Other shares	-	-
B. Treasury shares		
B.1 Ordinary shares	-	-
B.2 Non-voting shares	-	-
B.3 Preference shares	-	-
B.4 Other shares	-	-

The Parent Company exclusively issued ordinary shares in respect of the subscribed share capital of EUR 232.2 million.

There are no subscribed and not yet paid-up shares and no treasury shares in the portfolio.

13.2 Capital - Number of shares of the parent company: annual changes

Items/Types	Ordinary	Other
A. Shares existing at the beginning of the financial year	126,842,892	-
- fully paid-up	126,842,892	-
- not fully paid-up	-	-
A.1 Treasury shares (-)	-	-
A.2 Outstanding shares: opening balance	126,842,892	-
B. Increases	8,596,997	-
B.1 New Issues	8,596,997	-
- for consideration:	8,596,997	-
- business combination operations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	8,596,997	-
- free of charge:	-	-
- in favour of employees	-	-
- in favour of directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	-	-
C. Decreases	-	-
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Transfers of undertakings	-	-
C.4 Other changes	-	-
D. Outstanding shares: closing balances	135,439,889	-
D.1 Treasury shares (+)	-	-
D.2 Existing shares at financial year-end	135,439,889	-
- fully paid-up	135,439,889	-
- not fully paid-up	-	-

13.3 Capital: other information

During 2024, the Board of Directors implemented the following capital increase transactions in accordance with Article 5 of the Articles of Association:

- At the meeting of 29 January 2024, a resolution was passed to increase the share capital by EUR 1,535,951.90, with the creation of a share premium reserve of EUR 524,045.40;
- At the meeting of 22 February 2024, a resolution was passed to increase the share capital increase by EUR 5,334,829.25, with the creation of a share premium reserve of EUR 1,820,169.45;
- At the meeting of 27 March 2024, a resolution was passed to increase the share capital by EUR 6,749,323.36, with the creation of a share premium reserve of EUR 2,302,775.14;
- At the meeting of 23 May 2024, a resolution was passed to increase the share capital increase by EUR

1,122,885.65, with the creation of a share premium reserve of EUR 383,122.95.

As a result of the aforementioned extraordinary transactions, the Parent Company's share capital amounted to EUR 232,265,497.06 as at 31 December 2024, divided into 135,439,889 shares with no par value indicated (Article 5.1 of the Articles of Association).

For ordinary shares issued by the Parent Company, there are no rights, liens or restrictions, neither with regard to the distribution of dividends nor in relation to the repayment of capital.

13.4 Retained earnings: other information

Assets/Values	Total	
	31/12/2024	31/12/2023
Promoter Committee Reserve	104	104
Retained earnings/loss carried forward	8,001	5,983
Retained earnings/loss carried forward (pursuant to IFRS 9)	(210)	(210)
Other Reserves	15,378	9,780
Total	23,273	15,657

13.5 Equity instruments: breakdown and annual changes

As part of the initiatives to support the capitalisation programme envisaged in the 2020-2023 Business Plan, at its meeting of 9 December 2020, the Board of Directors resolved to issue a perpetual bond. The main features of the instrument are set forth below, which can be classified as Additional Tier I perpetual bonds pursuant to and for the purposes of:

- of the provisions contained in Part 2 (Own Funds), Title I (Elements of Own Funds), Chapter 3 (Additional Tier 1 Capital), Articles 51-55 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013, as amended and supplemented, on prudential requirements for credit institutions and investment firms (the "CRR");
- the Bank of Italy Circular No. 285 "Supervisory Provisions for Banks" (the "Circular 285") of 17 December 2013, Part II (Application in Italy of the CRR), as amended and supplemented from time to time.

As at 31 December 2024, EUR 3.1 million of AT1 instruments issued by the Parent Company were subscribed.

13.6 Other information

There is no other information on equity instruments other than capital and reserves.

Section 14 - MINORITY INTERESTS - ITEM 190

14.1 Detail of item 210 “Minority interests”

Company name	Total 31/12/2024	Total 31/12/2023
Investments in wholly-owned subsidiaries with significant minority interests		
1 Fucino Green S.r.l.	-	2,157
2 Fucino RMBS S.r.l.	10	10
3 Fucino SME 2 S.r.l.	10	10
Total	20	2,177

As set forth in Part A, Section 3 - Scope and Methods of Consolidation of the Notes to the Financial Statements, in consideration of the presence of factors that determined the existence of control by the Parent Company, albeit without an equity interest, of the vehicle companies RMBS and SME used to structure its securitisation transactions, the shareholders' equity attributable to minority interests shows the full value of the shares in the share capital of these entities. Following the unified transaction reverse merger of Fucino Green into E-Way Finance and the subsequent non-proportional demerger of the latter, the 49% third-party interest in the now extinct Fucino Green ceased to exist in 2024.

OTHER INFORMATION

1. Commitments and guarantees given

	Nominal value on commitments and financial guarantees given				Total 31/12/2024	Total 31/12/2023
	First stage	Second stage	Third stage	Impaired acquired or originated		
1 Commitments to disburse funds	609,536	33,288	5,731	-	648,555	531,724
a) Central Banks	-	-	-	-	-	-
b) Public administrations	2,690	-	-	-	2,690	2,797
c) Banks	1,033	-	-	-	1,033	1,033
d) Other financial companies	9,786	23	5	-	9,814	16,254
e) Non-financial companies	471,072	29,557	5,645	-	506,274	452,005
f) Households	124,955	3,708	81	-	128,744	59,635
2 Financial guarantees given	25,807	325	3,405	-	29,537	28,820
a) Central Banks	-	-	-	-	-	-
b) Public administrations	15,310	-	-	-	15,310	15,203
c) Banks	2,571	-	-	-	2,571	2,571
d) Other financial companies	1,191	-	-	-	1,191	1,165
e) Non-financial companies	6,376	307	3,355	-	10,038	9,527
f) Households	360	19	49	-	427	354

This table shows commitments to disburse funds and financial guarantees issued that are subject to the impairment rules of IFRS 9. Commitments to disburse funds and financial guarantees given that are designated as derivatives are excluded, as are commitments to disburse funds and financial guarantees given that are designated at fair value.

“Commitments to disburse funds” are commitments that may give rise to credit risks that are subject to the impairment rules of IFRS 9 (e.g., available margins on credit lines granted to customers or banks).

2 Other commitments and other guarantees given

	Nominal value	Nominal value
	Total 31/12/2024	Total 31/12/2023
1 Other guarantees given	50,058	56,105
of which: impaired credit exposures	1,845	2,097
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	840	840
e) Non-financial companies	46,283	54,281
f) Households	2,935	984
2 Other commitments	-	-
of which: impaired credit exposures	-	-
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	-	-
f) Households	-	-

This table shows the nominal value of other commitments and other guarantees given that fall within the scope of IAS 37 and IFRS 4, respectively, and are therefore not subject to the impairment rules of IFRS 9.

3 Assets pledged to secure own liabilities and commitments

Portfolios	Amount 31/12/2024	Amount 31/12/2023
1 Financial assets at fair value through profit or loss	-	-
2 Financial assets measured at fair value through other comprehensive income	116,478	19,980
3 Financial assets measured at amortised cost	159,565	497,481
4 Tangible assets	-	-
of which: tangible assets constituting inventories	-	-

4 Breakdown of investments against unit-linked and index-linked policies

There were no changes in this item at the reporting date.

5 Management and brokerage on behalf of third parties

Type of services	Amount
1 Execution of orders on behalf of customers	-
a) purchases	-
1. settled	-
2. non-settled	-
b) sales	-
1. settled	-
2. non-settled	-
2 Portfolio management	-
a) individual	-
b) collective	-
3 Custody and administration of securities	3,203,865
a) third-party securities on deposit: related to custodian bank activities (excluding portfolio management)	2
1. securities issued by companies included in the consolidation	-
2. other securities	2
b) third-party securities on deposit (excluding portfolio management): other	1,418,291
1. securities issued by companies included in the consolidation	213,338
2. other securities	1,204,953
c) third-party securities deposited with third parties	1,415,153
d) own securities deposited with third parties	1,785,571
4 Other transactions	-

6 Financial assets subject to offsetting in the financial statements, or subject to offsetting framework agreements or similar arrangements.

There were no changes in this item at the reporting date.

7 Financial liabilities subject to offsetting in the financial statements, or subject to offsetting framework agreements or similar arrangements.

There were no changes in this item at the reporting date.

8 Securities lending transactions

The Group did not enter into any securities lending transactions.

9 Disclosure of jointly controlled assets

At the reporting date of these financial statements, the Group did not have any jointly controlled assets, which were established in separate vehicles.



PART C

“INFORMATION ON THE CONSOLIDATED PROFIT AND LOSS ACCOUNT”

PART C - INFORMATION ON THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
PROFIT AND LOSS ACCOUNT
Section 1 - INTEREST - ITEMS 10 AND 20
1.1. Interest and similar income: breakdown

Technical items/forms	Debt securities	Financing	Other transactions	Total 31/12/2024	Total 31/12/2023
1 Financial assets at fair value through profit or loss:	26	53	-	79	24
1.1 Financial assets held for trading	26	-	-	26	-
1.2 Other financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	-	53	-	53	24
2 Financial assets measured at fair value through other comprehensive income	17,602	-	X	17,602	13,865
3 Financial assets measured at amortised cost	32,593	159,103		191,696	164,143
3.1 Receivables due from banks	-	13,521	X	13,521	11,107
3.2 Loans to customers	32,593	145,582	X	178,175	153,036
4 Hedging derivatives	X	X	-	-	-
5 Other assets	X	X	5,553	5,553	2,034
6 Financial liabilities	X	X	X	-	-
Total	50,221	159,156	5,553	214,930	180,067
of which: interest income on impaired financial assets	-	4,097	-	4,097	1,073
of which: interest income on finance leases	X	-	X	-	-

1.2 Interest and similar income: other information
1.2.1 Interest income on financial assets in foreign currencies

	Total	
	31/12/2024	31/12/2023
Financial assets in foreign currencies	1,151	788

1.3 Interest expenses and similar charges: breakdown

Technical items/forms	Payables	Securities	Other transactions	Total 31/12/2024	Total 31/12/2023
1 Financial liabilities measured at amortised cost	(122,768)	(4,813)	X	(127,581)	(94,436)
1.1 Payables due to central banks	(10,926)	X	X	(10,926)	(19,359)
1.2 Payables due to banks	(18,967)	X	X	(18,967)	(13,163)
1.3 Payables due to customers	(92,876)	X	X	(92,876)	(58,537)
1.4 Securities outstanding	X	(4,813)	X	(4,813)	(3,377)
2 Financial liabilities held for trading	-	-	-	-	-
3 Financial liabilities designated at fair value	-	-	-	-	-
4 Other liabilities and provisions	X	X	-	-	-
5 Hedging derivatives	X	X	(29)	(29)	(53)
6 Financial assets	X	X	X	-	(14)
Total	(122,768)	(4,813)	(29)	(127,610)	(94,504)
of which: interest expenses related to lease payables	(206)	X	X	(206)	(155)

The balance of the item “Hedging derivatives” reflects the differentials and margins related to interest rate risk of hedging derivatives. The increase from the previous year reflects the rise in interest rates in 2024 and the increase in funding.

1.4 Interest and similar income: other information

1.4.1 Interest expense on foreign currency liabilities

	Total	
	31/12/2024	31/12/2023
Financial liabilities in foreign currencies	(942)	(709)

1.5 Differentials related to hedging transactions

Items	Total 31/12/2024	Total 31/12/2023
A. Positive differentials relating to hedging transactions	89	-
B. Negative differentials relating to hedging transactions	(118)	(53)
C. Balance (A-B)	(29)	(53)

Section 2 - COMMISSIONS - ITEMS 40 AND 50

2.1 Commission income: breakdown

Type of services/Values	Total 31/12/2024	Total 31/12/2023
a) Financial instruments	3,525	2,698
1 Placement of securities	2,874	2,163
1.1 On a firm and/or irrevocable commitment basis	-	-
1.2 Without irrevocable commitment	2,874	2,163
2 Reception and transmission of orders and execution of orders on behalf of customers	651	523
2.1 Receipt and transmission of orders for one or more financial instruments	651	523
2.2 Execution of orders on behalf of customers	-	-
3 Other commissions related to activities involving financial instruments	-	12
of which: proprietary trading	-	-
of which: individual portfolio management	-	-
b) Corporate Finance	-	-
1 Advice on mergers and acquisitions	-	-
2 Treasury services	-	-
3 Other commissions relating to corporate finance services	-	-
c) Investment advisory activities	-	-
d) Clearing and settlement	-	-
e) Collective portfolio management	-	-
f) Custody and administration	170	154
1 Custodian bank	-	-
2 Other commissions relating to custody and administration activities	170	154
g) Central administrative services for collective portfolio management	-	1
h) Fiduciary activities	-	2
i) Payment services	16,500	19,676
1 Current accounts	7,412	7,097
2 Credit cards	2,933	5,756
3 Debit cards and other payment cards	1,527	2,755
4 Bank transfers and other payment orders	1,830	1,676
5 Other commissions relating to payment services	2,798	2,392
j) Distribution of third-party services	2,130	2,052
1 Collective portfolio management	-	-
2 Insurance products	1,793	1,725
3 Other products	336	327
of which: individual portfolio management	-	-
k) Structured finance	-	-
l) Servicing activities for securitisation transactions	1,332	988
m) Commitments to disburse funds	-	-
n) Financial guarantees given	964	998
of which: credit derivatives	-	-
o) Financing transactions	8,564	7,425
of which: for factoring transactions	1,634	1,310
p) Currency trading	746	674
q) Commodities	-	-
r) Other commission income	167	228
of which: for management activities of multilateral trading systems	-	-
of which: for activities for the management of organised trading facilities	-	-
Total	34,097	34,895

2.2 Commission expenses: breakdown

Type of services/values	Total 31/12/2024	Total 31/12/2023
a) Financial instruments	(24)	(9)
of which: trading in financial instruments	-	-
of which: placement of financial instruments	(24)	(9)
of which: individual portfolio management	-	-
- Own	-	-
- Delegated to third parties	-	-
b) Clearing and settlement	-	-
c) Collective portfolio management	-	-
1 Own	-	-
2 Delegated to third parties	-	-
d) Custody and administration	(14)	(9)
e) Collection and payment services	(3,488)	(5,682)
of which: credit cards, debit cards and other payment cards	(3,018)	(5,276)
f) Servicing activities for securitisation transactions	-	-
g) Commitments to receive funds	-	-
h) Financial guarantees received	(2,176)	(2,948)
of which: credit derivatives	-	-
i) Off-premises offering of financial instruments, products and services	-	-
j) Currency trading	-	-
k) Other commission expenses	(2,248)	(1,341)
Total	(7,951)	(9,990)

Section 3 - DIVIDENDS AND SIMILAR INCOME - ITEM 70

3.1 Dividends and similar income: breakdown

Items/Income	Total 31/12/2024		Total 31/12/2023	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	1,031	-	980	-
B. Other financial assets mandatorily measured at fair value	-	-	-	-
C. Financial assets measured at fair value through other comprehensive income	54	-	23	-
D. Equity investments	-	-	-	-
Total	1,084	-	1,003	-

Section 4 - NET INCOME FROM TRADING ACTIVITIES - ITEM 80

4.1 Net income from trading activities: breakdown

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net profit [(A+B) - (C+D)]
1 Financial assets held for trading	18,198	17,905	(101)	(1,348)	34,655
1.1 Debt securities	-	64	(101)	(33)	(70)
1.2 Capital Securities	192	699	-	-	891
1.3 U.C.I.T.S. units	-	-	-	-	-
1.4 Financing	-	-	-	-	-
1.5 Other	18,006	17,142	-	(1,314)	33,834
2 Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
3 Financial assets and liabilities: exchange rate differences	X	X	X	X	593
4 Derivative Instruments	-	3,640	(2,648)	(1,149)	(157)
4.1 Financial derivatives:	-	3,640	(2,648)	(1,149)	(157)
- On debt securities and interest rates	-	-	-	(357)	(357)
- On equity securities and equity indices	-	2,779	-	(307)	2,473
- On currencies and gold	X	X	X	X	-
- Other	-	861	(2,648)	(485)	(2,273)
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges related to the fair value option	X	X	X	X	-
Total	18,198	21,545	(2,749)	(2,497)	35,090

Section 5 - NET INCOME OF HEDGING ACTIVITIES - ITEM 90

5.1 Net income from hedging activities: breakdown

Income components/Values	Total 31/12/2024	Total 31/12/2023
A. Income related to:		
A.1 Fair value hedging derivatives	70	48
A.2 Hedged financial assets (fair value)	11	33
A.3 Hedged financial liabilities (fair value)	-	-
A.4 Cash flow hedging derivatives	-	-
A.5 Foreign currency assets and liabilities	-	-
Net income from hedging activities (A)	81	81
B. Expenses relating to:		
B.1 Fair value hedging derivatives	(38)	(52)
B.2 Hedged financial assets (fair value)	(34)	(19)
B.3 Hedged financial liabilities (fair value)	-	-
B.4 Cash flow hedging derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
Total expenses from hedging activities (B)	(72)	(71)
C. Net income from hedging activities (A - B)	9	9
of which: hedging result on net positions	22	14

Section 6 - GAINS (LOSSES) FROM DISPOSAL/REPURCHASE - ITEM 100

6.1 Gains (loss) from disposal/repurchase: breakdown

Items/Income components	Total 31/12/2024			Total 31/12/2023		
	Gains	Losses	Net result	Gains	Losses	Net result
Financial assets						
1 Financial assets measured at amortised cost	287	(8)	280	66	(3,284)	(3,218)
1.1 Receivables due from banks	-	-	-	-	-	-
1.2 Loans to customers	287	(8)	280	66	(3,284)	(3,218)
2 Financial assets measured at fair value through other comprehensive income	6,061	(591)	5,470	2,083	(1,732)	352
2.1 Debt securities	6,061	(591)	5,470	2,083	(1,732)	352
2.2 Financing	-	-	-	-	-	-
Total assets (A)	6,348	(599)	5,749	2,149	(5,016)	(2,867)
Financial liabilities measured at amortised cost	-	-	-	-	-	-
1 Payables due to banks	-	-	-	-	-	-
2 Payables due to customers	-	-	-	-	-	-
3 Securities outstanding	-	-	-	5	-	5
Total liabilities (B)	-	-	-	5	-	5

Section 7 - NET RESULT OF OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS - ITEM 110

7.2 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

Transactions/Income components	Capital gains (A)	Realised gains (B)	Capital losses (C)	Realised losses (D)	Net profit [(A+B) - (C+D)]
1 Financial assets	-	-	(3,085)	-	(3,085)
1.1 Debt securities	-	-	-	-	-
1.2 Capital Securities	-	-	-	-	-
1.3 U.C.I.T.S. units	-	-	(3,085)	-	(3,085)
1.4 Financing	-	-	-	-	-
2 Financial assets: exchange rate differences	X	X	X	X	-
Total	-	-	(3,085)	-	(3,085)

Section 8 - NET ADJUSTMENTS/WRITE-S FOR CREDIT RISK - ITEM 130

8.1 Net adjustments for credit risk related to financial assets measured at amortised cost: breakdown

Transactions/Income components	Value adjustments (1)						Value recovery (2)				Total 31/12/2024	Total 31/12/2023
	First stage	Second stage	Third stage		Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired or originated		
			Write-off	Other	Write-off	Other						
A. Receivables due from banks	(60)	-	-	-	-	-	5	-	-	-	(55)	438
- Financing	(60)	-	-	-	-	-	5	-	-	-	(55)	438
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
B. Loans to customers	(19,262)	(5,188)	(549)	(34,115)	-	(21,030)	253	52	1,151	2,128	(76,559)	(25,223)
- Financing	(19,152)	(861)	(549)	(22,501)	-	(21,030)	253	52	1,151	2,128	(60,509)	(22,513)
- Debt securities	(109)	(4,327)	-	(11,614)	-	-	-	-	-	-	(16,050)	(2,710)
Total	(19,322)	(5,188)	(549)	(34,115)	-	(21,030)	258	52	1,151	2,128	(76,614)	(24,785)

Provisions for 2024 reflect the derisking activities put in place during the financial year by the Group and the adjustments made on the basis of the safeguards put in place on impaired exposures. Therefore, it includes the aforementioned sale scenario of approximately EUR 25 million in provisions, determined as an estimated add-on component based on the market value in view of a non-recourse sale and the likelihood of such sale ("Add-On Sell").

In addition, as a result of certain court cases involving a transferor of tax receivables with which the Bank operated, assessments were carried out in 2024 of the potential negative impact on the recoverability of certain receivables recorded as assets. On a tax receivables of approximately EUR 40 million, with the support of a primary Advisor, a value adjustment of approximately EUR 17.5 million was estimated.

8.2 Net value adjustments for credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Income components	Value adjustments (1)						Value recovery (2)				Total 31/12/2024	Total 31/12/2023
	First stage	Second stage	Third stage		Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired or originated		
			Write-off	Other	Write-off	Other						
A. Debt securities	(119)	-	-	-	-	-	-	-	-	-	(119)	-
B. Financing	-	-	-	-	-	-	-	-	-	-	-	11
- Towards customers	-	-	-	-	-	-	-	-	-	-	-	11
- Towards banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	(119)	-	-	-	-	-	-	-	-	-	(119)	11

Section 9 - PROFITS/LOSSES FROM CONTRACTUAL AMENDMENTS WITHOUT DERECOGNITIONS - ITEM 140

At the date of preparation of the financial statements, this item was not recognised.

Section 10 -INCOME FROM INSURANCE SERVICES - ITEM 160

At the date of preparation of the financial statements, this item was not recognised.

Section 11 - BALANCE OF FINANCIAL INCOME AND EXPENSES RELATING TO INSURANCE MANAGEMENT - ITEM 170

At the date of preparation of the financial statements, this item was not recognised.

Section 12 - ADMINISTRATIVE EXPENSES - ITEM 190

12.1 Personnel expenses: breakdown

Type of expenses/Values	Total 31/12/2024	Total 31/12/2023
1) Employees	(56,575)	(51,707)
a) wages and salaries	(38,218)	(35,340)
b) social security contributions	(11,000)	(9,689)
c) severance pay	(2,082)	(1,887)
d) social security expenses	(108)	(184)
e) provision for staff severance pay	(508)	(357)
f) provision for pensions and similar obligations:	-	-
- defined contribution	-	-
- defined benefits	-	-
g) payments to external supplementary pension funds:	(1,693)	(1,502)
- defined contribution	(1,693)	(1,502)
- defined benefits	-	-
h) costs arising from payment agreements based on own equity instruments	-	-
i) other employee benefits	(2,965)	(2,748)
2) Other personnel in active employment	(1,349)	(1,142)
3) Directors and Statutory Auditors	(2,545)	(2,952)
4) Retired staff	-	-
Total	(60,469)	(55,801)

Item “3) Directors and Statutory Auditors” includes remuneration for the Supervisory Board and Ethics Committee amounting to approximately EUR 240 thousand.

12.2 Average number of employees per category

Items/Values	Total 31/12/2024	Total 31/12/2023
Employees:	555	519
a) executives	29	27
b) middle managers	238	225
c) other employees	288	267
Other personnel		

The average number of employees includes employees of other companies seconded to the company and excludes employees of the company seconded to other companies.

12.3 Defined benefit company pension funds: costs and revenues

For information on this point, please refer to the description in the Balance Sheet Liabilities Section 10, paragraph “10.2 Other Information”.

12.4 Other employee benefits

Type of Expenses/Values	Total	
	31/12/2024	31/12/2023
Service/Past/Interest cost seniority/loyalty bonus	(204)	672
Personnel training costs	(45)	(81)
Travel, restaurants and hotel expenses	(500)	(451)
Personnel meal vouchers	(845)	(1,095)
Personal insurance premiums	(794)	(678)
scholarships for employees' children	(115)	(94)
Miscellaneous reimbursements to personnel	(320)	(303)
Leaving incentives	(143)	(718)
Total	(2,965)	(2,748)

12.5 Other administrative expenses: breakdown

Type of Expenses/Values	Total	
	31/12/2024	31/12/2023
Insurance	(1,743)	(1,493)
Stationery, printed materials and consumables	(1,022)	(561)
Membership contributions	(571)	(588)
Third-party data processing	(12,211)	(8,817)
Electricity, heating and water	(753)	(794)
Rental and lease fees payable	(2,060)	(2,385)
Indirect taxes and fees	(7,352)	(5,832)
Advertising and representation	(3,451)	(6,049)
Premises cleaning	(771)	(730)
Maintenance expenses	(1,993)	(1,883)
Legal, notary and consultancy fees	(16,153)	(30,451)
Company reports and CRA fees	(1,493)	(3,104)
Telephone, postal and data transmission costs	(3,255)	(2,774)
Transport costs	(884)	(880)
Surveillance of premises	(2,713)	(1,676)
Other expenses	(4,824)	(7,730)
Total	(61,250)	(75,747)

The aggregate “legal, notary and other consultancy fees” includes fees paid to the auditing firm PricewaterhouseCoopers S.p.A. for services rendered, as summarised below:

Type of service/values	Fees		
	Parent company	Subsidiaries	Total
<i>PricewaterhouseCoopers S.p.A.</i>			
Auditing	(160)	(147)	(307)
Assurance services	(67)	(2)	(69)
Total	(226)	(149)	(376)

The item “Other expenses” include contributions to the Interbank Deposit Protection Fund amounting to EUR 1,763 thousand.

The sub-item “Rental and lease fees payable” includes short-term rental payments (contracts with a residual useful life of less than 12 months) and lease payments for a low or insignificant amount.

Section 13 - NET PROVISIONS FOR RISKS AND CHARGES - ITEM 200

13.1 Net provisions for credit risk related to commitments to disburse funds and financial guarantees given: breakdown

Items/Values	Total	
	31/12/2024	31/12/2023
A - Provisions for credit risk relating to commitments and guarantees given	(416)	(102)
B - Surplus for credit risk relating to commitments and guarantees given	344	596
Total	(72)	494

13.2 Net provisions for other commitments and other guarantees given: breakdown

Items/Values	Total	
	31/12/2024	31/12/2023
Provisions	(416)	(102)
Adjustments	344	596
Total	(72)	494

13.3 Net other provisions for risks and charges

Items/Values	Total	
	31/12/2024	31/12/2023
Provisions for litigation	(3,561)	(320)
Other provisions	-	-
Total A	(3,561)	(320)
Surplus of the provision for risks and charges on positions set aside in previous financial years:		
- for legal disputes	132	-
- for other provisions	-	1,145
Total B	132	1,145
Total (A+B)	(3,429)	825

Section 14 - NET ADJUSTMENTS/WRITE-BACKS ON TANGIBLE ASSETS - ITEM 210

14.1 Net adjustments/write-backs on tangible assets: breakdown

Asset/Income component	Amortisation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a + b - c)
A. Tangible assets				
1 For functional use	(9,544)	-	-	(9,544)
- Owned	(4,222)	-	-	(4,222)
- Rights of use acquired through leases	(5,322)	-	-	(5,322)
2 Held for investment purposes	(12)	-	-	(12)
- Owned	(12)	-	-	(12)
- Rights of use acquired through leases	-	-	-	-
3 Inventories	X	-	-	-
B. Assets held for sale	X	-	-	-
Total	(9,556)	-	-	(9,556)

Value adjustments on tangible assets were calculated in consideration of the expected average useful life of the assets using the *pro-rata temporis* method.

The Bank does not have any tangible assets classified as held for sale in accordance with IFRS 5. For this reason, the table above does not include the special item “B. Assets held for sale” in which the result of the relevant valuation is reported.

Section 15 - NET ADJUSTMENTS/WRITE-BACKS ON INTANGIBLE ASSETS - ITEM 220

15.1 Net adjustments on intangible assets: breakdown

Asset/Income component	Amortisation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a + b - c)
A. Intangible assets				
of which: software	-	-	-	-
A.1 Owned	(1,222)	-	-	(1,222)
- Generated internally by the company	-	-	-	-
- Other	(1,222)	-	-	(1,222)
A.2 Rights of use acquired through leases	-	-	-	-
Total	(1,222)	-	-	(1,222)

Section 16 - OTHER OPERATING EXPENSES AND INCOME - ITEM 230

16.1 Other operating expenses: breakdown

Items/Values	Total	
	31/12/2024	31/12/2023
Lawsuits as defendant	(386)	(312)
Actuarial losses, staff severance pay, retirement and loyalty funds	(7)	(85)
Amortisation of leasehold improvements	(877)	(922)
Intra-group charges	(619)	(95)
Other residual items	(3,235)	(10,016)
Total	(5,125)	(11,430)

The item “Other residual items” include the write-down of trade receivables from previous financial years amounting to approximately EUR 2.5 million.

16.2 Other operating income: breakdown

Items/Values	Total	
	31/12/2024	31/12/2023
Stamp duty recovery from customers	4,870	4,103
Recovery of legal costs	418	360
Recovery of withholding tax from customers	1,034	522
Recovery of various expenses relating to c/c, d/r and cc/dd	208	678
Recovery of miscellaneous expenses from customers	4,470	2,273
Plafond income and tax credits	461	13,973
Intra-group income	129	-
Advisory income	1,640	6,519
Capital gains from the sale of the Acquiring business unit	7,000	19,993
Other residual items	3,362	1,796
Total	23,593	50,218

It should be noted that:

- income from sub-leases of assets consisting of the right of use (IFRS 16, para. 53 (f));
- income related to variable payments due under finance leases not included in the measurement of the net investment in the lease (IFRS 16, para. 90 (a) (iii)) and
- income relating to operating leases arising from variable payments that do not depend on an index or rate (IFRS 16, par. 90 (b))

are not material to the Group.

Section 17 - GAINS (LOSSES) ON EQUITY INVESTMENTS - ITEM 250

17.1 Gains (losses) on equity investments: breakdown

Income components/Sectors	Total 31/12/2024	Total 31/12/2023
1) Jointly controlled companies		
A. Income	-	3,170
1 Revaluations	-	1,651
2 Gains on disposal	-	1,500
3 Write-backs	-	18
4 Other income	-	-
B. Charges	-	(124)
1 Write-downs	-	(10)
2 Impairment adjustments	-	-
3 Losses on disposal	-	-
4 Other charges	-	(114)
Net result	-	3,046
2) Companies subject to significant influence		
A. Income	70,596	-
1 Revaluations	-	-
2 Gains on disposal	-	-
3 Write-backs	-	-
4 Other income	70,596	-
B. Charges	(20,184)	(60)
1 Write-downs	(19,598)	(60)
2 Impairment adjustments	-	-
3 Losses on disposal	-	-
4 Other charges	(586)	-
Net result	50,412	(60)
Total	50,412	(2,986)

The changes as at 31 December 2024 mainly relate to:

- the entry of the companies E-Way Finance, E-Way Wind, E-Way Solar, HoldCo and E-Way Baselice, which generated a higher value of EUR 70.5 million;
- the deconsolidation of Fucino Green and the former interest in E-Way Finance with a corresponding adjustment of the residual fair value of the former E-Way finance of EUR 19.5 million.

Section 18 - NET RESULT OF THE MEASUREMENT AT FAIR VALUE OF TANGIBLE AND INTANGIBLE ASSETS - ITEM 260

At the reference date of the financial statements, the section has no valuation and is therefore omitted.

Section 19 - ADJUSTMENTS TO GOODWILL - ITEM 270

At the reference date of the financial statements, the section has no valuation and is therefore omitted.

Section 20 - GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS - ITEM 280

20.1 Gains (Losses) on disposal of investments

Income component/Sectors	Total 31/12/2024	Total 31/12/2023
A. Real estate	-	-
- Gains on disposals	-	-
- Losses on disposal	-	-
B. Other assets	5	3
- Gains on disposals	9	3
- Losses on disposal	(4)	-
Net result	5	3

Section 21 - INCOME TAXES ON CURRENT OPERATIONS - ITEM 300

21.1 Income tax for the financial year on current operations: breakdown

Income components/Sectors	Total 31/12/2024	Total 31/12/2023
1 Current taxes (-)	-	(573)
2 Changes in current taxes of previous financial years (+/-)	-	(35)
3 Reduction in current taxes for the financial year (+)	138	-
3.bis Reduction in current taxes for the financial year for tax credits under Italian Law No. 214/2011 (+)	-	-
4 Change in deferred tax assets (+/-)	2,352	(2,531)
5 Change in deferred tax liabilities (+/-)	(682)	(324)
6 Taxes for the financial year (-) (-1+/-2+3+3bis+/-4+/-5)	1,809	(3,463)

The value of taxes as at 31 December 2024 was positive for EUR 1.8 million.

The change in deferred tax assets mainly includes the effect of:

- the recognition of deferred tax assets recognised on non-deductible write-downs for the period;
- the reversal of deferred tax assets previously recognised on higher impairment losses on Loans to customers recognised on the first-time adoption of IFRS 9;
- the reversal of deferred tax assets following the utilisation of the provision for litigation risks.

The change in deferred tax liabilities, on the other hand, refers to the effect of:

- the recognition of taxation on the exchange gain recognised as a result of the unified extraordinary transaction Fucino Green (reverse merger of Fucino Green S.r.l. into E-Way Finance S.p.A. and subsequent demerger of the incorporating company) by virtue of the neutrality principle governed by Articles 172 and 173 of the Italian Consolidated Income Tax Law (TUIR);
- the reversal of deferred tax liabilities recognised on the gross misalignments between the carrying amount and tax value of the provision for staff severance indemnities and on the fair value of derivative assets recognised against commitments concerning the tax receivables recognised in the trading book.

21.2 Reconciliation between theoretical tax charge and actual tax charge in the financial statements

	Taxable base	Tax	Rate
Profit (loss) from current operations before tax	8,467		
Corporate income tax (IRES) rate			27.5 %
Corporate income taxes (IRES) - theoretical tax burden		(2,329)	
Effects on corporate income tax (IRES) of increases in taxable income	26,979	(7,419)	
Effects on corporate income tax (IRES) of decreases in taxable income	(85,048)	23,388	
Group IRES taxable base	(49,602)	13,640	
of which tax loss for the financial year	(49,602)	13,640	
of which tax profit for the financial year			
Utilisation of past tax losses			
Utilisation of past ACE surpluses			
A. Actual tax burden - current IRES tax			
Increases in deferred tax assets		5,740	
Decreases in deferred tax assets		(2,987)	
Increases in deferred tax liabilities		(910)	
Decreases in deferred tax liabilities		344	
B. Total IRES deferred tax effects		2,186	
C. Total accrued IRES (A+B)		2,186	
Theoretical tax base pursuant to Article 6 of Italian Legislative Decree No. 446/1997	24,861		
Average Regional tax on productive activities (IRAP) rate			5.50 %
IRAP - theoretical tax burden		(1,368)	
Effects on corporate income tax (IRAP) of increases in taxable income	21,725	(1,194)	
Effects on corporate income tax (IRAP) of decreases in taxable income	(68,110)	3,7461	
Net production value IRAP	(21,525)	1,184	
of which value of production IRAP 2024 positive			
of which value of production IRAP 2024 negative	(21,525)	1,184	
D. Actual tax burden current IRAP tax		(509)	
Increases in deferred tax assets		72	
Decreases in deferred tax assets		(473)	
Increases in deferred tax liabilities			
Decreases in deferred tax liabilities		23	
E. Total deferred IRAP tax effects		(378)	
F. Total accrued IRAP (D+E)		(378)	
G. Previous year's taxes		-	
Total accrued IRES/IRAP taxes (C+F+G)		1,809	

Section 22 - NET PROFIT (LOSS) FROM DISCONTINUED OPERATING ACTIVITIES NET OF TAXES - ITEM 320

At the reference date of the financial statements, the section has no valuation and is therefore omitted.

Section 23 - Profit (loss) of the financial year pertaining to minority interest - Item 340

23.1 Detail of item 340 "Profit (loss) of the financial year pertaining to minority interest"

Company names	Total 31/12/2024	Total 31/12/2023
Investments in wholly-owned subsidiaries with significant minority interests		
Fucino Green S.r.l.	-	(891)
Total	-	(891)

Section 24 - OTHER INFORMATION

There is no further information other than that already provided.

Section 25 -EARNINGS PER SHARE

International standards (IAS 33) give relevance to the performance indicator - "earnings per share" - commonly known as "EPS", making its publication compulsory, in two formulations:

1. "Basic EPS", calculated by dividing net profit by the weighted average number of ordinary shares outstanding;
2. "Diluted EPS", calculated by dividing net profit by the weighted average number of shares outstanding, also taking into account classes of instruments with a dilutive effect.

This information is not considered material for the Group.

25.1 Average number of ordinary shares on diluted capital

In view of the above, this case is deemed not to be relevant.

25.2 Other information

In view of the above, this case is deemed not to be relevant.

PART D

“COMPREHENSIVE CONSOLIDATED INCOME”

PART D - COMPREHENSIVE CONSOLIDATED INCOME
ANALYTICAL STATEMENT OF COMPREHENSIVE CONSOLIDATED INCOME

Items		31/12/2024	31/12/2023
10	Profit (Loss) for the year	10,276	13,332
	Other income components net of taxes without recycling to the profit and loss account	320	(134)
20	Equity securities designated at fair value through other comprehensive income:	327	85
	a) change in fair value	327	85
70	Defined benefit plans	240	(154)
110	Income taxes on other income components without recycling to profit or loss	(247)	(65)
	Other income components net of taxes with recycling to profit or loss	2,010	5,113
160	Financial assets (other than equity securities) measured at fair value through other comprehensive income	2,889	7,635
	a) changes in fair value	2,738	5,907
	b) recycling to profit and loss account	151	1,752
	- credit risk adjustments	119	-
	- realised gains/losses	32	1,752
	c) other changes	-	(23)
210	Income taxes on other income components with recycling to profit or loss	(879)	(2,523)
220	Total other income components	2,330	4,979
230	Comprehensive income (Item 10 + 220)	12,606	18,311
240	Consolidated comprehensive income attributable to minority interests	-	891
250	Consolidated comprehensive income attributable to the parent company	12,606	17,420

PART E

“INFORMATION ON RISKS AND RELATED HEDGING POLICIES”

PART E - INFORMATION ON RISKS AND RELATED HEDGING POLICIES

Foreword

The document concerning the fulfilments related to Pillar 3 regulations, containing the information aimed at providing disclosure on the risk monitoring and management activities relating to the Igea Banca Banking Group (hereinafter “the Group”) (capital adequacy, exposure to risks and the general characteristics of the systems in charge of their management and control), in accordance with the provisions of Bank of Italy Circular No. 285 of 17 December 2013 and specifically Part Eight of the EU CRR Regulation No. 575/2013, is made available within the terms provided for by the regulations on the Group’s website www.bancafucino.it.

The identification of the risks to which the Group is potentially exposed is a prerequisite for the conscious assumption of such risks and their effective management, which makes use of appropriate measurement tools, mitigation techniques and occasionally transfer techniques.

Risk management, inspired by criteria of particular prudence, is implemented within a precise organisational framework; it also aims to limit the volatility of expected results.

The formalisation, through the definition of the Risk Appetite Framework (RAF), of risk/return objectives is an essential element in the determination of a risk governance policy and a risk management process marked by the principles of sound and prudent business management.

The risk/return objectives must be consistent with:

- the maximum risk that can be taken (risk capacity);
- the Group’s operating and organisational model (business model);
- the strategic guidelines (strategic plan).

The proper implementation of the RAF requires an adequate organisation and internal control system.

The system of risk limits that makes up the adopted Risk Appetite Framework has the following objectives:

- to support and guide the process of asset allocation and utilisation, thanks also to the interconnection of this process with that of strategic planning and/or budgeting;
- to promote the effectiveness and efficiency of the risk management and control system.

The following are therefore identified as part of this process:

- Risk Appetite (or Target): indicates the level of risk (overall and by type) that the Group intends to assume in line with its strategic objectives.
- Risk Tolerance: indicates the maximum deviation from the Risk Appetite allowed. It is set in such a way as to ensure in any case that the Group has sufficient margins to operate, even under stress conditions, within the maximum risk that can be assumed (Risk Capacity). In the event that the assumption of risk is permitted beyond the set objectives, the management actions necessary to bring the assumed risk down to the target level (Risk Appetite) are identified, without prejudice to the constraint given by the tolerance threshold.

- Risk Limits: these represent the breakdown of risk objectives into operational limits, defined, in line with the principle of proportionality, by risk types, business units and/or lines, product lines, customer types.

If the periodic monitoring of the Risk Appetite reveals any misalignments from the desired risk profile (exceeding the Risk Tolerance or Risk Limit values), the Banking Group assesses the causes of the deviations and any corrective actions to be implemented.

The company's risks are managed within a specific organisational model that integrates methodologies and controls at various levels, all of which converge with the objectives of ensuring the efficiency and effectiveness of operational processes, safeguarding the integrity of the company assets, protecting against losses, ensuring the reliability and integrity of information, and verifying that activities are carried out correctly in compliance with internal and external regulations.

In accordance with the principle of proportionality, an adequate risk management and control system must be related to the nature, scope and complexity of the activity performed, enabling the identification, assessment (also prospectively) and control of risks, with particular attention to the most significant ones.

With this in mind, the Group has adopted a traditional model, based on three levels of control:

- the "line" (or "first level") controls, carried out by the business units themselves;
- the "second level" controls, carried out by the Compliance Function, the Anti-Money Laundering (AML) Function and the Risk Management Function;
- the "third level" controls, which are the responsibility of the Internal Audit Function.

Line controls (so-called "first-level controls") are defined as controls aimed at ensuring the proper performance of operations. Line controls are procedural, IT, and behavioural controls, carried out both by those who implement a given activity (so-called first-stage line controls), and by those who have supervisory responsibility as risk owner (so-called second-stage line controls). The operational structures of the Entities belonging to the Group are primarily responsible for the risk management process: in the course of day-to-day operations, these structures must identify, measure/assess, monitor, mitigate and report risks arising from ordinary business activities in accordance with the risk management process; they must ensure compliance with the established risk tolerance level and the procedures into which the risk management process is structured.

The controls on risk management and compliance (so-called "second-level controls") are aimed at ensuring, *inter alia*:

- the proper implementation of the risk management process;
- compliance with the operational limits assigned to the various functions;
- compliance of company operations with standards, including self-regulatory ones.

The Internal Audit Function (so-called "third level controls") is aimed at detecting violations of procedures and regulations as well as periodically assessing the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the internal control system and of the IT system (ICT audit), with a predetermined frequency depending on the nature and intensity of the risks.

In view of the size and type of business carried out by the Group, the structure of the Internal Control System currently provides for:

- the maintenance of all Control Functions within the Group;
- The centralisation of the 2nd and 3rd Level Control Functions on the Parent Company;
- the placement of the 2nd and 3rd level Control Functions under the direct reporting of the Body with Strategic Supervisory functions;
- the appointment, within the Companies that, in the Parent Company's opinion, undertake risks considered significant for the Group as a whole, of specific Contact Persons who:
 - o perform support tasks for the outsourced corporate control Function of the Parent Company, report to the Board of Directors of the subsidiary and report functionally to the Head of the respective corporate control function of the Parent Company;
 - o promptly report to the Head of the respective Control Function of the Parent Company any particular events or situations that may alter the risks generated by the subsidiary;
- the identification, within the Board of Directors of the Subsidiaries, of a contact person for the outsourced corporate control functions; this contact person shall be identified from among the independent directors and shall meet the professional requirements necessary to perform this role;
- the establishment within the Parent Company of a Risk Committee within the BoD with the function of supporting the Board of Directors in matters of Group risk management and control;
- the establishment within the Parent Company of a Committee of Independent Directors called upon to autonomously supervise the Company's management, helping to ensure, free from influence, that it is carried out in the interest of the Company and in a manner consistent with the objectives of sound and prudent management.

The adequacy of the Internal Control System is monitored by the Board of Statutory Auditors, also through periodic meetings with the corporate control functions.

It should also be noted that the Group has set up a Risk Committee within the Parent Company Banca del Fucino, a collegial body with advisory powers composed of four non-executive Directors appointed by the Board of Directors of the Parent Company, the majority of whom are independent. This Committee is set up to monitor the effectiveness of the Group's overall internal control system, verifying in particular that there are no shortcomings in the control processes and that the Group's personnel at all levels act in compliance with the laws, regulations and internal provisions.

The Risk Committee performs support functions for the Parent Company's Board of Directors regarding the risks and the internal control system of the Parent Company itself and of the other Companies of the Banking Group, exercising the powers that are necessary or useful for the purpose. The decision-making powers and responsibilities of the Board of Directors of the Parent Company (within which the Committee is established) and of the other Group Companies (which indirectly make use of the Committee's contributions) continue to be unaffected.

With reference to the internal control system, the Committee supports the Board of Directors of the Parent Company to:

- identify and propose the Heads of the Internal Control Functions of the Parent Company and the corresponding Contact Persons of the other Group Companies to be appointed;
- assess the appropriateness of their remuneration in relation to the responsibilities assigned, the adequacy of the resources of each Function and the possible allocation of a budget to them;
- examines in advance the activity programmes (including the audit plan) and the annual reports of the Internal Control Functions addressed to the Parent Company's Board of Directors;
- in the performance of its activities, examines the reports issued by the Control Functions in order to assess the adequacy of the control safeguards and the risk mitigation measures to be put in place;
- expresses assessments and formulates opinions to the Parent Company's Board of Directors on compliance with the principles to which the internal control system and the corporate organisation must conform and the requirements to be met by the Internal Control Functions, bringing to the Board's attention any weaknesses and the consequent corrective actions to be encouraged;
- contributes, by means of assessments and opinions, to the definition of the corporate policy on the outsourcing of corporate control functions;
- guides and oversees the strategic sustainability plan in order to be able to monitor its progress over time;
- verifies that the Internal Control Functions properly comply with the indications and guidelines of the Strategic Supervisory Board and assists the latter in drawing up the coordination document required by Bank of Italy Circular No. 285.

With regard to the tasks relating to risk management and control, the Committee performs support functions for the Board of Directors of the Parent Company:

- in the defining and approving the strategic guidelines and risk governance policies; within the framework of the RAF, it carries out the assessment and recommendation activities necessary for the Board of Directors to define and approve the risk objectives ("Risk appetite") and the tolerance threshold ("Risk tolerance");
- in verifying the proper implementation of strategies, risk governance policies and the RAF;
- in the internal capital adequacy assessment process and the internal liquidity adequacy assessment process (ICAAP/ILAAP);
- in defining business valuation policies and processes, including verifying that the pricing and terms of transactions with customers are consistent with the business model and risk strategies.

The Committee also:

- prepares the documentation to be submitted to the Parent Company's Board of Directors for the relevant decisions;
- ensures that the incentives underlying the Group's remuneration and incentive system are consistent with the RAF;
- coordinates with the Board of Statutory Auditors with which it exchanges all information of mutual interest;

- periodically reports to the Board of Directors on its activities.

The Committee of Independent Directors is required to play a supporting role to the Board of Directors of the Parent Company and the Chief Executive Officer at least in relation to the areas listed below:

- Remuneration and incentive systems, both in the preparation phase and in the activation phase of the Incentive Plan, working in close coordination with the Risk Committee;
- transactions with related parties - including transactions with corporate officers - and safeguards against conflicts of interest;
- qualitative and quantitative composition of the Board of Directors of the Parent Company.

The Board of Directors and the Top Management of the Parent Company may involve the Committee of Independent Directors in relation to any other aspect of corporate life in order to ensure that corporate management is conducted in the interest of the company and in a manner consistent with the objectives of sound and prudent management.

The Group has remuneration and incentive policies in favour of the members of the Board of Directors, employees and collaborators of the Group in compliance with the provisions of Part One, Title IV, Chapter 2, of the Bank of Italy Circular No. 285 of 17 December 2013, adopted on the basis of Articles 53 and 67 of the Italian Consolidated Law on Banking (T.U.B.) and the Italian Ministerial Decree No. 933 of 27 December 2006.

In this context, the Risk Management Function contributed to reviewing and updating them, thus ensuring that the remuneration and incentive systems were adequately adjusted to take into account all the risks assumed by the Group, according to methodologies consistent with those adopted for risk management. Therefore, checks were carried out on the adequacy of the Group's incentive system with respect to the risk appetite approved by the Board of Directors (RAF), strategies and long-term corporate objectives, linking performance indicators - to which the variable component of remuneration is correlated - with risk-adjusted corporate results, which is consistent with the levels of capital and liquidity needed to withstand the activities undertaken, and by determining them in such a way as to avoid distorted incentives that could lead to regulatory violations or excessive risk-taking for the Group.

SECTION 1 - CONSOLIDATED ACCOUNTING RISKS

Quantitative information

A. Credit quality

For the purposes of quantitative disclosure on credit quality, the term “credit exposures” excludes equity securities and units in U.C.I.T.S.

A.1 Impaired and unimpaired credit exposures: amounts, impairments, dynamics, economic distribution

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying amounts)

Portfolios/quality	Non-performing loans	Probable defaults	Impaired past due exposures	Non-impaired past due exposures	Other non-impaired exposures	Total
1 Financial assets measured at amortised cost	8,845	88,159	32,867	36,288	3,161,731	3,327,890
2 Financial assets measured at fair value through other comprehensive income	-	-	-	-	627,147	627,147
3 Financial assets designated at fair value	-	-	-	-	-	-
4 Other financial assets mandatorily measured at fair value	-	-	-	-	3,667	3,667
5 Financial assets held for sale	-	-	14,500	-	-	14,500
Total 31/12/2024	8,845	88,159	47,367	36,288	3,792,545	3,973,204
Total 31/12/2023	12,705	70,401	45,434	39,654	3,420,216	3,588,410

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net values)

Portfolios/quality	Impaired				Non-impaired			Total (net exposure)
	Gross exposure	Total value adjustments	Net exposure	Total partial Write-offs*	Gross exposure	Total value adjustments	Net exposure	
1 Financial assets measured at amortised cost	213,839	(83,967)	129,871	12	3,226,584	(28,565)	3,198,019	3,327,890
2 Financial assets measured at fair value through other comprehensive income	-	-	-	-	627,375	(228)	627,147	627,147
3 Financial assets designated at fair value	-	-	-	-	X	X	-	-
4 Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	3,667	3,667
5 Financial assets held for sale	24,446	(9,946)	14,500	-	-	-	-	14,500
Total 31/12/2024	238,285	(93,913)	144,371	12	3,853,959	(28,793)	3,828,833	3,973,204
Total 31/12/2023	176,716	(48,176)	128,540	12	3,476,120	(19,884)	3,459,869	3,588,410

Portfolios/quality	Assets of evident low credit quality		Other assets
	Accumulated capital losses	Net exposure	Net exposure
1 Financial assets held for trading	-	-	550
2 Hedging derivatives	-	-	26
Total 31/12/2024	-	-	576
Total 31/12/2023	-	-	1,362

B. Disclosure on structured entities (other than securitisation companies)

At the reporting date, the Group does not fall under this specific case, and the relevant section is therefore omitted.

SECTION 2 - PRUDENTIAL CONSOLIDATION RISKS

1.1. Credit risk

Qualitative information

1 General aspects

Operations are characterised by constant compliance with the indications provided by the Supervisory Authority, with particular attention to monitoring the risks connected with the granting and management of credit.

Credit risk is defined as the risk of incurring losses as a result of the default of debtors in transactions classified in the supervisory banking portfolio.

Credit risk expresses the possibility that a change in the creditworthiness of a counterparty, to which an exposure exists, will generate a corresponding expected change in the value of the credit position. Two components can be identified in credit risk:

- insolvency risk: this concerns the possibility of not collecting a certain number of future payments in full, as a consequence, precisely, of the insolvency of the debtor;
- migration risk: this concerns the risk of a reduction in the value of the exposure resulting from a deterioration in the debtor's creditworthiness.

2 Credit risk management policies

2.1 Organisational aspects

The internal provisions governing the credit process (contained in the documents "Group Performing Loans Regulation" and "Group NPL Non-Performing Loans Regulation" approved by the Board of Directors) define the control, management and mitigation activities of the risk itself, developing a structured system that involves various organisational functions whose activities decline the levels of control defined by the Supervisory Authority.

The Board of Directors oversees and monitors the proper allocation of financing and in particular:

- defines strategic guidelines and credit policies;
- establishes criteria for the recognition, management and assessment of risks;
- provides for the approval of proxies and checks that they are properly exercised;
- verifies that the General Management, in line with the risks assumed, defines an appropriate organisational set-up;
- takes decisions within the scope of its autonomy.

The main objectives of the Credit Policy Guidelines are to:

- i) ensure and regulate the supervision of the Bank's overall credit risk-taking activity; and

- ii) guide the development of relations with current and potential customers according to sustainability criteria.

Without prejudice to the general objective of continuously increasing overall credit quality, in specific terms the development of the Credit Policy Guidelines was carried out taking into account the following factors:

- a) structure and geo-sectoral breakdown of the Bank's loan portfolio;
- b) structure and articulation of the Commercial Network and its implications on the distribution of lending in the territory;
- c) macroeconomic and financial outlook for the Italian economy and the credit sector, broken down on a regional and sectoral basis, developed by a leading market infoprovider.

The Top Management implements the strategies and policies defined by the Board of Directors and, in particular, ensures that rules, activities, procedures and organisational structures are in place to ensure the adoption and maintenance of an efficient credit and risk control process.

The supervision of the credit process is then mainly the responsibility of the Performing Loans Department and the NPE Department. The division of tasks and responsibilities between the two Departments is designed to achieve the segregation of activities.

In particular, the Performing Loans Department is in charge of defining and implementing credit policy, criteria and lending procedures in line with the risk-return objective of loans approved by the Board of Directors. The Performing Loans Department also:

- supports the Sales Network and the subsidiary Igea Digital Bank in assessing the risk inherent in the granting of credit, also promoting regulatory compliance and improving the efficiency of the credit granting process, providing support in the development of market analyses (in terms of size, territory and sector) that contribute to the definition of granting policies;
- ensures the control of credit risk by putting in place adequate line controls, since the responsibilities for first-level controls is vested on it;
- carries out the process of reviewing, completing and supplementing the preliminary investigation for practices falling under its higher decision-making powers (including those of its subsidiary Igea Digital Bank), also independently resolving on practices falling under its delegated powers or forwarding them to higher bodies;
- takes care of the finalisation of all credit facilities;
- the management of performing positions (including Forborne Performing positions) and ensures the protection of the Banking Group's interests in the area of credit management.

The "Territorial Network" also operates in the performing loans credit sector. It reports hierarchically to the Commercial Department and is assigned to specific "Area Managers". The Area Manager is responsible for the branches belonging to the territorial area of his/her competence on the basis of the guidelines and directives issued by the Head of the Commercial Division on which he/she reports hierarchically and functionally. In

relation to the credit area, the Area Manager is responsible for deciding on credit and overdrafts under his/her authority and for authorising transactions falling within his powers or is called upon to express his opinion on items falling within the competence of higher bodies. With the aim of ensuring greater control over the phenomena of delinquency and a management as close as possible to the customer of such phenomena, the institution of the figure of the Network Anomalous Credit Manager has been envisaged, hierarchically dependent on the Area Manager and functionally accountable to the Head of the Credit Monitoring O.U. This person, who is suitably qualified, oversees the credit monitoring activity of the Territorial Area to which it belongs and, in case of need, with its specialised skills supports the activity of the ordinary manager in order to resolve as quickly as possible any anomalies occurring on the report.

With reference to non-performing loans (NPLs), the management of positions classified as Past Due is entrusted to the Territorial Network with the support and coordination of the Credit Monitoring U.O., while the NPE Department implements the actions it deems most effective for the monitoring and recovery of the impaired positions under its direct responsibility, including the sale or restructuring of such credits (Forborne Non Performing). It proposes and carries out, within the framework of the impaired credit positions for which it is directly responsible (i.e., Probable Defaults and Non-Performing Loans), all judicial and extrajudicial actions necessary for the recovery of the credit. In addition, in compliance with regulatory requirements, it draws up and updates the operational plan for impaired loans on a timely basis.

The Credit Monitoring Operational Unit allocated within the Performing Loans Department:

- monitors, through the evidence produced by the supporting computerised procedures (CQM) or on the basis of the reports of the Managers and/or the Network Anomalous Credit Manager, the positions with anomalous trends of the Banking Group;
- conducts for the Banking Group, with the cooperation of the Managers and through the use of the “CQM” procedure, the analysis of the above-mentioned positions and identifies the actions to be taken to bring the relationship back to normal, passing them on to the competent Managers;
- assesses and monitors the effectiveness of the actions/solutions to overcome the anomalies identified by the Banking Group’s Managers and implemented with customers, and orders, in the event of actions/solutions not being agreed upon, the position to be referred to its own structure to resolve the anomalies;
- ensures the periodic and reinforced monitoring of the portfolio subject to moratoria and/or backed by state guarantees, with the aim of ensuring its timely management and, where applicable, classification;
- when the prerequisites are met, formulates and submits to the competent bodies of the Banking Group a proposal for the classification of risk positions in “Watch List” status, outside the automatic classifications provided for in the process or in one of the statuses provided for impaired positions.

The Risk Management Function:

- verifies the proper performance of performance monitoring on individual credit exposures, assessing the consistency of classifications, the adequacy of provisions and the adequacy of the credit recovery process;
- develops methodologies/tools for assessing and measuring credit and concentration risks;
- assesses the Group's capital adequacy with respect to the credit risk assumed.

2.2 Management, measurement and control systems

The assessment of creditworthiness is the basis for managing the credit risk associated with the customer: it is an ongoing assessment of the customer that is not only based on additional credit applications, but also on the manner in which existing credit lines are used and periodic reviews.

In order to implement the requirements introduced by the "Guidelines on loan origination and monitoring" issued by the EBA, the Credit Process (origination process) was revised for both customers belonging to the "Consumer" segment and customers belonging to the "Corporate" segment.

The main objectives of the "Guidelines" issued by the EBA are:

- ensure better operational structuring as well as a formalised representation of the credit granting/assessment processes;
- direct lending activities according to more standardised counterparty creditworthiness assessment logics, defined on the basis of European banking best practice;
- disseminate the credit culture at every level of the company, so that the organisational structure is permeated by it and increasingly internalises credit assessment logics;
- document and preserve information and data leading to credit approval, including evaluations and actions taken.

The above-mentioned review of the credit granting process required the support of the release of the new Electronic Credit Granting Practice (PEF Credit Origination) models on the systems, capable of managing the resulting increase in information assets and the provision of adequate evaluation tools to the various actors involved in the process.

The procedures in place continue to provide for the possibility of using (together with thresholds in terms of amount) qualitative parameters in the calculation of decision-making autonomy, among which the degree of solvency of the credit applicant is important, summarised by the rating class assigned to customers by the CRS procedure. The CRS system classifies performing loans into 10 rating classes (from '1', the best, to '10', the worst), reserving three further classes for defaults ('C+' for past-due, 'C' for probable defaults and 'D' for non-performing loans).

A historical analysis of the customers with exposures showed that the customers are assigned a rating falling within the following categories:

- Classes 1 to 4: have a probability of default in line with the Bank's risk policies;

- Classes 5 to 8: have a probability of default considered to be at the attention threshold;
- Classes 9 to 10: have, in general, a high probability of default.

The credit assessment model, relying on data collected at the time of the loan application and information extracted from chambers of commerce and Eurisc as well as a series of indices such as counterparty risk situation, level of capital coverage and profitability, allows for the calculation of: Expected Loss, Probability of Default, Rating Class.

Consistent with the past, the credit assessment model for applicants, as revised in accordance with the requirements of the “Guidelines on loan origination and monitoring” issued by the EBA, adopts “traffic light logic” integrated into the IT systems of the banking entities belonging to the Group.

The objective of credit control and management activities is to constantly verify the economic, financial and equity conditions of the borrower and its guarantors, as verified at the time the credit facilities were granted.

Credit risk constitutes one of the most significant types of risk for the Banking Group and can be quantified as the risk that the “fair” value of assets decreases due to unexpected changes in the creditworthiness of debtors.

The Group’s exposure to credit risk is monitored by the Risk Management Function.

The choices of diversification and fractioning of the credit portfolio, combined with the individual selection of debtors and transactions that can be financed, are capable of reducing the overall risk to which the Group is exposed; this approach is part of the management logic to which the Group bases its activities.

Credit risk analysis, therefore, cannot disregard a careful assessment of the credit portfolio along two fundamental lines of analysis:

- morphological - aimed at identifying the relationships linking credit exposure to customer segments, technical forms of relationship, level of risk and income;
- concentration - aimed at identifying groups of related customers, business segments or geographic regions characterised by overexposure as opposed to a situation of equal risk distribution and fractioning.

The management of credit risk involves analysing the level of portfolio diversification (distribution by segments/technical forms), the level of fractioning (distribution of customers with respect to economic sectors/geographical areas) and, above all, the consistency of the level of riskiness (distribution by classes of creditworthiness) and remuneration of the portfolio with respect to the Group’s objectives.

The Banking Group’s credit policy is aimed at a prudent selection of borrowers through a careful analysis of their creditworthiness, with the objective of containing their risk, while bearing in mind the commercial objectives set by the 2023-2025 Strategic Guidelines.

In consideration of the Group’s strategic objectives and operations, and in line with the Guidelines on loan origination and monitoring issued by the EBA, the general credit risk management strategy is characterised by a moderate propensity to risk, which is essentially expressed in the:

- current and prospective assessment of the creditworthiness of counterparties;
- portfolio diversification, limiting the concentration of exposures on individual counterparties or groups of connected counterparties. The concentration of risk towards a single counterparty may not exceed the limits specified in the industry regulations (see below).

On the other hand, for the purposes of determining internal capital against credit risk, the Banking Group uses the standardised methodology adopted for the determination of prudential requirements against credit risk. The application of the aforementioned methodology, consistent with the size of the Group, entails the subdivision of exposures into “portfolios” and the application of differentiated prudential treatments to each of them.

With reference to concentration risk (i.e. the risk arising from exposures of the overall banking portfolio to a small number of counterparties, groups of connected counterparties and counterparties in the same economic sector or exercising the same activity or belonging to the same geographic area), the Group measures the regulatory requirement for both the single name and geo-sector components according to a quantitative assessment.

For the purposes of determining internal capital against concentration risk for individual counterparties or groups of connected customers, the Group uses the Granularity Adjustment regulatory algorithm, using the *Herfindahl* indicator (simplified methodology provided for in Bank of Italy Circular No. 285/2013 - Title III, Chapter 1, Annex B).

For the purposes of quantifying the capital requirement for geo-sectoral concentration risk, the Group adopts the methodology developed at the ABI by the “Geo-Sectoral Concentration Risk Laboratory”.

2.3 Methods of measuring expected losses

According to IFRS 9, all financial assets that are not measured at fair value through profit or loss, consisting of debt securities and loans, and exposures not recorded on the financial statements must be subject to the new impairment model based on expected losses.

In detail, the impairment model introduced by IFRS 9 is based on the concept of “forward-looking” valuation, i.e. the notion of an expected loss (Expected Credit Loss), whether calculated at 12 months (Stage 1) or up to the residual life of the instrument (lifetime loss for Stage 2 and Stage 3).

In particular, the model requires financial assets to be classified into three distinct stages to which different valuation criteria correspond:

- Stage 1: to be assessed on the basis of an estimate of expected loss with a time horizon of one year. Stage 1 includes performing financial assets for which no significant deterioration in credit risk has been observed since the date of initial recognition;
- Stage 2: to be assessed on the basis of an estimate of expected loss over the entire remaining life of the financial asset. Financial assets that have experienced a significant impairment in credit risk since their initial recognition are included in Stage 2;

- Stage 3: to be assessed on the basis of an estimate of expected loss assuming a probability of default of 100%. Financial assets considered impaired are included in Stage 3.

According to the Expected Credit Loss calculation model, losses must be recorded not only with reference to objective evidence of impairment already apparent at the reporting date, but also on the basis of expectations of future impairment not yet apparent, which must reflect:

- the probability of the occurrence of different scenarios;
- the discount effect by using the effective interest rate;
- historical experiences and current and future evaluations.

It follows that the determination of expected losses is a complex exercise that requires significant judgement and estimation, including with reference to forward-looking information of a macroeconomic nature.

In order to implement the above requirements, the Group's structures carried out in-depth simulation analyses for the correct definition of the impairment methodology and the criteria for allocating positions between the various stages mentioned above. Through the use of new computer applications implemented specifically with a view to IFRS 9, an analysis was conducted on the possible sets of stage allocation rules aimed at assessing the deterioration of the creditworthiness of a performing counterparty, with the consequent passage of credit relations from Stage 1 to Stage 2.

Ultimately, therefore, the Group proceeded with:

- the definition of the framework for assessing the existence or otherwise of a significant impairment in credit risk (so-called "Framework Stage Assignment") and the consequent classification of performing exposures from stage 1 to stage 2;
- the development of models - including forward-looking information - to be used for the calculation of the one-year and lifetime expected credit loss.

IFRS 9 requires the calculation of lifetime expected losses for all positions that have a "significant increase in credit risk" with respect to origination (i.e. Stage 2). For such positions, therefore, the Group must proceed with the estimation of expected losses over a time horizon covering the entire life of the relationship up to maturity (and not only for the first year of the relationship as required by IAS 39). The calculation of lifetime expected losses was, therefore, developed by estimating the PD, LGD and EAD parameters over a time horizon equal to the entire residual life of the financial asset.

Based on this assumption, new IFRS 9 'compliant' risk parameters were developed, in terms of:

- probability of default (PD) at one year and lifetime;
- loss given default (LGD);
- exposure to default (EAD).

In defining the parameters, account was taken of:

- current business cycle conditions (Point-in-Time risk measures);

- forward-looking information concerning the future dynamics of market factors (Forward looking risk measures) on which the expected lifetime loss depends. Such forward-looking information refers to a defined time frame (typically equal to the expected duration of the credit exposure being measured).

As at 31 December 2024, a loan portfolio was identified in the Bank's impaired exposures that could potentially be sold in 2025. For the purpose of calculating value adjustments, IFRS 9 requires that all information, available at the reporting date, on past events and current conditions, as well as forecasts of future economic conditions, be taken into account (i.e. "forward-looking"); in this respect, it is also possible to consider, within the context of the credit recovery scenarios, that relating to the sale of credit positions, without prejudice to the "Held To Collect" reference business model. Accordingly, in order to factor the aforementioned "sales scenario" into the determination of the value adjustments as at 31 December 2024, an add-on component was determined, based on the market value with a view to non-recourse sale and the probability of such sale, in order to approximate the recoverable value of the exposures at market prices ("Add-On Sell").

In summary, the process described above has led to:

- the identification of a perimeter of impaired loans to be evaluated in a sale scenario for a Gross Book Value of approximately 54% of the Group's total Gross Book Value at the date, and a number of accounts equal to 2,630;
- the determination by a primary Advisor of a range of the Portfolio's fair value; this valuation was carried out on the basis of methodologies developed by the most authoritative doctrine and used by best practice, which for simplicity can be aggregated into the following steps:
 - stock analysis;
 - definition of cluster analysis;
 - estimating cash flows using benchmark curves;
 - estimated fair value range (including management and legal costs component and WACC).
- the definition of a 90% probability of sale, defined primarily on the basis of the Group's strategic objective;
- the determination of the amount of additional value adjustments, to be recognised in order to reflect a value as at 31 December 2024 resulting from the weighting of a 10% base (retention) scenario and a 90% sales scenario.

2.4 Credit risk mitigation techniques

With regard to credit risk mitigation, the technique most commonly used by the Group is the acquisition of collateral or personal guarantees.

With regard to collateral, the Group accepts various credit protection instruments consisting of both mortgage and financial guarantees.

The control measures to which the granting of credit with the acquisition of collateral is subject are differentiated by type of collateral. With respect to mortgage guarantees on real estate, the company's policies and procedures ensure that it is always acquired and managed in a manner that guarantees its

enforceability in all relevant jurisdictions and enforceability within a reasonable timeframe. In this context, the Group has adopted and is in the process of updating specific internal policies and procedures in this regard:

- the independence of the person in charge of carrying out the property valuation;
- the presence of insurance against the risk of damage to the collateralised asset;
- the implementation of adequate monitoring of the value of the real estate property in order to verify the continued fulfilment of the requirements to benefit from lower capital absorption on secured exposures;
- compliance with the maximum loan-to-value ratio;
- the intended use of the real estate and the debtor's ability to repay.

The process of monitoring the value of the real estate property covered by the guarantee is carried out by means of an appraisal:

- at least every 3 years for residential real estate properties;
- annually for non-residential real estate properties.

With respect to personal guarantees, the main types of guarantors are entrepreneurs and corporate partners related to the debtor as well as, in the case of loans granted to sole proprietorships and/or natural persons, relatives of the debtor. In the event that a financing proposal provides for personal guarantees from third parties, the preliminary investigation also extends to those third parties. In particular, in relation to the type of credit facility guaranteed and the amount, the following are checked and analysed:

- the guarantor's assets and income situation, also by consulting the relevant databases. If there are real estate properties, their value is estimated in order to quantify the actual collateral capacity, also in view of the commitments it has on the system;
- exposure to the banking system;
- information in the bank's information system;
- whether they belong to a risk group and their overall exposure.

3 Impaired credit exposures

3.1 Management strategies and policies

The management of bad debts and debts classified as Past Due is entrusted to the Territorial Network, which relies on the support and coordination activities of the Credit Monitoring O.U., while the management of receivables classified as Probable Default and Non-performing is assigned to the NPE Department. The Credit Monitoring O.U. and the NPE Department promote, in cooperation with the Territorial Network and for the credit exposures under their respective responsibility, all activities deemed necessary to restore the credit to performing status or, in cases where this is not possible, to enter the credit in the impaired loans segment (Past Due, Probable Defaults and Non-performing loans).

With regard to exposures falling under its sphere of competence, the NPE Department makes every effort to recover debts without court proceedings by drawing up specific repayment plans, consolidation agreements and settlement agreements, and engages external legal counsel to carry out court proceedings.

The NPE Department's tasks also include the evaluation of proposals for classification as Probable Default or Non-performing and the estimation of loss forecasts and related recovery times.

With reference to positions classified in the Non-performing category, the assessment takes into account:

- overall risk of the client and related relationships, as well as of the economic group to which the customer belongs, if any;
- Central Credit Register situation with particular attention to their commitments, if any, to provide guarantees to third parties;
- assets of the debtor and any guarantors;
- value of the asset pledged as collateral;
- time required to recover the receivable.

With respect to positions relating to counterparties classified in the Past Due and Probable Default categories, the credit assessment for determining the amount of expected loss provides for different methods depending on the status and size of the exposure. For positions relating to counterparties classified in the Past Due category irrespective of the amount, as well as for positions relating to counterparties classified in the Probable Default or Non-performing categories within specified amount limits, the statistical assessment model is applied on a flat-rate basis.

For positions with counterparties classified in the Probable Default category that exceed certain predetermined limits, loss forecasts are assessed analytically. In particular, on the corporate segment, the Bank estimates future cash flows based on two general approaches that identify the operating scenario of the of the relationship with the counterparty:

- in a going concern scenario , the operating cash flows of the debtor and/or the “effective” guarantor continue to be generated and can thus be used to repay the financial debt to all creditors. In addition, collateral may be enforced to the extent that this does not affect operating cash flows. Loss forecasts are developed on the basis of the expected cash flows of the borrower/guarantor and the estimated recovery related to the enforcement of the guarantee to the extent possible without affecting operating cash flows;
- in a gone concern scenario , the collateral is enforced, and the debtor's operating cash flows cease. Loss forecasts are developed on the basis of the estimated recovery related to the enforcement of the guarantee.

All activities related to the monitoring and recovery of credit are timely reported to the Credit Committee, which, upon reporting to the Board of Directors, takes the main decisions on consolidation, repayment plans, settlements and classification of receivables.

3.2 Write-off

For all positions relating to counterparties classified in the Non-performing category, the Group assesses whether it is appropriate to continue to maintain the receivable as the court or out-of-court actions underway allow a reasonable expectation of recovery, including partially, or whether it is appropriate to proceed with a total or partial write-off, by virtue, respectively, of the conclusion of the recovery process or the circumstance that there is no reasonable prospect of recovery.

The write-off in accordance with IFRS 9 in force from 1 January 2018, is the reduction of the gross carrying of the receivable resulting from the recognition that there are no reasonable expectations of recovering the same for amounts exceeding those considered to be collectable or have already been collected.

This does not imply a waiver on the part of the bank of its legal right to recover the receivable and must be effected if all available information indicates that the debtor is unable to repay all or part of the debt.

3.3 Impaired financial assets acquired or originated

In accordance with IFRS 9, loans that are considered to be impaired from the time of initial recognition in the financial statements are defined as Purchased or Originated Credit Impaired Assets (so-called POCI). These receivables, if they fall within the scope of application of impairment under IFRS 9, are measured by setting aside - from the date of initial recognition - provisions for losses covering the entire residual life of the receivable (ECL lifetime).

In this regard, it should be noted that the acquisition or origination of impaired financial assets is not part of the Group's typical business model.

4 Financial assets subject to trade renegotiations and forbore non-performing exposures

The category of forbore non-performing exposures does not constitute a separate and additional category of impaired exposures to those previously mentioned (non-performing loans, probable defaults and impaired past-due), but only a subset of each of them, which includes cash exposures and forbore exposures, if they meet both of the following conditions:

- a) the debtor is in a situation of economic and financial difficulty that does not allow it to fully meet its contractual obligations under its debt contract and that results in a state of credit impairment (classification in one of the categories of impaired exposures: non-performing, probable default, impaired past due);
- b) the Group Banks agree to a modification of the terms and conditions of such contract, or to refinancing in whole or in part thereof, to enable the debtor to comply with it (a measure that would not have been granted if the debtor had not been in a state of difficulty).

Exposures subject to forbearance measures to borrowers in an economically and financially distressed situation that are not impaired are instead classified in the category of forbore performing exposures and are

reclassified as other non-impaired exposures, or as unimpaired past due exposures if they meet the requirements for such classification.

After ascertaining that a forbearance measure meets the forbearance requirements, the forborne exposure attribute is broken down into:

- forborne performing if both of the following conditions are met:
 - o the debtor was classified as ordinary performing or under observation prior to the decision to grant the forbearance measure;
 - o the debtor was not reclassified as an impaired counterparty as a result of the forbearance measures granted.
- forborne non-performing if at least one of the following conditions is met:
 - o the debtor was classified among impaired exposures prior to the forbearance resolution;
 - o the debtor has been reclassified as an impaired exposure, as a result of the forbearance granted, including in the event that (in addition to other regulatory cases) significant impairment losses emerge as a result of the valuation performed.

In order for a credit exposure classified as forborne non-performing to transition to forborne performing, the following conditions must be met simultaneously:

- passage of at least 1 year from the assignment of the forborne non-performing attribute (so-called cure period);
- absence of the prerequisites for classifying the debtor as impaired;
- absence of past due amounts on all of the debtor's outstanding accounts;
- the debtor's presumed ability, based on documentary evidence, to fully perform its contractual obligations under the repayment terms determined under the forbearance measure; this prospective ability to repay is deemed to be verified when both of the following conditions are met:
 - o the debtor has repaid, by means of the regular payments made under the rescheduled terms, an amount equal to the amount that was past due (or that was subject to cancellation) at the time of the forbearance measure;
 - o the debtor has complied with the post-forbearance measure payment terms during the last 12 months.

A credit exposure classified as forborne performing becomes forborne non-performing when even one of the following conditions is met:

- the conditions for classifying the counterparty as impaired loans are met;
- the credit exposure was previously classified as impaired with a forborne non-performing attribute and subsequently, when the conditions were met, the funded counterparty was subsequently placed under observation (with the line in question subsequently transferred to forborne performing), but:
 - o one of the funded counterparty's credit facilities has, during the forborne performing period, become more than 30 days past due; or

- o the counterparty holding the facility in question is subject to additional forbearance measures during its stay in forborne performing status.

For a credit exposure classified as forborne performing to lose this attribute, resulting in a return to ordinary performing status only, the following conditions must be met simultaneously:

- at least 2 years have elapsed since the assignment of the forborne performing attribute (so-called probation period);
- the debtor has made regular payments of principal or interest on the credit facility granted for a total amount equal in the aggregate to at least 5% of the outstanding principal at the time of the application of the forbearance measure; such payments must have been made in a manner and timing that ensures full compliance with the contractual obligations for a period, including non-continuous payments, equal to at least one-half of the probation period;
- the debtor is not more than 30 days past due on any of the relationships outstanding at the end of the probation period.

Quantitative information

A. Credit quality

A.1 Impaired and non-impaired credit exposures: amounts, value adjustments, performance and economic distribution

A.1.1 Prudential consolidation - Breakdown of financial assets by maturity bands (carrying amounts)

Portfolios/risk stages	First stage			Second stage			Third stage			Impaired acquired or originated		
	From 1 day to 30 days	From over 30 days up to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days up to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days up to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days up to 90 days	Over 90 days
1 Financial assets measured at amortised cost	14,746	-	-	9,297	11,307	910	2,766	5,760	107,386	384	420	13,157
2 Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3 Financial assets held for sale	-	-	-	-	-	-	-	-	14,500	-	-	-
Total 31/12/2024	14,746	-	-	9,297	11,307	910	2,766	5,760	121,886	384	420	13,157
Total 31/12/2023	18,241	-	-	8,238	11,291	1,844	2,388	3,441	100,538	10	16	716

A.1.2 Prudential Consolidation - Financial assets, commitments to disburse funds and financial guarantees given: changes in total value adjustments and provisions

Causes/stages of risk	Total value adjustments											
	Stage 1 activities						Stage 2 activities					
	Loans and advances to banks and central banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairments	of which: collective impairments	Loans and advances to banks and central banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairments	of which: collective impairments
Initial total adjustments	263	9,810	109	-	-	10,182	-	9,809	-	-	-	9,809
Increases from financial assets acquired or originated	368	3,760	97	-	-	4,225	-	418	-	-	-	418
Cancellations other than write-offs	(491)	(1,331)	(2)	-	-	(1,825)	-	(600)	-	-	-	(600)
Net value adjustments/write-backs for credit risk (+/-)	60	1,620	25	-	-	1,705	-	5,553	-	-	-	5,553
Contractual changes without cancellation	-	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the profit and loss account	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	(11)	(406)	-	-	-	(417)	-	(154)	-	-	-	(154)
Total final adjustments	189	13,453	228	-	-	13,870	-	15,027	-	-	-	15,027
Recoveries from write-offs of financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in the profit and loss account	-	-	-	-	-	-	-	-	-	-	-	-

Causes/stages of risk	Total value adjustments										
	Stage 3 activities						Impaired financial assets acquired or originated				
	Loans and advances to banks and central banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairments	of which: collective impairments	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairments	of which: collective impairments
Initial total adjustments	-	46,795	-	-	46,795	-	1,485	-	-	1,529	(44)
Increases from financial assets acquired or originated	-	12,716	-	-	12,716	-	X	X	X	X	X
Cancellations other than write-offs	-	(7,806)	-	-	(7,806)	-	(29)	-	-	-	(29)
Net value adjustments/write-backs for credit risk (+/-)	-	14,151	-	9,946	24,097	-	17,493	-	-	17,396	97
Contractual changes without cancellation	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the profit and loss account	-	(669)	-	-	(669)	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	(145)	-	-	(145)	-
Total final adjustments	-	65,187	-	9,946	75,133	-	18,803	-	-	18,779	23
Recoveries from write-offs of financial assets	-	233	-	-	233	-	-	-	-	-	-
Write-offs recognised directly in the profit and loss account	-	(174)	-	-	(174)	-	-	-	-	-	-

Reasons/ risk stages	Total provisions on commitments to disburse funds and financial guarantees given				Tot.
	First stage	Second stage	Third stage	Commitments to disburse funds and guarantees given impaired acquired/ or originated/	
Initial total adjustments	287	40	354	1	68,953
Increases from financial assets acquired or originated	-	22	8	-	17,390
Cancellations other than write-offs	(219)	(107)	(8)	-	(10,595)
Net value adjustments/write-backs for credit risk (+/-)	91	64	324	-	49,327
Contractual changes without cancellation	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-
Write-offs not recognised directly in the profit and loss account	-	-	-	-	(669)
Other changes	-	-	-	1	(716)
Total final adjustments	159	19	679	2	123,691
Recoveries from write-offs of financial assets	-	-	-	-	233
Write-offs recognised directly in the profit and loss account	-	-	-	-	(174)

A.1.3 Prudential Consolidation - Financial Assets, commitments to disburse funds and financial guarantees given: transfers between credit risk stages (gross and nominal values)

Portfolios/risk stages	Gross values/nominal value					
	Transfers between first stage and second stage		Transfers between second and third stage		Transfers between first stage and third stage	
	First to second stage	From second stage to first stage	From second stage to third stage	From third stage to second stage	From first stage to third stage	From third stage to first stage
1 Financial assets measured at amortised cost	176,400	93,935	23,572	441	39,651	3,094
2 Financial assets measured at fair value through other comprehensive income	-	1,072	-	-	-	-
3 Financial assets held for sale	-	-	-	-	-	-
4 Commitments to disburse funds and financial guarantees given	21,104	14,665	1,055	2	5,094	370
Total 31/12/2024	197,504	109,672	24,627	444	44,746	3,465
Total 31/12/2023	233,336	74,983	27,317	4,656	71,507	4,467

A.1.4 Prudential consolidation - Cash and off-balance sheet credit exposures to banks: gross and net values

Exposure types/values	Gross exposure					Total value adjustments and provisions					Net Exposure	Overall partial write-offs*
	First stage	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated				
A. CASH CREDIT EXPOSURES												
A.1 ON-DEMAND	337,406	328,078	9,328	-	-	189	117	72	-	-	337,217	-
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Non-impaired	337,406	328,078	9,328	X	-	189	117	72	X	-	337,217	-
A.2 OTHER	113,378	214,542	-	-	-	246	246	-	-	-	113,132	-
a) Non-performing loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne non-performing exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Probable defaults	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne non-performing exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Impaired past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne non-performing exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Non-impaired past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne non-performing exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other unimpaired exposures	113,378	214,542	-	X	-	246	246	-	X	-	113,132	-
- of which: forborne non-performing exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	450,783	542,619	9,328	-	-	435	363	72	-	-	450,349	-
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Non-impaired	10,057	3,604	-	X	-	-	-	-	X	-	10,057	-
TOTAL (B)	10,057	3,604	-	-	-	-	-	-	-	-	10,057	-
TOTAL (A+B)	460,840	546,223	9,328	-	-	435	363	72	-	-	460,405	-

*Value to be displayed for information purposes only

A.1.5 Prudential Consolidation - Cash and off-balance sheet credit exposures to customers: gross and net values

Exposure types/values	Gross exposure					Total value adjustments and provisions					Net Exposure	Overall partial write-offs*
	First stage	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated				
A. CASH CREDIT EXPOSURES												
a) Non-performing loans	41,007	X	-	33,170	7,837	32,162	X	-	26,673	5,489	8,845	12
- of which: forbore non-performing exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Probable defaults	131,693	X	-	107,924	23,768	43,533	X	-	33,135	10,398	88,159	-
- of which: forbore non-performing exposures	31,441	X	-	29,516	1,925	14,990	X	-	14,296	694	16,451	-
c) Impaired past due exposures	65,585	X	-	57,147	8,438	18,218	X	-	15,325	2,893	47,367	-
- of which: forbore non-performing exposures	5,616	X	-	5,214	402	1,383	X	-	1,228	155	4,233	-
d) Non-impaired past due exposures	37,755	14,872	22,851	X	29	1,467	126	1,338	X	3	36,288	-
- of which: forbore non-performing exposures	403	-	403	X	-	42	-	42	X	-	361	-
e) Other unimpaired exposures	3,706,852	3,423,230	281,929	X	1,694	27,081	13,372	13,689	X	20	3,679,771	-
- of which: forbore non-performing exposures	13,529	-	13,529	X	-	285	-	285	X	-	13,244	-
TOTAL (A)	3,982,892	3,438,102	304,780	198,242	41,767	122,461	13,497	15,027	75,133	18,803	3,860,431	12
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Impaired	10,981	X	-	10,981	-	716	X	-	716	-	10,265	-
b) Non-impaired	657,487	635,393	41,786	X	-	497	373	124	X	-	656,991	-
TOTAL (B)	668,469	635,393	41,786	10,981	-	1,213	373	124	716	-	667,256	-
TOTAL (A+B)	4,651,361	4,073,495	346,565	209,223	41,767	123,674	13,870	15,151	75,849	18,803	4,527,686	12

*Value to be displayed for information purposes only

A.1.6 Prudential Consolidation - Cash credit exposures to banks: changes in gross impaired exposures

At the reporting date, the Group does not fall under this specific case, and the relevant section is therefore omitted.

A.1.7 Prudential Consolidation - Cash credit exposures to customers: changes in gross impaired exposures

Reasons/Categories	Non-performing loans	Probable defaults	Impaired past due exposures
A. Initial gross exposure	32,079	94,541	50,097
- of which: exposures transferred not derecognised	-	369	2,151
B. Increases	29,008	74,943	41,807
B.1 Inflows from non-impaired exposures	5,642	52,812	33,140
B.2 Inflows from impaired financial assets acquired or originated	7,388	10,508	8,665
B.3 Transfers from other impaired exposure categories	15,653	11,561	-
B.4 Contractual changes without cancellation	-	-	-
B.5 Other increases	325	63	2
C. Decreases	20,081	37,791	26,319
C.1 Outflows to non-impaired exposures	-	19	532
C.2 Write-offs	6,286	2,920	787
C.3 Collections	11,009	15,869	650
C.4 Proceeds from disposals	2,786	8,179	7,878
C.5 Losses from disposal	-	-	-
C.6 Transfers to other impaired exposures categories	-	10,743	16,471
C.7 Contractual changes without cancellation	-	-	-
C.8 Other decreases	-	62	1
D. Final gross exposure	41,007	131,693	65,585
- of which: exposures transferred not derecognised	12	3,124	52

A.1.7bis Prudential consolidation - Cash credit exposures to customers: changes in gross credit exposures broken down by credit quality

Reasons/Quality	Forborne exposures: impaired	Forborne exposures: non-impaired
A. Initial gross exposure	25,397	14,074
- of which: exposures transferred not derecognised	289	105
B. Increases	17,540	775
B.1 Inflows from non-impaired exposures other than forborne	25	767
B.2 Inflows from non-impaired forborne exposures	44	X
B.3 Inflows from impaired forborne exposures	X	4
B.4 Inflows from non-forborne impaired exposures	15,571	-
B.5 Other increases	1,900	5
C. Decreases	5,879	917
C.1 Outflows to non-impaired forborne exposures	X	16
C.2 Outflows to non-impaired forborne exposures	4	X
C.3 Outflows to impaired forborne exposures	X	44
C.4 Write-offs	475	-
C.5 Collections	3,944	850
C.6 Proceeds from disposals	1,445	-
C.7 Losses from disposal	1	-
C.8 Other decreases	10	7
D. Final gross exposure	37,057	13,932
- of which: exposures transferred not derecognised	3	1

A.1.8 Prudential consolidation - Impaired cash credit exposures to banks: changes in total value adjustments

At the reporting date, the Group does not fall under this specific case, and the relevant section is therefore omitted.

A.1.9 Prudential consolidation - Impaired cash credit exposures to customers: changes in total value adjustments

Reasons/Categories	Non-performing loans		Probable defaults		Impaired past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening total adjustments	19,374	-	24,140	7,064	4,663	676
- of which: exposures transferred not derecognised	-	-	144	-	355	74
B. Increases	20,999	-	27,509	9,698	15,713	899
B.1 Value adjustments from impaired financial assets acquired or originated	4,615	X	2,329	X	731	X
B.2 Other value adjustments	11,555	-	25,181	9,698	14,922	838
B.3 Losses from disposal	-	-	-	-	-	-
B.4 Transfers from other impaired exposure categories	4,718	-	-	-	-	-
B.5 Contractual changes without cancellation	-	-	-	-	-	-
B.6 Other increases	112	-	-	-	61	61
C. Decreases	8,211	-	8,116	1,771	2,158	191
C.1 Write-backs from valuation	1,313	-	1,266	1,226	-	-
C.2 Write-backs from collections	613	-	166	164	397	97
C.3 Gains on disposal	-	-	-	-	-	-
C.4 Write-offs	6,286	-	2,920	381	787	94
C.5 Transfers to other impaired exposures categories	-	-	3,744	-	974	-
C.6 Contractual changes without cancellation	-	-	-	-	-	-
C.7 Other decreases	-	-	19	-	-	-
D. Total final adjustments	32,162	-	43,533	14,990	18,218	1,383
- of which: exposures transferred not derecognised	-	-	3	-	9	4

A.2 Classification of exposures by external and internal ratings

A.2.1 Prudential consolidation - breakdown of financial assets, commitments to disburse funds and financial guarantees given: broken down by external rating classes (gross values)

Exposures	External rating classes							Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Without rating	
A. Financial assets measured at amortised cost	1,150	-	439,655	29,661	-	-	2,969,957	3,440,422
- First stage	1,150	-	438,652	29,661	-	-	2,450,646	2,920,109
- Second stage	-	-	1,003	-	-	-	303,777	304,780
- Third stage	-	-	-	-	-	-	173,796	173,796
- Impaired acquired or originated	-	-	-	-	-	-	41,738	41,738
B. Financial assets measured at fair value through other comprehensive income	-	2,661	603,340	14,706	1,027	-	5,641	627,375
- First stage	-	2,661	603,340	14,706	1,027	-	5,641	627,375
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Impaired acquired or originated	-	-	-	-	-	-	-	-
C. Financial assets held for sale	-	-	-	-	-	-	24,446	24,446
- First stage	-	-	-	-	-	-	-	-
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	24,446	24,446
- Impaired acquired or originated	-	-	-	-	-	-	-	-
Total (A+B+C)	1,150	2,661	1,042,995	44,367	1,027	-	3,000,044	4,092,244
D. Commitments to disburse funds and financial guarantees given	-	-	-	-	-	-	678,091	678,091
- First stage	-	-	-	-	-	-	635,342	635,342
- Second stage	-	-	-	-	-	-	33,613	33,613
- Third stage	-	-	-	-	-	-	9,136	9,136
- Impaired acquired or originated	-	-	-	-	-	-	-	-
Total (D)	-	-	-	-	-	-	678,091	678,091
Total (A+B+C+D)	1,150	2,661	1,042,995	44,367	1,027	-	3,678,135	4,770,335

A.3 Breakdown of secured credit exposures broken down by type of collateral

A.3.1 Prudential consolidation - cash and off-balance sheet credit exposures to secured Banks

At the reporting date, the Group does not fall under this specific case, and the relevant section is therefore omitted.

A.3.2 Prudential consolidation - secured cash and off-balance sheet credit exposures to customers

	Gross exposure	Net exposure	Collateral securities (1)				Personal guarantees (2)	
			Real Estate - Mortgages	Real Estate - Lease Financing	Securities	Other collateral securities	Credit derivatives	
							CLNs	Other derivatives Central counterparties
1 Secured cash credit exposures:	2,428,593	2,344,152	355,162	-	16,340	253,665	-	-
1.1. fully secured	1,690,274	1,622,648	354,780	-	15,145	252,365	-	-
- of which impaired	146,198	89,582	15,073	-	2,310	960	-	-
1.2. partially secured	738,319	721,503	383	-	1,195	1,300	-	-
- of which impaired	40,558	29,255	-	-	1	3	-	-
2 Secured "off-balance sheet" credit exposures:	358,782	357,731	1,026	-	10,491	50,928	-	-
2.1. fully secured	229,557	228,767	1,026	-	9,098	43,107	-	-
- of which impaired	4,778	4,212	235	-	-	433	-	-
2.2. partially secured	129,225	128,965	-	-	1,393	7,822	-	-
- of which impaired	3,988	3,842	-	-	-	30	-	-

	Personal guarantees (2)							Total (1)+(2)
	Credit derivatives			Guarantee facilities				
	Other derivatives			Public Administrations	Banks	Other financial companies	Other entities	
	Banks	Other financial companies	Other entities					
1 Secured cash credit exposures:	-	-	-	1,246,525	19	36,706	236,879	2,145,295
1.1. fully secured	-	-	-	699,490	19	34,010	220,864	1,576,672
- of which impaired	-	-	-	56,543	-	2,231	11,727	88,845
1.2. partially secured	-	-	-	547,034	-	2,696	16,015	568,622
- of which impaired	-	-	-	23,187	-	74	1,213	24,478
2 Secured “off-balance sheet” credit exposures:	-	-	-	157,303	39	1,625	93,073	314,486
2.1. fully secured	-	-	-	80,265	7	863	89,755	224,122
- of which impaired	-	-	-	578	7	-	2,959	4,212
2.2. partially secured	-	-	-	77,038	32	762	3,317	90,364
- of which impaired	-	-	-	2,031	32	-	116	2,208

A.4 Prudential consolidation - financial and non-financial assets obtained through enforcement of guarantees received

At the reporting date, the Group does not fall under this specific case, and the relevant section is therefore omitted.

B. Distribution and concentration of credit exposures

B.1 Prudential consolidation - Sectoral breakdown of cash and off-balance sheet credit exposures to customers

Exposures/Counterparties	Public Administrations		Financial companies		Financial companies (of which: insurance companies)	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. Cash credit exposures						
A.1 Non-performing loans	-	-	79	114	-	-
- of which: forborne non-performing exposures	-	-	-	-	-	-
A.2 Probable defaults	-	-	14	16	-	-
- of which: forborne non-performing exposures	-	-	-	-	-	-
A.3 Impaired past due exposures	551	22	-	-	-	-
- of which: forborne non-performing exposures	-	-	-	-	-	-
A.4 Non-impaired exposures	1,105,023	335	201,649	8,067	3,667	-
- of which: forborne non-performing exposures	-	-	-	-	-	-
Total (A)	1,105,574	357	201,742	8,197	3,667	-
B. Off-balance-sheet credit exposures						
B.1 Impaired exposures	-	-	5	-	-	-
B.2 Non-impaired exposures	18,000	-	11,839	1	-	-
Total (B)	18,000	-	11,844	1	-	-
Total (A+B) 31/12/2024	1,123,574	358	213,585	8,197	3,667	-
Total (A+B) 31/12/2023	1,039,510	524	233,638	3,367	3,614	-

Exposures/Counterparties	Non-financial companies		Households	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. Cash credit exposures				
A.1 Non-performing loans	6,920	23,500	1,846	8,548
- of which: forborne non-performing exposures	-	-	-	-
A.2 Probable defaults	81,267	35,064	6,878	8,453
- of which: forborne non-performing exposures	14,938	13,676	1,513	1,314
A.3 Impaired past due exposures	41,957	16,391	4,859	1,805
- of which: forborne non-performing exposures	3,789	1,317	444	66
A.4 Non-impaired exposures	1,819,151	18,287	590,236	1,859
- of which: forborne non-performing exposures	11,394	311	2,211	16
Total (A)	1,949,295	93,243	603,820	20,665
B. Off-balance-sheet credit exposures				
B.1 Impaired exposures	10,120	707	140	9
B.2 Non-impaired exposures	495,218	473	131,934	23
Total (B)	505,338	1,180	132,074	32
Total (A+B) 31/12/2024	2,454,633	94,423	735,894	20,697
Total (A+B) 31/12/2023	2,273,762	49,770	560,768	15,461

B.2 Prudential consolidation - geographical distribution of cash and off-balance sheet credit exposures to customers

Operating activities in Italy

Exposures/Geographical areas	North West Italy		North East Italy		Central Italy		South Italy and Islands	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. Cash credit exposures								
A.1 Non-performing loans	595	2,068	1,123	1,665	3,621	16,873	3,506	11,556
A.2 Probable defaults	18,526	3,929	5,211	1,848	52,564	30,283	11,858	7,473
A.3 Impaired past due exposures	4,744	720	2,305	638	28,975	12,099	11,343	4,762
A.4 Non-impaired exposures	489,595	10,334	391,605	2,631	2,031,030	8,554	770,833	6,939
Total (A)	513,460	17,052	400,245	6,782	2,116,190	67,809	797,540	30,729
B. Off-balance-sheet credit exposures								
B.1 Impaired exposures	2,394	6	1,938	140	4,813	559	1,120	11
B.2 Non-impaired exposures	50,185	22	119,589	26	314,126	307	163,310	142
Total (B)	52,579	28	121,528	165	318,938	866	164,430	153
Total (A+B) 31/12/2024	566,040	17,080	521,772	6,947	2,435,128	68,675	961,970	30,883
Total (A+B) 31/12/2023	529,583	7,868	436,631	3,733	2,253,678	38,689	877,099	18,781

Operating activities Abroad

Exposures/Geographical areas	Italy		Other European countries		America
	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures
A. Cash credit exposures					
A.1 Non-performing loans	8,845	32,162	-	-	-
A.2 Probable defaults	88,159	43,533	-	-	-
A.3 Impaired past due exposures	47,367	18,218	-	-	-
A.4 Non-impaired exposures	3,683,064	28,459	29,012	44	2,777
Total (A)	3,827,435	122,372	29,012	44	2,777
B. Off-balance-sheet credit exposures					
B.1 Impaired exposures	10,265	716	-	-	-
B.2 Non-impaired exposures	647,210	497	9,751	-	30
Total (B)	657,475	1,213	9,751	-	30
Total (A+B) 31/12/2024	4,484,910	123,585	38,763	44	2,807
Total (A+B) 31/12/2023	4,096,991	69,070	8,263	23	1,231

Exposures/Geographical areas	America	Asia		Rest of the world	
	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments
A. Cash credit exposures					
A.1 Non-performing loans	-	-	-	-	-
A.2 Probable defaults	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-
A.4 Non-impaired exposures	45	-	-	1,206	-
Total (A)	45	-	-	1,206	-
B. Off-balance-sheet credit exposures					
B.1 Impaired exposures	-	-	-	-	-
B.2 Non-impaired exposures	-	-	-	-	-
Total (B)	-	-	-	-	-
Total (A+B) 31/12/2024	45	-	-	1,206	-
Total (A+B) 31/12/2023	29	-	-	1,193	-

B.3 Prudential consolidation - geographical distribution of cash and off-balance sheet credit exposures to banks

Operating activities in Italy

Exposures/Geographical areas	North West Italy		North East Italy		Central Italy		South Italy and Islands	
	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments
A. Cash credit exposures								
A.1 Non-performing loans	-	-	-	-	-	-	-	-
A.2 Probable defaults	-	-	-	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-	-	-	-
A.4 Non-impaired exposures	30,492	137	3,301	3	406,720	249	148	2
Total (A)	30,492	137	3,301	3	406,720	249	148	2
B. Off-balance-sheet credit exposures								
B.1 Impaired exposures	-	-	-	-	-	-	-	-
B.2 Non-impaired exposures	26	-	-	-	10,031	-	-	-
Total (B)	26	-	-	-	10,031	-	-	-
Total (A+B) 31/12/2024	30,518	137	3,301	3	416,751	249	148	2
Total (A+B) 31/12/2023	24,407	109	3,494	45	680,466	144	148	2

Operating activities Abroad

Exposures/Geographical areas	Italy		Other European countries		America
	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures
A. Cash credit exposures					
A.1 Non-performing loans	-	-	-	-	-
A.2 Probable defaults	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-
A.4 Non-impaired exposures	440,662	392	7,111	34	2,576
Total (A)	440,662	392	7,111	34	2,576
B. Off-balance-sheet credit exposures					
B.1 Impaired exposures	-	-	-	-	-
B.2 Non-impaired exposures	10,057	-	-	-	-
Total (B)	10,057	-	-	-	-
Total (A+B) 31/12/2024	450,718	392	7,111	34	2,576
Total (A+B) 31/12/2023	708,515	300	5,113	51	1,226

Exposures/Geographical areas	America	Asia		Rest of the world	
	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments
A. Cash credit exposures					
A.1 Non-performing loans	-	-	-	-	-
A.2 Probable defaults	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-
A.4 Non-impaired exposures	9	-	-	-	-
Total (A)	9	-	-	-	-
B. Off-balance-sheet credit exposures					
B.1 Impaired exposures	-	-	-	-	-
B.2 Non-impaired exposures	-	-	-	-	-
Total (B)	-	-	-	-	-
Total (A+B) 31/12/2024	9	-	-	-	-
Total (A+B) 31/12/2023	2	-	-	-	-

B.4 Large exposures

31/12/2024			31/12/2023		
No. of customers	Nominal amount	Weighted amount	No. of customers	Nominal amount	Weighted amount
21	3,338,601	216,281	24	3,888,031	194,196

Pursuant to EU Regulation No. 575 of 2013, a Large Exposure is defined as an institution's exposure to a customer or group of connected customers with a value of 10% or more of the institution's Tier 1 Capital. As at 31 December 2024, there were 21 counterparties classified as Large Exposures, with a total exposure of approximately EUR 3.34 billion.

C. Securitisation Transactions

In addition to assuming the roles of Arranger and Advisor in the structuring of securitisation transactions, the Bank performs activities that are instrumental to the same through the roles of Paying Agent, Servicer, Account Bank, Sponsor and Underwriter, which, depending on the context and prospects of the individual transactions, may be taken either together or separately. Starting in 2018, the Group has managed securitisation transactions originated on third-party customers of a public and/or corporate nature as well as transactions, both securitisation and self-securitisation, in which the Group is the originator of the "transferred" assets.

Qualitative information

1 "Own" securitisation transactions

"Fucino RMBS"

In consideration of the amortisation of the Senior Note that occurred as a result of the collections that were consolidated over time on the underlying assets and the decision by the Governing Council of the ECB to gradually withdraw the measures introduced in April 2020 in response to the pandemic emergency and aimed at expanding the value of the assets that could be pledged as collateral for monetary policy transactions, it was deemed appropriate to turn to strengthening the liquidity profile of the parent company Banca del Fucino and to proceed accordingly with the restructuring of the transaction in question in June 2022. The main objective that the Bank set itself through the restructuring was to increase leverage by restoring the level of liquidity obtained at the time of the first issue and reconfigure the transaction to bring it in line with market conditions and place part of the Senior Notes on the market.

The transaction qualified as STS (Simple, Transparent, Standardised) pursuant to Article 18 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017.

The Capital Structure of the Post-Restructuring Transaction is an issue divided in tranches with three classes of notes: Senior, Junior and Mezzanine. At issue, the total amount of the Notes was EUR 138.98 million where the Senior Tranche represented 87.1% of the investment, the Mezzanine Tranche was equal to 3.7% and the Junior Tranche was equal to 9.2%. Following its issue, the Senior notes were deemed eligible by the Bank of

Italy and was included in the list of eligible marketable assets. Eligibility allowed the Parent Company Banca del Fucino to allocate 74 million Senior Notes to the ECB, obtaining funding of approximately 70.7 million, while the remaining 44 million were sold on the secondary market, obtaining stable liquidity of approximately 43.2 million.

Completion of the transaction was subject to the remodelling of the three interest rate derivatives (two IRS Floating/Floating and one IRS Fix/Floating) with J.P. Morgan, that was already present in the pre-restructuring transaction.

The structure of the transaction and the composition of the loan portfolio were submitted to three rating agencies (Moody's, DBRS and Arc Ratings) for the purpose of assigning ratings to the senior and mezzanine tranches of the notes issued. The rating currently assigned by these agencies is shown in the table below:

Classes of notes	Rating		
	Moody's	DBRS	ARC
Senior	AA3 (sf)	AAA (sf)	AA-(sf)
Mezzanine	A1 (sf)	AA (low) (sf)	A-(sf)
Junior	-	-	

The notes are held in dematerialised form at Monte Titoli and listed on the Dublin Stock Exchange ("Euronext Dublin") and ExtraMot.

It should be noted that following the last Payment Date, which took place on 31/12/2024, the Senior note was amortised for an amount of approximately EUR 3.4 million and at 31 December 2024 its outstanding value was approximately EUR 61.88 million. To date, the liquidity resulting from the allocation of Senior Notes to the ECB amounts to approximately EUR 36.09 million.

It should be noted that, even after the deal was restructured, Banca del Fucino acts as Servicer of the related Receivables, providing both the so-called master servicing services (monitoring, reporting, supervisory reporting) and the so-called special servicing services (management, collection and recovery of the Receivables), and as such also performs the function of monitoring the compliance of the Transaction with the law and the prospectus pursuant to Italian Law No. 130/1999.

"Fucino Sme 2.0"

As part of the securitisation transactions of assets generated by the Igea Banca Group, the transaction called "Fucino SME 2" was put in place, whose primary objective was to raise additional funding for the Parent Company through an alternative channel that could diversify, stabilise and lengthen the maturity of funding sources, but also to take a further step to make the Group substantially independent of the ECB's funding measures under the TLTRO programme. It therefore took the form of a funding transaction structured in three phases:

1. In 2023, Banca del Fucino sold a first portfolio worth approximately EUR 477 million, with performing loans deriving from unsecured loans concluded with SMEs, sole proprietorships and self-employed professionals backed by the MCC and SACE guarantees. The securities were issued on 24 February 2023

on an unrated and unlisted basis and held in dematerialised form at Monte Titoli. The Capital Structure was developed through a Senior Loan (Senior Facility 2023) - pursuant to Article 1(1)(b) of Italian Law no. 130/99 - fully disbursed by JPMorgan representing approximately 73% of the Capital Structure, and a Junior Note B1, maturing in November 2052, that was fully subscribed by Banca del Fucino which represented the remaining 27%.

2. In May 2024, a second portfolio was sold by Banca del Fucino with a value of approximately EUR 306.6 million with underlying performing loans deriving from unsecured loans backed by the MCC and SACE guarantees concluded with SMEs. The new securities were issued on 23 May 2024 on an unrated and unlisted basis and held in dematerialised form at Monte Titoli. The Capital Structure was developed through a second Senior Loan (Senior Facility 2024) - pursuant to Article 1(1)(b) of Italian Law No. 130/99 - again disbursed by JPMorgan representing approximately 73% of the Capital Structure, and a Junior Note B2, maturing in November 2052, that was fully subscribed by Banca del Fucino and represented the remaining 27%.
3. In December 2024, a third portfolio worth approximately EUR 133.36 million was sold by Banca del Fucino whose underlying assets were performing loans resulting from unsecured loans backed by MCC and SACE guarantees concluded with SMEs. The Capital Structure was developed through a Top Up of the Senior Facility 2024 - pursuant to Article 1(1)(b) of Italian Law No. 130/99 - disbursed by JPMorgan representing approximately 73% of the Capital Structure, and an Up-Size of the Junior Note B2, maturing in November 2052, that was fully subscribed by Banca del Fucino and represented the remaining 27%. The Top Up and Up-Size were disbursed/issued on 12 December 2024 on an unrated and unlisted basis and held in dematerialised form at Monte Titoli.

It should be noted that no changes have been made to the principal repayment structure of the Facility 2024, the Junior B2 Notes, the Senior Facility 2023 and the Junior B1 Notes as a result of this addition.

The table below shows the total capital structure as at 31 December 2023 of the Senior Facility 2023, the Senior Facility 2024 including the Top Up occurred in December 2024, the Junior Note B1 and the Junior Note B2 including the Up-Size that occurred in December 2024:

Classes of notes	Asset %	Issue	Principal Repayments	Securities outstanding	Coupons	WAL
Senior Facility 2024 *	42.13 %	330,000,000	36,365,324	293,634,676	EUR 3M + 1.65%	2.5
Junior Note B2	17.76 %	123,751,359	0	123,751,359	EUR 3M+1.90%	4.9
Senior Facility 2023	23.08 %	360,000,000	199,167,590	160,832,410	EUR 3M + 1.95%	2.4
Junior Note B1	17.03 %	133,291,000	14,618,976	118,672,024	EUR 3M + 2%	3.9
Total	100.00 %	947,042,359	250,151,890	696,890,469		

As a result of the collections that occurred, on the sixth Payment Date (29/11/2024), an accumulated amortisation of the Senior Facility 2023 of approximately EUR 199.17 million and an accumulated amortisation of the Senior Facility 2024 of approximately EUR 36.36 million was recorded. The Junior B1 note, as at the IPD of 31/07/2024 the pro-rata event occurred, was amortised for the amount of 14.61 million with a current outstanding of 118.67 million while the Junior B2 note remained unchanged. Finally, cumulated interest of EUR 13.4 million was paid to Banca del Fucino on the Junior Note B1. As at 31.12.2024, the cash reserve

relating to the 2023 transaction was EUR 7.53 million while that relating to the transactions completed in 2024 was EUR 11.03 million.

It is understood that:

- Banca del Fucino performs risk retention by subscribing both Junior Notes (equal to at least 5% of the portfolio being sold), as required by the Securitisation Regulation;
- The two 2024 additions did not entail the subscription of any new interest rate hedging derivatives with the Swap Counterparty. It should be noted that in the first phase of the transaction (2023), two interest rate derivatives (Interest Rate Swaps) were entered into with J.P. Morgan for an amount equal to the notional amount of the Senior Loan. In particular, the transaction envisaged the vehicle Fucino SME 2.0 entering into two Front Swaps with JPMorgan SE: (i) a Fixed-Floating Balance Guaranteed Swap and (ii) a 3s6s balance guaranteed basis swap. Simultaneously with the conclusion of the two Front Swaps, JPMorgan SE and Banca del Fucino entered into two Back to Back Swaps mirroring those entered into with the Vehicle.

2 “Third-party” securitisation transactions

“MAIA” SECURITISATION: on 16 May 2019, the Parent Company concluded the third unrated and unlisted securitisation transaction of receivables arising from Claims and/or “technical reserves” originated by third-party customers and claimed against contracting authorities in the context of the execution of works entrusted under tender contracts. This transaction saw the Parent Company act as Servicer, Arranger and Underwriter of the Senior Notes.

The Bank subscribed for 100% of the Class A Notes (i.e. senior tranche).

The coupons received from the issue date to 31 December amounted to approximately EUR 6.18m.

As at 31 December, the class A note held by the Parent Company amounted to EUR 22.92 million.

The legal maturity of the notes is set for September 2030.

“CARAVAGGIO” SECURITISATION: on 27 January 2020, the Parent Company concluded the fourth unrated and unlisted securitisation transaction of receivables arising from Claims and/or “technical reserves” originated by third-party customers and claimed from contracting authorities in the context of the execution of works entrusted under tender contracts. This transaction, structured in the last quarter of 2019, saw the Parent Company act as Servicer, Arranger and Underwriter of the Senior Notes.

The Bank fully subscribed for the Class A Notes (i.e. senior tranche).

The coupons received from the issue date to 31 December amounted to some EUR 4.92 m.

As at 31 December, the class A note held by the Parent Company amounted to EUR 25.75 million.

The legal maturity of the notes is set for September 2030.

“AURORA” SECURITISATION: On 11 June 2020, the Parent Company concluded the fifth unrated and unlisted securitisation transaction referring to a portfolio composed of various receivables deriving from invoices issued by a group of SMEs for the supply of goods and services to the Italian National Health Service (SSN) and/or to Public Administration entities (e.g. Local Health Authorities, Hospitals, Regions, Ministries).

The Parent Company was involved as Arranger, Account Bank, Paying Agent, Subservicer and Underwriter of the Senior Notes.

The Bank as Senior Noteholder underwrote 100% of the Class S Notes (i.e. super-senior tranche) and 100% of the Class A Notes (i.e. senior tranche).

The coupons received from the issue date to 31 December amounted to EUR 12.29 million.

As at 31 December last Class S1 notes were fully redeemed while Class A notes held by the Bank amounted to EUR 44.97 million.

The legal maturity of the notes is set for June 2030.

“ALEXANDER” SECURITISATION: In the second quarter of 2020, the seventh unlisted securitisation transaction was structured referring to receivables arising from Claims and/or “technical reserves” originated by third-party customers and claimed from contracting authorities in the context of the execution of works entrusted under tender contracts.

This transaction saw the Parent Company involved as Arranger, Account Bank, Paying Agent, Servicer and Underwriter of the Senior Notes. The signing of the contracts took place between June and July 2020, with the notes issue set for 28 July 2020.

The Bank fully subscribed for the Class A Notes (i.e. senior tranche).

The coupons received from the issue date to 31 December amounted to EUR 4.895 million.

As at 31 December, the class A note held by the Parent Company amounted to EUR 27.26 million.

The legal maturity of the notes is set for September 2030.

“MAKALU” SECURITISATION: in the second quarter of 2021, the tenth unlisted and unrated securitisation transaction was finalised, involving a portfolio consisting of two disputed loans and a mortgage loan.

Banca del Fucino assumed the roles of Arranger, Sponsor, Account Bank, Paying Agent, Master Servicer and Noteholder.

The Parent Company fully underwrote the Class S Notes (i.e. super-senior tranche) and the Class A Notes (i.e. senior tranche) and 5% of the Class B Notes as Sponsor of the transaction in order to maintain the net economic interest. As at 31 December 2024, the Bank’s exposure in ABS securities issued by Makalu was equal to: EUR 2 million (for Class S), EUR 32.05 million (for Class A) and zero (for Class B).

The coupons received from the issue date to 31 December amounted to EUR 0.910 million.

The legal maturity of the notes is set in 2040.

Based on prospective assessments of the cash flows available from the securitisation, as of 30/09/2023 the senior and super senior notes were classified as stage 2, with the application of an impairment of 20.36%. As a result of further considerations, an analytical valuation was performed and total adjustments on the senior tranches amounting to approximately EUR 7 million were recorded, determined by approximating the amount of interest past due and unpaid at the date of preparation of these financial statements. With regard to the junior tranche, in light of the significant increase in risk recognised on the senior notes, the fair value of the junior notes was reset to zero.

“VITTORIA IV” SECURITISATION: in the second half of 2020, the ninth securitisation transaction was structured referring to disputed receivables arising from invoices issued by a group of companies for the supply of goods and services to the Italian National Health Service (NHS) and/or to Public Administration entities.

Banca del Fucino was involved as Paying Agent, Bank Account, Subservicer and Underwriter of the Senior note.

The revolving transaction involves the issuance of partly paid, unlisted and unrated notes held in dematerialised form at Monte Titoli.

Based on prospective assessments of the cash flows available from the securitisation, as of 30/06/2024 the senior note was classified as stage 3. In view of the sale, occurred on 15 January 2025, the security was classified as an asset held for sale, with an impairment of approximately EUR 10 million.

“COLOMBO” SECURITISATION: in December 2023, an unlisted and unrated securitisation transaction was finalised concerning a portfolio of tax receivables denominated in euro and governed by the laws of the Italian Republic.

Banca del Fucino assumed the roles of Arranger, Account Bank, Paying Agent, Master Servicer and Senior Noteholder.

The Parent Company fully subscribed the Class A Notes (i.e. senior tranche). As at 31 December 2024, the Bank’s exposure in ABS securities issued by the Colombo SPV amounted to EUR 1.8m.

The legal maturity of the notes is set in 2033

Quantitative information

C.1 Prudential consolidation - Exposures arising from the main “own” securitisation transactions broken down by type of securitised assets and by exposure type

The table was not valorised at the date of preparation of the Financial Statements.

C.2 Prudential consolidation - Exposures arising from main “third-party” securitisation transactions broken down by type of asset securitised and by type of exposure

Underlying assets/Exposures	Cash exposures - Senior		Cash exposures - Mezzanine		Cash exposures - Junior		Guarantees given - Senior		Guarantees given - Mezzanine		Guarantees given - Junior		Credit Lines - Senior		Credit Lines - Mezzanine		Credit Lines - Junior	
	Carrying amount	Net adjustments/write-backs	Carrying amount	Net adjustments/write-backs	Carrying amount	Net adjustments/write-backs	Carrying amount	Net adjustments/write-backs	Carrying amount	Net adjustments/write-backs	Carrying amount	Net adjustments/write-backs	Carrying amount	Net adjustments/write-backs	Carrying amount	Net adjustments/write-backs	Carrying amount	Net adjustments/write-backs
A. MAIA SPE S.r.l. - Securitisation of “technical reserves” arising from tender contracts	23,437	23																
B. CARAVAGGIO SPE S.r.l. - Securitisation of “technical reserves” arising from tender contracts	19,336	19																
C. AURORA SPE S.r.l. - Securitisation of receivables from invoices issued by SMEs to the Italian National Health Authority (SSN)	44,980	45																
D. ALEXANDER SPE S.r.l. - Securitisation of “technical reserves” arising from tender contracts	27,708	27																
E. VITTORIA IV SPE S.r.l. - Securitisation of receivables from invoices issued by SMEs to the Italian National Health Authority (SSN)	24,446	9,946																



F. MAKALU SPV S.r.l. - Securitisation of disputed loans and mortgages	34,929	7,111			-	950												
G. COLOMBO SPV S.r.l. - Securitisation of tax receivables	1,800	2																

C.3 Prudential consolidation - Interests in special purpose vehicles for securitisation

Securitisation Name / Vehicle Company Name	Registered office	Consolidation	Assets (€/000)			Liabilities (€/000)		
			Receivables	Debt securit ies	Other	Senior	Mezzanine	Junior
MAIA SPE S.r.l.	Via San Prospero 4, 20131, Milan (MI)	NO	39,871			22,922		5,634
CARAVAGGIO SPE S.r.l.	Via San Prospero 4, 20131, Milan (MI)	NO	33,840			19,027		2,700
AURORA SPE S.r.l.	Via San Prospero 4, 20131, Milan (MI)	NO	94,837			44,971	13,966	27,933
ALEXANDER SPE S.r.l.	Via San Prospero 4, 20131, Milan (MI)	NO	47,325			27,260		3,100
VITTORIA IV SPE S.r.l.	Via San Prospero 4, 20131, Milan (MI)	NO	21,341			24,320		11,400
MAKALU SPV S.r.l.	Via degli Olivetani, 10/12 Milan (MI)	NO	51,945			34,050		19,000
COLOMBO SPV S.r.l.	Via Montebello 27, 20121, Milan (MI)	NO	2,117			1,799		317

C.4 Prudential Consolidation - Non-consolidated special purpose vehicles for securitisation

The item is not valorised.

C.5 Prudential consolidation - Servicer activities - own securitisations: collections of securitised loans and redemptions of securities issued by the special purpose vehicle for securitisation

Securitised assets (end-of-period figure)			Receivables collected during the year		Percentage share of securities redeemed (end-of-period figure)					
Vehicle company	Impaired	Non-impaired	Impaired	Non-impaired	Senior*		Mezzanine		Junior	
					Impaired Assets	Non-impaired assets	Impaired Assets	Non-impaired assets	Impaired Assets	Non-impaired assets
Fucino RMBS S.r.l.	189	87,433	123	17,103		48 %				
Fucino SME 2.0 S.r.l.	4,011	651,297	597	178,227		34 %				11 %

*The percentage takes into account the 100 million Top-Up in December 2024

D. Divestment transactions

A. Financial assets sold and not fully derecognised

Qualitative information

As regards the description of the transactions set out the tables below, please refer to Section C on securitisation transactions.

Quantitative information

D.1 Prudential Consolidation - Transferred financial assets recognised in full and associated financial liabilities: carrying amounts

	Financial assets sold recognised in full				Associated financial liabilities		
	Carrying amount	of which: covered by securitisation transactions	of which: covered by repurchase agreements	of which impaired	Carrying amount	of which: covered by securitisation transactions	of which: covered by repurchase agreements
A. Financial assets held for trading	-	-	-	X	-	-	-
1 Debt securities	-	-	-	X	-	-	-
2 Equity securities	-	-	-	X	-	-	-
3 Financing	-	-	-	X	-	-	-
4 Derivatives	-	-	-	X	-	-	-
B. Other financial assets mandatorily measured at fair value	-	-	-	-	-	-	-
1 Debt securities	-	-	-	-	-	-	-
2 Equity securities	-	-	-	X	-	-	-
3 Financing	-	-	-	-	-	-	-
C. Financial assets designated at fair value	-	-	-	-	-	-	-
1 Debt securities	-	-	-	-	-	-	-
2 Financing	-	-	-	-	-	-	-
D. Financial assets measured at fair value through other comprehensive income	111,490	-	111,490	-	110,819	-	110,819
1 Debt securities	111,490	-	111,490	-	110,819	-	110,819
2 Equity securities	-	-	-	X	-	-	-
3 Financing	-	-	-	-	-	-	-
E. Financial assets measured at amortised cost	811,460	655,104	156,355	3,175	562,630	409,059	153,571
1 Debt securities	156,355	-	156,355	-	153,571	-	153,571
2 Financing	655,104	655,104	-	3,175	409,059	409,059	-
Total 31/12/2024	922,950	655,104	267,845	3,175	673,449	409,059	264,389
Total 31/12/2023	824,300	376,127	448,172	2,021	660,922	237,006	423,916

D.3 Prudential Consolidation - Disposal transactions with liabilities that are recovered solely from the assets disposed of and not fully derecognised: fair value

	Fully recognised	Partially recognised	Total	
			31/12/2024	31/12/2023
A. Financial assets held for trading	-	-	-	-
1 Debt securities	-	-	-	-
2 Equity securities	-	-	-	-
3 Financing	-	-	-	-
4 Derivatives	-	-	-	-
B. Other financial assets mandatorily measured at fair value	-	-	-	-
1 Debt securities	-	-	-	-
2 Equity securities	-	-	-	-
3 Financing	-	-	-	-
C. Financial assets designated at fair value	-	-	-	-
1 Debt securities	-	-	-	-
2 Financing	-	-	-	-
D. Financial assets measured at fair value through other comprehensive income	-	-	-	-
1 Debt securities	-	-	-	-
2 Equity securities	-	-	-	-
3 Financing	-	-	-	-
E. Financial assets measured at amortised cost (fair value)	655,104	-	655,104	376,127
1 Debt securities	-	-	-	-
2 Financing	655,104	-	655,104	376,127
Total financial assets	655,104	-	655,104	376,127
Total associated financial liabilities	409,059	-	X	X
Net value 31/12/2024	246,045	-	655,104	X
Net value 31/12/2023	139,121	-	X	376,127

1.2 MARKET RISKS

1.2.1 Interest rate risk and price risk - Supervisory trading book

Qualitative information

A. General aspects

Market risk is the risk of adverse changes in the value of a position, recorded in the supervisory trading book, due to adverse developments in interest rates, exchange rates, inflation rates, volatility, share prices, credit spreads, commodity prices and issuer creditworthiness. The supervisory trading book refers to positions in financial instruments intended for subsequent disposal in the short term and/or taken on for the purpose of benefiting, again in the short term, from differences between purchase and sale prices or from other price or interest rate changes.

B. Management processes and methods for measuring interest rate risk and price risk

As at 31 December 2024, the Group's "Supervisory Trading Book", defined in accordance with the rules on market risk regulatory reporting (see Circular No. 155 of 18 December 1991 "Instructions for the compilation of reports on regulatory capital and prudential ratios" (*Istruzioni per la compilazione delle segnalazioni sul patrimonio di vigilanza e sui coefficienti prudenziali*) issued by the Bank of Italy), amounted to approximately EUR 342 million (Fair Value). In particular, the trading book in question is composed, as of the date under review, of equity securities amounting to approximately EUR 2.6 million (i.e. equity securities and film holdings of the parent company), investment certificates amounting to approximately EUR 0.4 million, and, for the remaining portion, tax credits for resale to third parties (so-called "active management").

For the purposes of determining internal capital, on 31.12.2024, the Group calculated the capital requirement to cover the market risk associated with the assets included in the Bank's trading book in line with Article 92(3)(b) of the CRR, which refers to Articles 325 *et seq.* of the same regulation [Part III, Title IV "Own Funds Requirements for Market Risk" of the CRR], calculating the generic and specific risk components in order to determine the own funds requirements and, finally, multiplying the latter by 12.5 to identify the total amount of risk exposure. It was therefore no longer possible to take advantage of the "derogation for small trading book business" in Article 94 of the CRR, which offered entities the possibility of replacing the capital requirement to cover market risk related to the assets included in the bank's trading book [see Article 92(3)(b) of the CRR] with a requirement calculated using the prescribed methodology for credit risk [see Article 92(3)(a) of the CRR], provided that the size of on-balance sheet and off-balance sheet transactions pertaining to the trading book had been equal to or less than both of the following thresholds, based on an assessment made on a monthly basis using data with reference to the last day of the month:

- a) 5% of total assets;
- b) the amount of EUR 50 million.⁸

⁸ In calculating the size of on- and off-balance sheet transactions, institutions apply the following:

- a) debt instruments shall be valued at their market prices or their nominal values, equity securities at their market prices and derivatives according to the nominal or market values of the instruments underlying them.



The Banking Group ceased to avail itself of the derogation granted by Article 94 of the CRR as a result of exceeding the limit set out in point (b) in the last three months of 2023 and promptly notified the competent authority thereof, as required by the CRR.

-
- b) the absolute value of long positions shall be summed with the absolute value of short positions.

Where an institution fails to meet one or more of the above conditions, it shall immediately notify the competent authority. The institution shall cease to avail itself use of the derogation within three months in any of the following cases:

- the institution fails to meet the conditions set out in paragraph 1(a) or (b) for three consecutive months;
- the institution fails to meet the conditions set out in paragraph 1(a) or (b) for more than six months during the last 12 months.

Quantitative information

1 Supervisory trading book: breakdown by residual maturity (repricing date) of cash financial assets and liabilities and financial derivatives

Currency of denomination: Euro

Type/Remaining duration	On-demand	Up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Aged over 10 years old	Indefinite duration
1 Cash assets	-	-	-	-	358	-	-	-
1.1 Debt securities	-	-	-	-	358	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	358	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2 Cash liabilities	-	-	-	-	-	-	-	-
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3 Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Others								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	6,625	26,659	80,388	225,571	-	-	-
+ Short positions	-	22,810	88,249	63,977	163,982	-	-	-

The long and short positions of other derivatives without underlying securities include the notional value of derivatives recognised on tax credits to be sold to third-party counterparties amounting to EUR 339 million, the fair value of which is EUR 291.4 million.

Currency of denomination: Other currencies

Type/Remaining duration	On-demand	Up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Aged over 10 years old	Indefinite duration
1 Cash assets	-	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2 Cash liabilities	-	-	-	-	-	-	-	-
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3 Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Others								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	20	-	-	-	-	-	-
+ Short positions	-	246	-	-	-	-	-	-

2 Supervisory trading book: distribution of equity exposures and equity indices by major market listing countries

Type of transaction/Listing index	Listed						Unlisted
	ITALY	U.S.A.	UNITED KINGDOM	GERMANY	AUSTRIA	OTHER COUNTRIES	
A. Equity Securities							
- long positions	1,922	-	-	-	-	672	-
- short positions	-	-	-	-	-	-	-
B. Unsettled trades in equity securities							
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
C. Other equity derivatives							
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
D. Equity index derivatives							
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-

1.2.2 Interest rate risk and price risk - Banking book

Qualitative information

A. General aspects, management procedures and methods for measuring interest rate risk and price risk

Interest rate risk is the risk of incurring losses or declining profits as a result of the negative effect of a fluctuation in interest rates on assets and liabilities other than those allocated to the supervisory trading book. In carrying out its core business of credit intermediation, the Group assumes the risk that a change in market interest rates will negatively impact the formation of net interest income. The main sources of interest rate risk lie in the credit, funding and finance process, as the banking book consists mainly of loans and the various forms of funding from customers. In order to limit its exposure to this type of risk, particular attention is paid, from a financial structure perspective to the composition and development of lending and funding. In particular, interest rate risk from fair value originates from fixed-rate items, while interest rate risk from cash flows originates from variable-rate items.

The Group performs the calculation of interest rate risk exposure on the banking book following the methodology indicated by the Supervisory Authority (see Bank of Italy Circular No. 285/2013 - Title III, Chapter 1, Annex C). The calculation is performed by dividing the assets and liabilities into time bands, determining the net exposure for each band and, applying to each of them, a rate shock (determined using the 1st and 99th percentile methodology of the historical series of long-term rates and applying the additional shock scenarios in line with EBA/GL/2022/14, as indicated by Circular No. 285/2013 of the Bank of Italy), which multiplied by

the approximate modified duration is indicative of the change in value of individual items sensitive to interest rate risk.

It should also be noted that, irrespective of the methodology used to calculate internal capital under ordinary/stress conditions, the Group always assesses the impact of a hypothetical change in rates in prudential scenarios of shocks applied to interest rates, in order to verify that the reduction in economic value does not exceed 15% of Tier 1 capital (the so-called Supervisory Outlier Test) and that, in the case of interest margin analysis, there is no sharp decline in net interest income.

B. Fair value hedging activities

During the year, the Group did not engage in any accounting or management hedging transactions against changes in fair value.

C. Cash flow hedging activities

The Group did not engage in cash flow hedging transactions during the year, i.e., hedging of exposures to fluctuations in cash flows associated with variable-rate financial instruments.

Quantitative information

1. Banking book: Distribution by residual duration (by repricing date) of financial assets and liabilities

Currency of denomination: Euro

Type/Remaining duration	On-demand	Up to 3 months	Over 3 months up to 6 months	Over 6 months to up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Aged over 10 years old	Indefinite duration
1 Cash assets	1,304,668	1,373,160	850,339	38,787	273,047	298,378	136,685	-
1.1 Debt securities	5,307	176,920	800,235	77	77,531	147,018	64,660	-
- with early redemption option	-	89,770	-	77	9,027	545	-	-
- others	5,307	87,150	800,235	-	68,505	146,473	64,660	-
1.2 Financing to banks	354,009	37,659	12,669	-	15,238	-	-	-
1.3 Financing to customers	945,352	1,158,580	37,436	38,709	180,277	151,359	72,025	-
- current accounts	367,822	-	-	-	173	1,326	-	-
- other financing	577,530	1,158,580	37,436	38,709	180,104	150,033	72,025	-
- with early redemption option	470,838	886,554	34,114	38,514	167,749	103,039	68,250	-
- others	106,692	272,026	3,322	196	12,356	46,994	3,775	-
2 Cash liabilities	2,504,737	1,598,329	366,647	200,207	123,606	8,380	350	-
2.1 Payables due to customers	2,479,055	664,869	346,599	179,979	51,837	8,380	350	-
- current accounts	2,383,371	664,135	344,718	174,057	33,652	-	-	-
- other payables	95,684	733	1,880	5,922	18,184	8,380	350	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	95,684	733	1,880	5,922	18,184	8,380	350	-
2.2 Payables due to banks	21,442	923,045	-	-	-	-	-	-
- current accounts	6,317	5,395	-	-	-	-	-	-
- other payables	15,125	917,650	-	-	-	-	-	-
2.3 Debt securities	4,240	10,416	20,048	20,228	71,769	-	-	-
- with early redemption option	4,149	-	10,105	-	-	-	-	-
- others	92	10,416	9,943	20,228	71,769	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
3 Financial derivatives	-	2,216	157	322	1,427	-	-	-
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	2,216	157	322	1,427	-	-	-
- Options	-	-	-	-	1	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	2,215	157	322	1,426	-	-	-
+ Long positions	-	2,061	-	-	-	-	-	-
+ Short positions	-	155	157	322	1,426	-	-	-
4 Other off-balance sheet transactions	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

Currency of denomination: Other currencies

Type/Remaining duration	On-demand	Up to 3 months	Over 3 months up to 6 months	Over 6 months to up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Aged over 10 years old	Indefinite duration
1 Cash assets	4,024	8,958	4,232	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
1.2 Financing to banks	4,020	8,633	-	-	-	-	-	-
1.3 Financing to customers	4	325	4,232	-	-	-	-	-
- current accounts	1	-	-	-	-	-	-	-
- other financing	3	325	4,232	-	-	-	-	-
- with early redemption option	3	325	4,232	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
2 Cash liabilities	17,133	635	-	-	-	-	-	-
2.1 Payables due to customers	16,927	635	-	-	-	-	-	-
- current accounts	16,927	635	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
2.2 Payables due to banks	206	-	-	-	-	-	-	-
- current accounts	206	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
3 Financial derivatives	-	-	-	-	-	-	-	-
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4 Other off-balance sheet transactions	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

The Banking Group's internal structures periodically monitor the interest rate risk exposure on the banking book, providing quarterly reports to the Board of Directors of the Parent Company Banca del Fucino.

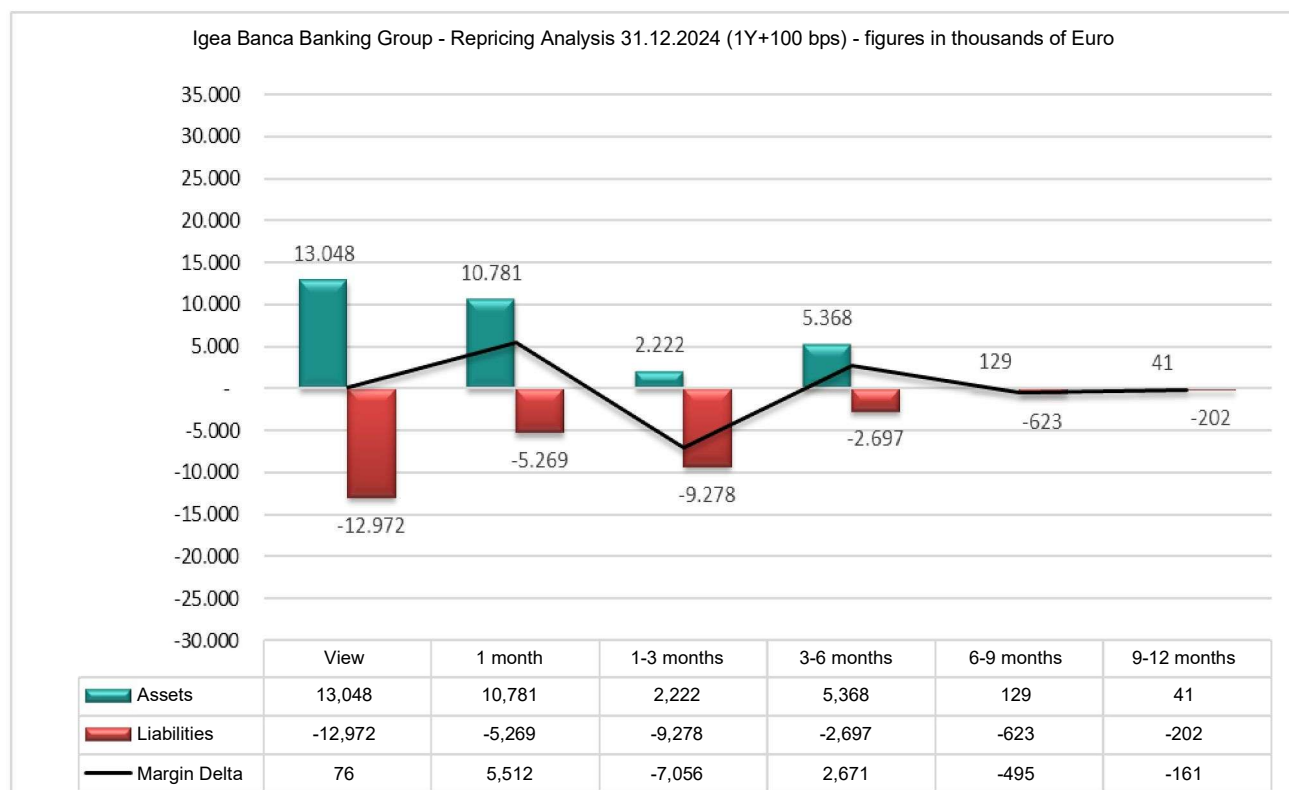
The production of the quarterly IRRBB (interest rate risk on banking book) report as of 30.09.2024, in accordance with Regulations (EU) Nos 855, 856 and 857 and in line with the provisions of Circular No. 285, allows the bank's interest rate risk exposure to be monitored. As at 31.12.2024, the Bank's exposure is monitored in parallel from both the usual matrix bases used to measure the risk under review - shown in the section below - and IRRBB reporting.

Interest margin analysis

The Repricing GAP model allows a sensitivity analysis of the interest margin by highlighting changes in the interest margin (Delta Margin) following a change in rates. Within the same time frame, the difference between sensitive assets and sensitive liabilities is thus identified. Capitals referred to assets and liabilities are spread according to:

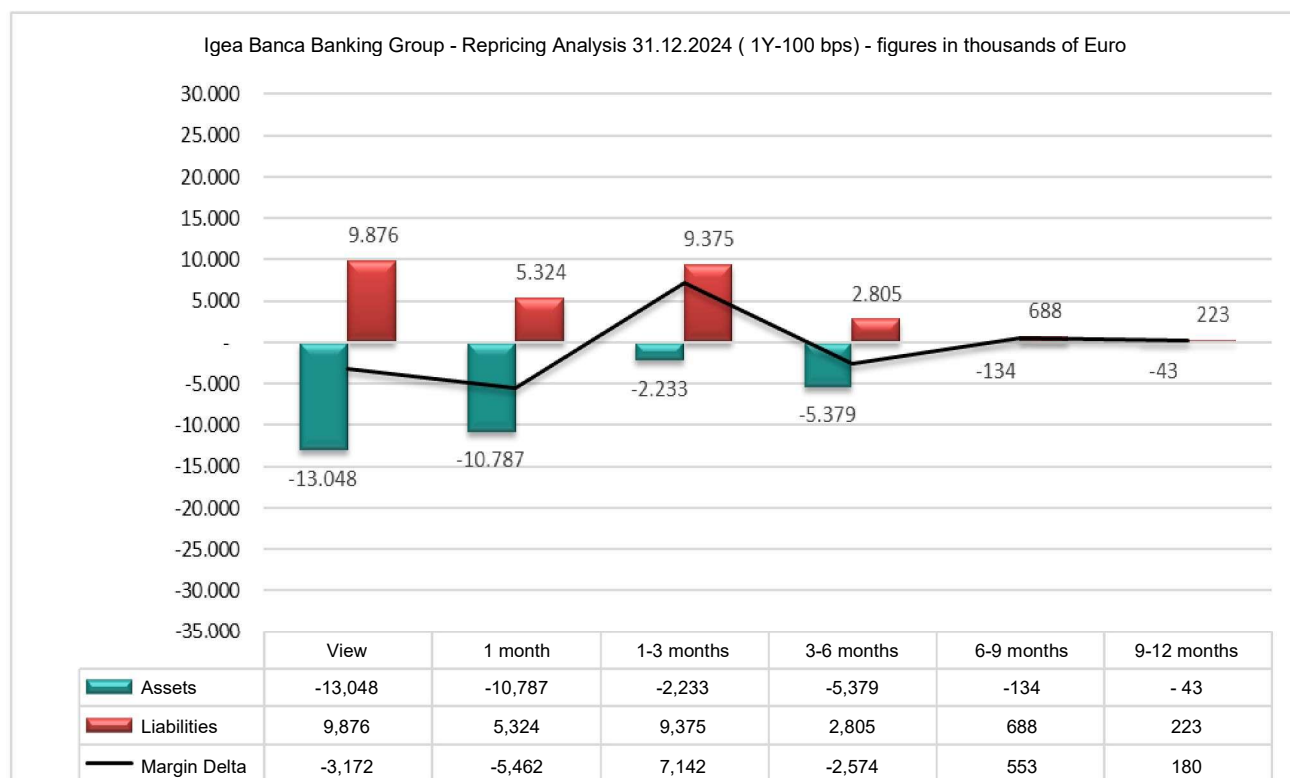
- The repricing date, which is typical for floating rate instruments;
- The maturity date of the instrument, for fixed-rate instruments.

The graph shows the marginal gaps as at 31.12.2024⁹ for the individual time bands into which the gapping period (i.e. the period of analysis) is divided, following a parallel shock of the rate curve of +100 bps and -100 bps).



A shock of +100 basis points applied to the composition of the Banking Group's assets and liabilities as at 31 December 2024 would result in a 12-month cumulative change in net interest income of +€0.5 m.

⁹ M2 signpost data source.



A shock of -100 basis points applied to the composition of the Banking Group's assets and liabilities as at 31 December 2024 would result in a 12-month cumulative change in Margin Interest of EUR -3.3 m.

Economic value analysis

The Banking Group performs the calculation of interest rate risk exposure on the banking book following the methodology indicated by the Supervisory Authority (see Bank of Italy Circular No. 285/2013 - Title III, Chapter 1, Annex C). Applying a rate shock of +/-100 basis points to the asset and liability items distributed over the 19 maturity bands provided for by the regulations (up to "over 20 years"), it emerges that, as at 31.12.2024¹⁰:

- assuming an interest rate curve shock of +100 bps, the expected change in the Banking Group's economic value would be approximately EUR -14.6m (a decrease in economic value, with an impact on Tier 1 of 5.8%);
- assuming a shock of -100 bps, the expected change in the Banking Group's economic value would be approximately EUR 7.1m (increase in economic value, with zero capital absorption).

With reference to the individual Entities belonging to the Banking Group, the following impacts of rate curve shocks of +100 bps and -100 bps on the economic value of the Entities are noted:

¹⁰ M2 signpost data source.

- *Banca del Fucino SpA*: a +100 bps shock would result in an expected negative impact on the bank's economic value of approximately EUR -14.1 million (impact on Tier 1 equal to 5.3%); a -100 bps shock would result in an expected positive impact on the bank's economic value of approximately EUR +7.8 million (against a zero capital absorption). *Igea Digital Bank SpA*: a shock of +100 bps would result in an expected downward impact on the bank's economic value of approximately EUR 0.5 million (impact on Tier 1 of 4.1%); a shock of -100 bps would result in an expected upward impact on the bank's economic value of approximately EUR +0.5 million (against zero capital absorption).

The Banking Group monitors interest rate risk exposures on an ongoing basis, in order to both keep capital absorption within regulatory limits and to ensure that the value of Financial Statements items is monitored, in the context of rising interest rates and in the event of any fall in market rates.

1.2.3 Foreign exchange risk

Qualitative information

A. General aspects, management processes and methods for measuring exchange rate risk

The Group's currency business has traditionally been rather marginal. In general, the Group tends not to take risk positions on the foreign exchange market. The securities portfolio existing as at 31.12.2024 did not show any positions in currencies other than in Euro.

B. Exchange rate risk hedging activities

Quantitative information

1 Breakdown by currency of denomination of assets and liabilities and derivatives

Items	Currencies					
	EUR	USD	GBP	JPY	CHF	other currencies
A. Financial Assets	4,666,688	15,885	89	119	2	80
A.1 Debt securities	1,923,555	-	-	-	-	-
A.2 Equity securities	21,178	-	-	-	-	-
A.3 Loans to banks	139,791	11,324	89	119	2	80
A.4 Loans to customers	2,582,164	4,561	-	-	-	-
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	601,992	263	107	11	26	7
C. Financial liabilities	4,811,833	16,294	196	131	46	46
C.1 Payables due to banks	939,987	71	47	88	-	-
C.2 Payables due to customers	3,745,144	16,223	149	43	46	46
C.3 Debt securities	126,702	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	110,306	-	-	-	-	-
E. Financial derivatives	-	-	-	-	-	-
- Options	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-
+ Long positions	-	12	1	-	5	1
+ Short positions	-	241	-	-	4	1
Total assets	5,268,680	16,160	197	130	34	89
Total liabilities	4,922,139	16,535	196	131	50	47
Imbalance (+/-)	346,541	(375)	1	-	(16)	42

1.3 DERIVATIVE INSTRUMENTS AND HEDGING POLICIES

1.3.1 Trading derivatives

The Parent Company operates for certain types of tax credits in an “Other- Trading” business model. As part of this business model, the Parent Company entered into framework agreements for the assignment of Tax Credits, as assignor, with corporate and/or financial institutions for trading purposes and, therefore, valued the underlying credits at fair value through profit and loss (FVTPL).

Also as part of this trading business model, the Bank has entered into specific framework transfer agreements between the Parent Company, as assignor, and corporate companies or financial institutions, as assignees. Generally speaking, such framework agreements represent without recourse (*pro soluto*) sales contracts with a commitment by both parties to sell/acquire the tax credits at a future date, within a defined time period, and at a predetermined sales price.

In this regard, it should be noted that on 24 July 2023 the Bank of Italy issued an update to its clarification note issued on 5 January 2021 concerning the prudential treatment of tax credits related to the “Relaunch” and “Cure Italy” decrees and subsequent amendments and additions.

In particular, this note, entitled “Credit Risk - Standardised Method and IRB”, has been updated to provide some clarifications on the prudential treatment of tax credits applicable in the case of the purchase of tax credits for the purpose of resale to third parties on the basis of agreements specifically entered into with them.

The updated note highlights, in fact, how the activity of purchasing tax credits for the purpose of resale to third parties (so-called “active management”) denotes an intent to trade such credits that exposes the bank to additional risks. By outlining the ways in which such trading activities can be conducted, the note examines the prudential treatment of a possible operational scenario involving the purchase of tax credits that exceed the bank’s current and prospective tax liability towards the Treasury and the conclusion of resale agreements with third-party counterparties. In this regard, the Bank of Italy requires that banks intending to adopt this strategy include tax credits purchased in excess of the tax plafond and the related resale contracts to third parties in the supervisory trading book; the provisions of the trading book and market risk rules (i.e. generic risk for instruments exposed to interest rate risk and specific risk) apply to all such positions.

For this purpose, resale contracts are treated as derivative contracts and are therefore also subject to the provisions for counterparty risks. With reference, in particular, to the aforementioned derivative contracts, the note points out that the type of derivative may vary in relation to the contractual clauses: by way of example, an irrevocable resale contract binding on both parties is treated as a forward derivative, whereas a conditional resale contract is treated as a short position on a call option.

For the treatment of cases other than the case described above, the Bank of Italy is careful to specify that banks should apply similar principles, having regard to the economic substance of the business conducted and the risks arising therefrom. The Parent company also reflected this prudential approach in its accounts

Given the provisions of the Joint Document issued by the Bank of Italy, Consob and Ivass and the assimilation (in substance) of tax credits to financial assets, it is considered that resale framework agreements are accounted for as derivative contracts, since the underlying assets are tax credits classified by analogy as financial items. Therefore, the three characteristics that characterise a derivative instrument appear to be present, namely:

- a) the value of the instrument varies as a result of the change in a given interest rate, the price of a given financial instrument, the price of a given commodity, a given exchange rate, price or rate index, credit rating or credit index or other variable, provided that, in the case of a non-financial variable, that variable is not specific to one of the parties to the contract (i.e. the “underlying”);
- b) does not require an initial net investment or requires a smaller initial net investment than other types of contract from which one would expect a similar response to changes in market factors would be expected;
- c) is settled at a future date.

As part of a Trading business model, therefore, where there are such third-party resale agreements, the Parent Company valued the acquired Tax Credits at their fair value and at the same time recognised derivatives, as financial trading liabilities, at FVTPL, calculated according to the contractual provisions of the third-party resale agreements entered into. The fair values of these instruments are estimated by the Bank from time to time based on the valuation methodology it has adopted.

The following tables show the values as at 31 December 2024.

A. Financial derivatives

A.1 Financial derivatives for trading: end-of-period notional values

Underlying Assets/ Types of Derivatives	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1 Debt securities and interest rates	-	-	79,670	-	-	-	-	-
a) Options	-	-	79,670	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2 Equity securities and equity indices	-	-	5,818	-	-	-	4,413	-
a) Options	-	-	5,818	-	-	-	4,413	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3 Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4 Commodities	-	-	-	-	-	-	-	-
5 Other	-	-	338,998	-	-	-	209,487	-
Total	-	-	424,486	-	-	-	213,899	-

A.2 Trading derivatives: gross positive and negative fair value - breakdown by product

Derivative types	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1 Positive fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	191	-	-	-	904	-
Total	-	-	191	-	-	-	904	-
2 Negative fair value								
a) Options	-	-	364	-	-	-	93	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	3,330	-	-	-	1,625	-
Total	-	-	3,694	-	-	-	1,718	-

A.3 OTC trading derivatives: notional values, gross positive and negative fair values by counterparty

Underlying assets	Central counterparties	Banks	Other financial companies	Other entities
Contracts not covered by netting agreements				
1) Debt securities and interest rates				
- notional value	X	79,670	-	-
- positive fair value	X	-	-	-
- negative fair value	X	179	-	-
2) Equity securities and equity indices				
- notional value	X	5,818	-	-
- positive fair value	X	-	-	-
- negative fair value	X	185	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	338,998
- positive fair value	X	-	-	191
- negative fair value	X	-	-	3,330
Contracts covered by netting agreements				
1) Debt securities and interest rates				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equity securities and equity indices				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC derivatives: notional values

Underlying/Residual life	Up to 1 year	Over 1 year and up to 5 years	Aged over 5 years old	Total
A.1 Financial derivatives on debt securities and interest rates	33,737	45,933	-	79,670
A.2 Financial derivatives on equity securities and equity indices	5,818	-	-	5,818
A.3 Financial derivatives on currencies and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	113,427	225,571	-	338,998
Total 31/12/2024	152,981	271,505	-	424,486
Total 31/12/2023	70,957	142,942	-	213,899

1.3.2 Hedge accounting

Qualitative information

Risk positions are hedged specifically in accordance with the hedge accounting rules contained in IFRS 9. In particular, in previous financial years, the bank entered into hedging transactions by entering into “IRO CAP” options to hedge variable-rate mortgages with “CAP”, and by entering into interest swap contracts to hedge fixed-rate mortgages. This activity is part of a strategy aimed at aligning long-term loans positioned on the long end of the yield curve with the market.

No new hedging transactions were entered into during this financial year and in the 2024 financial year.

Quantitative information

A. Hedging derivatives

A.1 Hedging derivatives: end-of-period notional values

Underlying assets/Type of derivatives	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1 Debt securities and interest rates	-	-	5,100	-	-	-	6,218	-
a) Options	-	-	3,039	-	-	-	3,560	-
b) Swap	-	-	2,061	-	-	-	2,658	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2 Equity securities and equity indices	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3 Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4 Commodities	-	-	-	-	-	-	-	-
5 Other	-	-	-	-	-	-	-	-
Total	-	-	5,100	-	-	-	6,218	-

A.2 Hedging derivatives: gross positive and negative fair value - breakdown by product

Derivative types	Positive and negative fair value								Change in value used to recognise hedge ineffectiveness	
	Total 31/12/2024				Total 31/12/2023				Total 31/12/2024	Total 31/12/2023
	Over the counter			Organised markets	Over the counter			Organised markets		
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties				
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements			
Positive fair value										
a) Options	-	-	26	-	-	-	41	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	-	26	-	-	-	41	-	-	-
Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	83	-	-	-	123	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	-	83	-	-	-	123	-	-	-

A.3 OTC hedging derivatives: notional values, gross positive and negative fair values by counterparty

Underlying assets	Central counterparties	Banks	Other financial companies	Other entities
Contracts not covered by netting agreements				
1) Debt securities and interest rates				
- notional value	X	5,100	-	-
- positive fair value	X	26	-	-
- negative fair value	X	83	-	-
2) Equity securities and equity indices				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts covered by netting agreements				
1) Debt securities and interest rates				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equity securities and equity indices				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC hedging derivatives: notional values

Underlying/Residual life	Up to 1 year	Over 1 year and up to 5 years	Aged over 5 years old	Total
A.1 Financial derivatives on debt securities and interest rates	666	1,519	2,914	5,100
A.2 Financial derivatives on equity securities and equity indices	-	-	-	-
A.3 Financial derivatives on currencies and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 31/12/2024	666	1,519	2,914	5,100
Total 31/12/2023	597	2,287	3,333	6,218

D. Hedged instruments

D.1 Fair Value Hedges

	Specific hedges; carrying amount	Specific hedges - net positions: carrying amount of assets or liabilities (before netting)	Specific hedges			Generic hedges: Carrying amount
			Cumulative changes in fair value of the hedged instrument	Termination of hedging: residual cumulative changes in fair value	Changes in the value used to recognise hedge ineffectiveness	
A. Assets						
1 Financial assets measured at fair value through other comprehensive income - hedging of:	-	-	-	-	-	-
1.1 Debt securities and interest rates	-	-	-	-	-	X
1.2 Equity securities and equity indices	-	-	-	-	-	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Receivables	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
2 Financial assets measured at amortised cost - hedging of:	3,545	-	-	-	-	-
1.1 Debt securities and interest rates	-	-	-	-	-	X
1.2 Equity securities and equity indices	-	-	-	-	-	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Receivables	3,545	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
Total 31/12/2024	3,545	-	-	-	-	-
Total 31/12/2023	4,361	-	-	-	-	-
B. Liabilities						
1 Financial liabilities measured at amortised cost - hedging of:	-	-	-	-	-	-
1.1 Debt securities and interest rates	-	-	-	-	-	X
1.2 Currencies and gold	-	-	-	-	-	X
1.3 Other	-	-	-	-	-	X
Total 31/12/2024	-	-	-	-	-	-
Total 31/12/2023	-	-	-	-	-	-

1.3.3 OTHER INFORMATION ON DERIVATIVE INSTRUMENTS (TRADING AND HEDGING)

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: net fair values by counterparty

	Central counterparties	Banks	Other financial companies	Other entities
A. Financial derivatives				
1) Debt securities and interest rates				
- notional value	-	84,770	-	-
- positive net fair value	-	26	-	-
- negative net fair value	-	262	-	-
2) Equity securities and equity indices				
- notional value	-	5,818	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	185	-	-
3) Currencies and gold				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-
4) Commodities				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-
5) Other				
- notional value	-	-	-	338,998
- positive net fair value	-	-	-	191
- negative net fair value	-	-	-	3,330
B. Credit derivatives				
1) Protection purchase				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-
2) Protection sale				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-

1.4 LIQUIDITY RISK

Qualitative information

A. General aspects, management processes and liquidity risk measurement methods

Liquidity risk is defined as the risk of not being able to meet one's payment obligations, due to the inability both to raise funds on the market (funding liquidity risk) and to dispose of one's assets in a timely manner and at a sustainable cost (market liquidity risk).

Liquidity risk can therefore be identified as follows:

- mismatch liquidity risk, i.e. the liquidity risk implicit in the very structure of the Bank's assets and liabilities due to the maturity transformation performed by financial intermediaries;
- contingency liquidity risk, i.e. the risk that future events may require significantly more liquidity than previously planned;
- margin calls liquidity risk, i.e. the risk that, in the face of adverse changes in the fair value of financial instruments, the Bank is contractually required to restore the reference margins;
- operational liquidity risk, the risk that the Bank will not be able to meet its very short-term obligations.

In view of the above, the sources of risk can thus be mainly classified into:

- **operating liquidity imbalances**, related to the ratio of cash inflows and outflows, the monitoring of which is aimed at verifying the ability to meet expected payment commitments;
- **structural liquidity imbalances**, related to the ratio of total liabilities to medium/long-term assets, the monitoring of which is aimed at ensuring the stability and balance of the liquidity profile of assets and liabilities.

Sources of liquidity risk can be divided into two macro-categories:

1. *endogenous*: sources that originate from adverse events specific to the Bank and that lead to a loss of confidence in the Bank on the part of the market and its customers;
2. *exogenous*: sources originating from negative events caused by market shocks not directly controllable by the Bank. These sources of risk depend directly on the market's ability to allocate available resources under different scenarios.

Liquidity risk must be measured, managed and controlled with two different time horizons:

- "short-term" (in turn divided into intraday liquidity and short-term liquidity, with a time horizon of up to 12 months), in order to assess the adequacy of usable assets (so-called "liquidity reserves") in order to meet possible needs for funds (so-called "operational liquidity");
- "medium to long-term" (with a time horizon of more than 12 months) in order to assess the bank's financial equilibrium with particular reference to the degree of maturity transformation (so-called "structural liquidity").

The setting up of an adequate governance and management system for this risk plays a key role in maintaining the stability of the individual intermediary. In particular, Igea Digital Bank's liquidity risk management and governance model has the following objectives:

- to enable the Bank to be solvent in ordinary business conditions (going concern) and liquidity crisis;
- to verify the compliance, according to the principle of proportionality, of the governance policies and the liquidity risk management process with prudential supervisory provisions.

The liquidity risk monitoring metrics implemented by the Bank include:

1. the calculation of the liquidity risk management indicators required by the Supervisory Provisions:
 - liquidity coverage ratio (LCR) aims to ensure coverage of expected net cash outflows over a 30-day horizon and subject to a stress scenario predefined by the Supervisory Authorities, with a buffer of highly liquid assets;
 - net stable funding ratio (NSFR) compares the total sources of funding with a residual maturity of more than one year and the deemed "stable" portion of on-demand deposits with the less liquid asset components of assets;
 - Additional Liquidity Monitoring Metrics (ALMM)¹¹: these are liquidity monitoring metrics, additional to the core regulatory indicators (LCR and NSFR), which are composed of 5 analyses:
 - Maturity Ladder: provides the representation of outflows, inflows and counterbalancing capacity (CBC), with amounts divided by maturity in 21 time bands (i.e. from overnight to greater than 5 years) and with a value of initial stock relative to CBC;
 - Concentration of Funding by Counterparty: provides the representation of the 10 counterparties that constitute the largest sources of funding (greater than 1% of liabilities);
 - Concentration of Funding by product: provides the representation of the types of products and customers that constitute the sources of funding;
 - Prices for various lengths of Funding: provides a representation of the average volumes and average prices of the transactions born in the month;
 - Concentration of Counterbalancing Capacity: provides a representation of the 10 counterparties that constitute the largest issuers of: (i) assets held by the Bank; (ii) (committed) liquidity facilities granted to the Bank.
2. an intraday liquidity management and monitoring model;
3. a short-term operational liquidity management model with the objective of ensuring that the institution is able to meet its expected and unforeseen cash payment commitments in a manner that does not disrupt the normal course of business. The reference time horizon is 12 months;

¹¹ Implementing Regulation (EU) 2021/451.

4. a structural liquidity management model with the objective of balancing the maturity structure of assets and liabilities with a time horizon beyond 12 months. The management of structural liquidity risk is aimed at ensuring an adequate ratio of stable sources to assets requiring stable funding over time, thus avoiding pressure on current and prospective short-term sources;
5. the monitoring of operational and structural liquidity risk through the calculation of specific liquidity indicators;
6. the definition of the Group's liquidity position through the schemes (Maturity Ladder, Main Maturities and Eligible Assets) provided by the Supervisory Authority and transmitted to it on a weekly basis;
7. the definition of a Contingency Funding Plan, aimed at defining the relevant Policy in a crisis scenario determined by endogenous and/or exogenous factors.

Quantitative information

1 Time breakdown by remaining contractual duration of financial assets and liabilities

Currency of denomination: Euro

Items/ Time intervals	On-demand	Over 1 day to 7 days	Over 7 days to 15 days	Over 15 days to 1 month	Over 1 month up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Aged over 5 years old	Indefinite Duration
Cash assets	796,129	10,423	11,019	66,175	281,853	166,551	237,107	1,492,889	1,326,795	37,649
A.1 Government Bonds	-	-	735	-	34,705	25,137	3,774	464,000	539,400	-
A.2 Other debt securities	10,772	-	50	1,661	2,429	1,195	1,124	19,325	193,613	-
A.3 UCITS units	31,075	-	-	-	-	-	-	-	-	-
A.4 Financing	754,281	10,423	10,234	64,514	244,719	140,218	232,210	1,009,564	593,783	37,649
- Banks	354,190	46	-	-	-	12,985	-	14,018	-	37,649
- Customers	400,091	10,377	10,234	64,514	244,719	127,233	232,210	995,546	593,783	-
Cash liabilities	2,457,592	44,312	118,774	343,042	1,080,363	354,734	220,914	207,682	12,730	-
B.1 Deposits and current accounts	2,439,053	44,276	78,637	181,448	818,016	350,645	180,191	36,098	-	-
- Banks	21,654	-	35,223	153,713	727,422	1,187	2,226	7,216	-	-
- Customers	2,417,398	44,276	43,414	27,735	90,594	349,459	177,965	28,882	-	-
B.2 Debt securities	236	35	89	258	671	1,898	21,467	100,862	4,000	-
B.3 Other liabilities	18,304	2	40,048	161,337	261,676	2,190	19,257	70,722	8,730	-
Off-balance-sheet transactions										
C.1 Financial derivatives with capital exchange										
- Long positions	-	246	-	-	6,379	26,659	80,388	225,571	7,699	-
- Short positions	-	20	-	-	14,078	26,659	80,388	225,572	0	-
C.2 Financial derivatives without capital exchange										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	6	1	3	11	19	-	-	-
C.3 Deposits and loans to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	49	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with capital exchange										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without capital exchange										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

Currency of denomination: Other currencies

Items/ Time intervals	On-demand	Over 1 day to 7 days	Over 7 days to 15 days	Over 15 days to 1 month	Over 1 month up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Aged over 5 years old	Indefinite Duration
Cash assets	4,043	8,666	-	73	443	-	430	2,422	1,551	-
A.1 Government Bonds	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCITS units	-	-	-	-	-	-	-	-	-	-
A.4 Financing	4,043	8,666	-	73	443	-	430	2,422	1,551	-
- Banks	4,038	8,666	-	-	-	-	-	-	-	-
- Customers	5	-	-	73	443	-	430	2,422	1,551	-
Cash liabilities	17,133	-	-	337	300	-	-	-	-	-
B.1 Deposits and current accounts	17,133	-	-	337	300	-	-	-	-	-
- Banks	206	-	-	-	-	-	-	-	-	-
- Customers	16,927	-	-	337	300	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions										
C.1 Financial derivatives with capital exchange										
- Long positions	-	20	-	-	-	-	-	-	-	-
- Short positions	-	246	-	-	-	-	-	-	-	-
C.2 Financial derivatives without capital exchange										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with capital exchange										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without capital exchange										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

1.5 OPERATIONAL RISKS

Qualitative information

A. General aspects, management processes and methods for measuring operational risk

Operational risk is the risk of suffering losses resulting from inadequate or failed internal procedures, human resources and systems, or from exogenous events. This includes, *inter alia*, losses resulting from fraud, human error, business disruptions, systems unavailability, contractual defaults, and natural disasters. Operational risk includes cyber security risk and physical security risk, while strategic risk and reputational risk are excluded. Losses include costs related to defending itself in legal proceedings, including those related to non-performing loans, when a provision or loss is recognised for the portion exceeding the loan; out-of-court settlements not related to debt recovery; and costs relating to legal proceedings brought by the Bank to recover losses.

With reference to the measurement of the prudential requirement against operational risks, the Group, in not meeting the specific access thresholds for the more complex methodologies identified by the Supervisory Authority and in consideration of its organisational, operational and size profiles, adopts the **Basic Indicator Approach** (BIA). Based on this methodology, the capital requirement for operational risk is measured by applying the regulatory ratio of 15% to an indicator of the company's volume of business operations identified in the relevant indicator established by Article 316 of Regulation 575/2013 (CRR). Therefore, in order to measure the capital requirement for operational risk, the average value of the relevant indicator over the last three years (if positive) is weighted by the above coefficient.

In recent years, the regulatory framework in which financial institutions operate has become increasingly complex and stringent. This complexity has further increased with the introduction of new financial regulations, some of which are still under discussion, and the central role of the ECB in supervising much of the European banking system.

On 27 October 2021, the European Commission published the Banking Package 2021, containing proposals for the final implementation of the Basel III agreement in the European Union through a legislative package that introduces amendments to the Capital Requirements Regulation 2013/575/EU (CRR), to the Capital Requirements Directive 2013/36/EU and finally proposes an amendment to the Capital Requirements Regulation with regard to the Resolution framework (so-called "daisy chain proposal").

In June 2023, the EU Council and the European Parliament reached a preliminary agreement on revisions to the European Commission's proposal. In line with the Basel standards, the Co-legislators agreed to limit the use of internal models to measure credit risk on specific portfolios and to return to a more rigorous standardised approach, as well as to eliminate internal models for operational risks. They also introduced the output floor, applied at the individual jurisdiction level.

The agreement shows how the Co-legislators took into account some important European specificities that can mitigate the impact on the sector. In addition to the implementation of the Basel standards, part of the legislative package also aims to strengthen the banking sector's resilience to environmental, social and governance (ESG) risks and improve the Fit & Proper assessment framework. After approval by the EU Parliament and Council between April and May 2024, the package entered into force on 9 July. Most of the provisions in CRR3 are applicable as of 1 January 2025, although for some measures there are differentiated application dates, transitional rules or phased-in forms of application. On the CRD6 side, Member States will have 18 months to transpose the Directive from entry into force (by 9 January 2026).

Quantitative information

For the calculation of the capital requirement for operational risk, the Group adopted the so-called basic indicator approach method provided for in the relevant regulations.



PART F

“INFORMATION ON CONSOLIDATED EQUITY”

PART F - INFORMATION ON CONSOLIDATED EQUITY

SECTION 1 - CONSOLIDATED EQUITY

A. Qualitative information

One of the Group's strategic priorities is the consistency and dynamics of its capital resources. In fact, equity is the first safeguard against the risks associated with banking operations and the main reference parameter for the assessments conducted by the Supervisory Authority and the market on the solvency of the intermediary. It contributes positively to the formation of operating income, enables the Group's technical and financial assets to be met, and accompanies dimensional growth by representing a decisive element in development phases.

The Group's shareholders' equity is determined by the sum of:

- share capital;
- capital instruments;
- retained earnings;
- valuation reserves

as set out in Part B of this Section.

B. Qualitative information

B1 Consolidated equity: breakdown by type of enterprise

Net equity items	Prudential consolidation	Insurance companies	Other enterprises	Consolidation eliminations and adjustments	Total	Of which minority interests
1 Capital	232,285				232,305	20
2 Share premiums	36,034				36,034	
3 Reserves	13,538				13,538	
4 Capital instruments	3,140				3,140	
5 (Treasury shares)					-	
6 Valuation reserves:	(3,317)				(3,317)	
- Equity securities designated at fair value through other comprehensive income	(1,914)				(1,914)	
- Hedged equity securities designated at fair value through other comprehensive income						
- Financial assets (other than equity securities) measured at fair value through other comprehensive income	(1,072)				(1,072)	
- Tangible assets						
- Intangible assets						
- Foreign investment hedging						
- Cash flow hedging						
- Hedging instruments [non-designated items]						
- Exchange rate differences						
- Non-current assets and groups of assets held for sale						
- Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)						
- Actuarial gains (losses) on defined benefit pension plans	(331)				(331)	
- Share of valuation reserves of equity investments valued with the equity method						
- Special revaluation laws						
7 Profit (Loss) for the year (+/-) pertaining to minority interests	10,276				10,276	
Total	291,956				291,976	20

The capital of Banca del Fucino consists of 135,439,889 ordinary shares with no par value for a total value of EUR 232,265,497.06 (total capital under item 1 net of minority interests).

B.2 Valuation reserves of financial assets measured at fair value through other comprehensive income: breakdown

Assets/values	Prudential consolidation		Insurance companies		Other enterprises		Consolidation eliminations and adjustments		Total	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1 Debt securities	11,256	12,328	-	-	-	-	-	-	11,256	12,328
2 Equity securities	329	2,243	-	-	-	-	-	-	329	2,243
3 Financing	-	-	-	-	-	-	-	-	-	-
Total 31/12/2024	11,585	14,571	-	-	-	-	-	-	11,585	14,571
Total 31/12/2023	7,681	12,822	-	-	-	-	-	-	7,681	12,822

**B.3 Valuation reserves of financial assets measured at fair value through other comprehensive income:
annual changes**

	Debt securities	Equity securities	Financing
1 Opening balances	(3,082)	(2,060)	-
2 Positive changes	3,358	288	-
2.1 Fair value increases	3,207	288	-
2.2 Value adjustments for credit risk	119	X	-
2.3 Recycling to profit and loss account of negative reserves from proceeds	32	X	-
2.4 Transfers to other equity components (equity securities)	-	-	-
2.5 Other changes	-	-	-
3 Negative changes	(1,348)	(142)	-
3.1 Fair value reductions	(1,348)	(142)	-
3.2 Write-backs for credit risk	-	-	-
3.3 Recycling to profit and loss account from positive reserves: from proceeds	-	X	-
3.4 Transfers to other equity components (equity securities)	-	-	-
3.5 Other changes	-	-	-
4 Closing balance	(1,072)	(1,914)	-

B.4 Valuation reserves for defined benefit plans: annual changes

Items/Values	Total	
	31/12/2024	31/12/2023
1 Opening balances	(505)	(352)
2 Positive changes	245	57
2.1 Actuarial gains on defined benefit pension plans	245	3
2.2 Other changes	-	53
2.3 Business combination transactions	-	-
3 Negative changes	(71)	(210)
3.1 Actuarial losses to defined benefit pension plans	(6)	(210)
3.2 Other changes	(65)	-
3.3 Business combination transactions	-	-
4 Closing balance	(332)	(505)

SECTION 2 - OWN FUNDS AND REGULATORY CAPITAL RATIOS

For information on own funds and capital adequacy, please refer to the separate Basel III Pillar 3 Disclosures as at 31 December 2024.



PART G

“BUSINESS COMBINATIONS INVOLVING BUSINESSES OR BUSINESS UNITS”

PART G - BUSINESS COMBINATIONS INVOLVING BUSINESSES OR BUSINESS UNITS

SECTION 1 - TRANSACTIONS CARRIED OUT DURING THE FINANCIAL YEAR

During the financial year, there were no business combination transactions, as governed by IFRS 3, involving the acquisition of control of businesses or legal entities.

SECTION 2 - TRANSACTIONS CARRIED OUT AFTER THE END OF THE FINANCIAL YEAR

Following the end of the 2024 financial year, there were no business combinations carried out as governed by IFRS 3.

SECTION 3 - RETROSPECTIVE ADJUSTMENTS

During the 2024 financial year, no retrospective adjustments were made to business combination transactions that occurred in previous financial years.



PART H

“TRANSACTIONS WITH RELATED PARTIES”

PART H - TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties and associated persons (hereinafter, for the sake of brevity, referred to as “Associated Persons”), including the aspects pertaining to the relevant authorisation process, are governed by the “*Policy on transactions with related parties, associated persons, corporate officers and in which the directors have an interest*” adopted by the Board of Directors of Banca del Fucino S.p.A. and published on the website.

The internal regulations, drawn up in accordance with the relevant supervisory provisions (Bank of Italy Circular No. 285/2013, as subsequently amended. - Part III, Chapter 11, Section I, as well as the provisions pursuant to Article 136 of Italian Legislative Decree No. 385/1993), governed the transactions carried out with associated persons, regulated at the market conditions envisaged for individual transactions or aligned to the conditions envisaged for employees - or by virtue of specific agreements reserved for the type of product and/or customers - and in any case on the basis of mutual economic convenience and in compliance with the procedures in force.

It is noted that during 2024, no ordinary transactions of “major significance” were carried out in accordance with the sector regulations.

1 INFORMATION ON THE REMUNERATION OF KEY MANAGEMENT PERSONNEL

Pursuant to paragraph 16 of IAS 24, the total remuneration paid during 2024 to the members of the Board of Directors, the Board of Statutory Auditors and the Key Management Personnel is shown below.

	Management/ Control Bodies	Other Managers
Short-term benefits	2,715	9,266
Post-employment benefits		
Other long-term benefits		
Severance pay		123
Payment in shares		
Total	2,715	9,389

2 INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

In accordance with IAS 24 and applicable supervisory provisions, the information below, referring to the total amount committed as at 31 December 2024, will be divided into the following macro-categories:

- A. Banking Representatives and associated persons: this section includes Directors, Auditors and the General Manager;
- B. Key Management Personnel and associated persons: this category includes those persons who have the power and responsibility, whether directly or indirectly, for planning management and control of the

activities of the entities and associated persons as defined below. For the sake of prudence, the Bank's Key Management Personnel include the following members of staff: i) Heads of Business Departments; ii) Heads of Internal Control Functions; iii) Heads of Functions Staffed by the General Management; iv) any other members of staff counted among the Qualitative Material Risk Takers pursuant to the remuneration policies in force at the time;

C. Subsidiaries or companies subject to significant influence and associated persons;

D. Investors¹² and associated persons.

Associated persons to the related parties referred to in the preceding paragraphs include: the companies and enterprises, also in a non-corporate form, controlled by a Related Party; the entities controlling a Related Party, i.e. the entities subject, directly or indirectly, to common control with the same Related Party; the close family members of a Related Party¹³, companies or enterprises controlled by the close family members of a Related Party; an entity in which a corporate officer or a close family member of a Related Party exercises control, joint control or significant influence or holds, directly or indirectly, a significant stake, which in any case is not less than 20% of the voting rights.

Igea Banca Banking Group ^[1] . [€/thousand]	Loans ^[2]		Collection ^[3]	
	Committed	Utilised	Direct	Indirect
Company Representatives	34,368	32,001	29,026	13,243
Key Management Personnel	5,435	5,275	2,139	3,064
Companies subject to control or significant influence	13,512	13,461	177	
Other assets and commitments to associates	1,724	1,724	-	-
Total	55,038	52,461	31,342	16,307

^[1] Relationships with "associated persons". Viewed on a consolidated basis (excluding items attributable to Banking Group Entities). This includes counterparties listed - also on an internal prudential basis - in the Register of Associated Persons.

^[2] Gross "cash" exposures.

^[3] Including Tier 2 subordinated instruments, perpetual bonds (Additional Tier 1) and shares of the Parent Company (excluding items attributable to Banking Group Entities).

Impacts arising from related party transactions occurred on terms equivalent to those prevailing in arm's length transactions¹⁴.

¹²Pursuant to the relevant Policy in force at the time, "investor" is defined as a person who holds - directly or indirectly, through subsidiaries, trustees or intermediaries - a) a qualified shareholding, i.e. equal to or greater than 10% of the share capital with voting rights, in each of the Group Companies and as such authorised pursuant to Article 19 of the Italian Consolidated Law on Banking (TUB) (if the investee company is a bank) or 110 TUB (if the investee company is a financial intermediary); b) such as to be able to exercise significant influence over the Parent Company; c) such as to be able to exercise control over the Parent Company jointly with other parties; a) greater than 2% of the voting share capital of the Parent Company and which is a party to a shareholders' agreement for the exercise of concerted voting rights in the Parent Company itself that is capable (the Agreement) - taking into account the number of voting shares held overall by the parties to the agreement and the purpose thereof - of exercising control or significant influence over the Bank.

¹³ Close relatives include the not legally separated spouse and cohabiting partner of the Related Party; children and dependents of the Related Party, the non-legally separated spouse or the cohabiting partner; relatives up to the second degree of kin of the Related Party.

¹⁴ las 24 paragraph 23



PART I

“PAYMENT AGREEMENTS BASED ON OWN EQUITY INSTRUMENTS”

PART I - PAYMENT AGREEMENTS BASED ON OWN EQUITY INSTRUMENTS

As at the reporting date of these Financial Statements, the Group did not have any payment agreements based on its own equity instruments.

The section has no values and is therefore omitted.



PART L

“SEGMENT DISCLOSURE”

PART L - SEGMENT DISCLOSURE

According to IFRS 8, an entity must provide information that enables users of the Financial Statements to evaluate the nature and effects on the Financial Statements of the activities it undertakes and the economic environments in which it operates. It is therefore necessary to highlight the contribution of the various “operating segments” to the formation of the Group’s economic result.

The Banking Group operates in three distinct segments:

- Commercial banking¹⁵;
- Investment Banking¹⁶;
- Digital Banking.

Although a precise procedure for the contributions of the individual operating segments had not yet been structured at the reporting date, in order to best represent the economic and equity data to which the segments contributed in 2024, the available data were used, aggregated on the basis of the economic segments, but taking into account the cross-sectional nature of the business operations whose effects cannot always be allocated to them.

In any event, the methods adopted by the Corporate Department for making operational decisions are consistent with the operating segments identified and are based on detailed internal reporting, which is used for the purposes of allocating resources to the various segments and analysing the related performance.

The following tables provide detailed financial and economic data broken down by segment as at 31 December 2024, compared with the corresponding figures for the previous financial year.

¹⁵ Commercial Banking also includes the business lines serving customers managed by the Health & Pharma division and the Private Banking division.

¹⁶ Following the abolition of the Investment Banking Division in July 2024, it was decided to reallocate the Factoring and Tax Credits Division to the Business Division (within Commercial Banking). Investment banking thus includes Finance and Treasury and Alternative Funding. The figures as at 31 December 2023 have been restated for comparability.

Economic data

(in thousands of euros)	2024					2023				
Sector	Commercial banking	Investment Banking	Digital	Corporate centre	Overall total	Commercial banking	Investment Banking	Digital	Corporate centre	Overall total
Interest margin	70,404	11,658	5,016	242	87,319	73,999	6,070	5,502	(8)	85,564
Net commissions	25,185	657	636	- 332	26,146	23,316	1,033	853	- 297	24,905
Dividends	-	1,084	-	-	1,084	-	1,003	-	0	1,003
Net income from financial assets	31,662	6,479	(378)	-	37,764	31,316	(3,047)	(336)	0	27,933
Intermediation margin	127,251	19,878	5,275	(90)	152,314	128,631	5,060	6,019	(305)	139,405
Net value (Adjustments)/write-backs	(53,852)	(19,094)	(3,787)	0	(76,733)	(17,610)	(3,649)	(3,515)	(0)	(24,774)
Financial management result	73,399	784	1,488	(90)	75,581	111,021	1,411	2,505	(305)	114,631
Administrative expenses	(56,472)	(3,615)	(6,640)	(54,992)	(121,719)	(67,631)	(3,549)	(8,285)	(52,083)	(131,548)
Net provisions for risks and charges	(3,500)	-	(1)	-	(3,502)	1,319	-	0	(0)	1,319
Other income (expenses)	17,269	1,471	(87)	(184)	18,468	38,107	4,710	1,580	(5,609)	38,788
Value adjustments on tangible and intangible assets	(7,958)	-	(1,284)	(1,535)	(10,778)	(6,567)	-	(1,496)	(1,318)	(9,381)
Operating costs	(50,662)	(2,144)	(8,013)	(56,712)	(117,531)	(34,772)	1,161	(8,201)	(59,011)	(100,822)
Profits/losses from contractual amendments without cancellations	-	-	-	(0)	(0)	(2)	-	(0)	(0)	(2)
Profit (Loss) from equity investments and investments	-	-	(3)	50,420	50,417	-	-	1	2,988	2,989
Current gross profit	22,737	(1,361)	(6,528)	(6,381)	8,467	76,247	2,573	(5,696)	(56,328)	16,795
Income taxes	-	-	(316)	2,124	1,809	-	-	(317)	(3,146)	(3,463)
Net result	22,737	(1,361)	(6,843)	(4,257)	10,276	76,247	2,573	(6,013)	(59,474)	13,332
Net profit attributable to the parent company	22,737	(1,361)	(6,843)	(4,257)	10,276	76,247	2,573	(6,013)	(60,365)	12,441
Net profit attributable to non-controlling interests	-	-	-	-	-	-	-	-	(891)	(891)

Balance Sheet Data

(in thousands of euros)	31.12.2024					31.12.2023				
Sector	Commercial banking	Investment Banking	Corporate centre	Digital	Overall total	Commercial banking	Investment Banking	Corporate centre	Digital	Overall total
Loans to customers	2,465,020	611,450	-	155,692	3,232,162	2,102,049	855,596	-	213,450	3,171,095
Loans to customers	2,465,020	-	-	122,539	2,587,559	2,102,049	-	-	183,353	2,285,402
Debt securities	-	611,450	-	33,153	644,603	-	855,596	-	30,097	885,693
of which ABS	-	144,962	-	-	144,962	-	185,983	-	-	185,983
Direct deposit-taking	3,553,456	274,183	-	39,518	3,867,157	3,373,772	40,383	-	50,589	3,464,743
of which own securitisations	-	52,063	-	-	-	-	40,383	-	-	-
Equity investments	-	-	78,648	-	78,648	-	-	45,741	-	45,741



PART M

“LEASES DISCLOSURE”

PART M - LEASES DISCLOSURE

This part of the Notes to the Financial Statements includes all qualitative and quantitative disclosures required by IFRS 16 that are not included in the other parts of the Notes to the Financial Statements. Section 1 is reserved for information to be provided by lessees, Section 2 is reserved for information provided by lessors.

SECTION 1 - LESSEE

Qualitative information

In accordance with the supervisory provisions contained in Bank of Italy Circular 262/2005 (8th update), this section provides the information required by §§ 59 and 60 of IFRS 16.

As at 31 December 2024, the Group has lease contracts in place for the lease of real estate property and for movable property or registered moveable property.

The number of contracts at the reporting date was 140, of which:

- a) 95 related to real estate property;
- b) 43 related to cars;
- c) 2 related to office equipment;

The real estate leases referred to in point (a) above relate to buildings leased by the Group's banks and, in particular, 55 are for functional use and 40 are for guest quarters. The above-mentioned contracts provide for renewal upon expiry.

The leases referred to in point (b) above relate to cars rented by the Bank available at its offices. They provide for renewal upon expiry.

The leases referred to in point (c) above relate to office equipment, which is allocated throughout the various offices of the Group Banks.

For the purposes of determining the term of the lease, the Group takes into account the minimum term established by the contract, during which the lessee has the right to use the underlying asset, as well as a longer period due to the Group's exercise of the option to renew the lease, where this occurs with reasonable certainty. In cases where tacit renewal is contemplated, the lease term is determined by taking into account various elements such as the duration of the first lease term, the existence of any business plans to dispose of the leased asset as well as any other circumstance indicative of the existence of reasonable certainty of renewal.

As already mentioned in Part A of these annual Financial Statements, the Group has availed itself of the exemptions permitted by IFRS 16 for short-term leases, i.e. of a duration of 12 months or less, or for leases involving low-value assets, i.e. of EUR 5,000 or less.

Quantitative information

According to the supervisory provisions contained in Bank of Italy Circular 262/2005 (8th update), in this section, reference should be made to the tables in the Notes to the Financial Statements that contain references to lease transactions accounted for in accordance with IFRS 16.

In this regard, it should be noted that, in Part A of the Notes to the Financial Statements, all information concerning the operational choices made by the Bank for the proper accounting of the rights of use and the related liability has been provided.

In Part B of the Notes to the Financial Statements and, in particular, in Table 9.1 of the Assets “Tangible assets for functional use: breakdown of assets measured at cost”, information has been provided on rights of use acquired through lease transactions. The related liabilities have been recognised as liabilities in the balance sheet and have been shown separately from other payables, again in Part B of the Notes to the Financial Statements, in Table 1.2 of the Liabilities “Financial liabilities measured at amortised cost: breakdown by type of payables due to customers”. With rights of use amounting to EUR 23.5 million, liabilities for leases accounted for in accordance with IFRS 16 amount to EUR 23.7 million.

Part C of the Notes to the Financial Statements contains information on the interest expense accrued on these liabilities. As at 31 December 2024, this interest amounted to EUR 206 thousand.

As at the reporting date , there were no sub-lease agreements in place.

As at 31 December 2024, there were no lease commitments not yet entered into. There is only one contract concluded in December 2024, effective 1 February 2025.

There is no further information to be reported other than that already provided in this section.

SECTION 2 - LESSOR

As at 31 December 2024, there were no contracts in which the Bank was the lessor.

ANNEXES

“COUNTRY - BY - COUNTRY REPORTING”

COUNTRY-BY-COUNTRY REPORTING

COUNTRY-BY-COUNTRY REPORTING

AS AT 31 DECEMBER 2024

In relation to the obligations set forth in Circular No. 285 “Supervisory Provisions for Banks” of 17 December 2013 and subsequent updates on Country-by-Country Reporting introduced by Article 89 of Directive 2013/36/EU (“CRD IV”), the information marked (a), (b), (c), (d), (e) and (f) of Annex A of Part One, Title III, Chapter 2, with reference to the situation of the Banking Group as at 31 December 2024, is set out below.¹⁷

Information / Geographical area	Italy
a) Company name and nature of activity	<u>Name:</u> IGEA Banca Banking Group <u>Registered office:</u> Rome, Via Tomacelli, 107 Registered under Bank Register No. 5640, ABI No. 03124 <u>Share capital:</u> EUR 232,265,497 (fully paid up) <u>Registration number with the Companies’ Register of Rome:</u> No. 1458105 <u>Tax Code and V.A.T. Number</u> 04256050875 <u>Activities:</u> Banking activity involving the collection of savings from the public and the exercise of credit in its various forms. In particular, the Group carries out its credit intermediation activities having as reference customers mainly private individuals and professionals, in their various segments, and small and medium-sized enterprises characterising the economic fabric of the bank’s reference territory. It may carry out, in compliance with the provisions in force, all permitted banking and financial transactions and services, as well as any other transaction instrumental or otherwise connected to the achievement of the corporate purpose. To achieve its institutional aims, the Group may enter into agreements and understandings with other companies.
b) Turnover¹⁸	EUR 152,313,801
c) Number of employees on a full-time equivalent basis¹⁹	551
d) Profit or loss before tax²⁰	Profit of EUR 8,467,323
e) Taxes on profit or loss²¹	EUR 1,808,505
f) Contributi pubblici ricevuti²²	Le società del Gruppo non hanno ricevuto contributi da Amministrazioni Pubbliche.

¹⁷ The figures shown refer to the Financial Statements as at 31 December 2024 with a reporting period of 01.01.2024 - 31.12.2024 and audited by PWC S.p.A.

¹⁸ “Turnover” means the “Intermediation Margin” in item 120 of the Profit and Loss Account in accordance with Bank of Italy Circular No. 262.

¹⁹ “Number of employees on a full-time equivalent basis” means the ratio of the total number of hours worked by all employees, excluding overtime, to the contractually agreed annual total for a full-time employee.

²⁰ “Profit or loss before tax” means the sum of items 290 and 320 (the latter before tax) of the Profit and Loss Account in accordance with Bank of Italy Circular No. 262.

²¹ “Taxes on profit or loss” means the sum of the taxes referred to in item 300 of the Profit and Loss Account in accordance with Bank of Italy Circular No. 262 and income taxes relating to groups of assets held for sale.

²² Under the heading “Public grants received”, grants received directly from public administrations must be indicated. This item does not include transactions entered into by central banks for financial stability purposes or transactions designed to facilitate the monetary policy transmission mechanism. Similarly, any transactions falling under state aid schemes approved by the European Commission should not be taken into account.

“AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS”



Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of
Banca del Fucino SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Igea Banca Group (hereinafter also the "Group"), which comprise the consolidated balance sheet as of 31 December 2024, the consolidated profit and loss account, consolidated statement of comprehensive income, statement of changes in consolidated shareholders' equity, consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005 and article 43 of Legislative Decree No. 136/2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We are independent of Banca del Fucino SpA (hereinafter also the "Company") pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters

Auditing procedures performed in response to key audit matters

Valuation of equity investments held in the renewable energy sector

Notes to the Consolidated Financial Statements

Part A – Accounting policies

Part B – Information on the Consolidated Balance Sheet, section 7 of the assets

Part C – Information on the Consolidated Profit and Loss Account, section 17

On 23 December 2024, the Group finalised an extraordinary transaction regarding the valuation of the equity investments held in the renewable energy sector (hereinafter the “Transaction”).

The Transaction concerned:

- The assets and liabilities in investments in the sector of renewable sources held by the Group through Fucino Green Srl, which was initially a subsidiary company consolidated on a line-by-line basis and
- The equity investment in E-Way Finance SpA, which was initially under joint control through Fucino Green Srl and consolidated at equity.

Specifically, the Transaction envisaged the reverse merger by incorporation (hereinafter the “Merger”) of Fucino Green Srl into E-Way Finance SpA and the simultaneous partial demerger of the “new” E-Way Finance, as the company resulting from the Merger, into four newly established companies: E-Way Wind SpA, E-Way Solar SpA, E-Way Baselice 2.0 SpA and HoldCo SpA (hereinafter, together with the new E-Way Finance, the “companies resulting from the Transaction”).

The Transaction entailed the recognition, in the consolidated profit and loss account for the year, of a capital gain equal to Euro 51 million, in addition to the loss of control of Fucino Green Srl, the loss of the joint control of E-Way Finance SpA and at the same time the recognition of an associated shareholding in each of the companies resulting from the Transaction.

In order to address this key matter, we performed the following main audit activities, also with the support of the PwC network experts:

- understanding of the structure of the Transaction also through obtaining and analysis of the supporting documentation, as well as discussions with the company’s management and the experts who supported the Group;
- understanding and evaluation of the controls put in place by the company’s management in relation to the Transaction;
- verification of the reasonableness of the assumptions defined in the business plans underlying the calculation of the fair value of the companies resulting from the Transaction;
- verification of the mathematical accuracy of the calculations underlying the business plans;
- analysis of the Independent Business Review of the business plans of the companies resulting from the Transaction;
- verification of the exchange ratio for the merger and the concurrent partial demerger defined by the expert appointed by the Group;
- understanding of the accounting treatment of the Transaction defined by the Group, also through a critical analysis of the accounting opinion issued by the expert;
- verification of the correctness of the reporting, classification and measurement criteria of the effects of the Transaction on the financial position and result of operations;
- analysis of the tax impacts of the Transaction;

In order to complete the abovesaid Transaction, the Group performed, with the support of experts, the following main activities:

- defining the structure of the Transaction and of the business plans of the companies resulting from the Transaction;
- obtaining an Independent Business Review of the economic and financial plans of the companies resulting from the Transaction;
- determining the exchange ratio for the Transaction and the concurrent partial demerger;
- drawing up the merger and concurrent partial demerger deeds;
- defining the accounting and tax treatment.

The analysis of this valuation was considered as a key matter in the audit of the consolidated financial statements as at 31 December 2024 given the significance of the financial statement values, the complexity of the Transaction and of the valuation models used, taking into account the high subjectivity of the hypotheses and assumptions used.

Assessment of loans to customers recognised under financial assets measured at amortised cost

*Notes to the Consolidated Financial Statements
Part A – Accounting policies*

Part B – Information on Consolidated Balance Sheet, section 4 of the assets

Part C – Information on The Consolidated Profit and Loss, section 8

Part E – Information on risks and related hedging policies – section 1

Loans to customers recognised under item 40 b) “Financial assets measured at amortised cost – Loans to customers” showed a balance equal to Euro 3,232 million and represented about 61 per cent of the total assets in the consolidated financial statements. Of this amount, Euro 2,587 million referred to loans to customers, while Euro 645 million were related to debt securities including senior Asset-Backed Securities (ABS) for Euro 145 million.

- verification of the completeness and adequacy of the information provided in the notes to the financial statements.

As part of our audit, we took into consideration the internal control system relevant to the preparation of the consolidated financial statements.

In order to address this key audit matter, we carried out the following main activities, also with the support of the PwC network experts:

- analysis of the adequacy of the IT environment and review of the operational effectiveness of the relevant controls overseeing the IT systems and applications used by the Group in order to evaluate such loans;
- understanding and evaluation of the design of the relevant controls within the monitoring, classification and valuation of loans and verification of the operational effectiveness of such controls;

Net adjustments recognised in the year for the loans under analysis, amounted to Euro 77 million and represented the best estimate put forward by the directors in order to adjust expected losses at the reporting date of the consolidated financial statements, on the basis of the applicable international accounting standards.

The process of classifying loans into different risk categories and the methods used to measure them are characterised by a high level of complexity and require estimating numerous variables. The use of significant assumptions is especially relevant to the verification of the Significant Increase in Credit Risk (SICR), to the allocation to the different risk stages (Staging), to the elaboration and determination of the risk parameters underlying the Expected Credit Loss (ECL).

In relation to the loans subject to an individual evaluation, the use of significant assumptions is especially relevant to the estimation of the expected future cash flows, of the timing of recovery and value of realisation of the guarantees, if any. Furthermore, where the Group's strategy envisages the recovery also through plans for the disposal of loan portfolios, the estimate reflects flows deriving not only from internal operations but also from the prospected sales of these loans according to a multi-scenario approach.

During the current year, in addition to proceeding with the ordinary updating process of the risk parameters, the Group used management overlays in order to factor some further risk elements which were not adequately detected by the models used.

As part of our audit activity, we paid particular attention to the assessment of these loans, considering the significance of their book value, as well as the complexity of the estimation processes and of the significant judgment elements therein.

- understanding and verification of the appropriateness of the policies, procedures and models used to measure the SICR, for the Staging and to determine the ECL, both on a collective and individual basis;
- understanding and analysis of the methods to determine the main risk parameters used to determine the ECL; in particular, attention was paid to checking the reasonableness of the updating process of the PD (Probability of Default) and LGD (Loss Given Default) risk parameters, as well as the estimates made in defining the expected macroeconomic scenarios, also through comparison with external sources;
- verification of the reasonableness of the assumptions and evaluations underlying the methods to determine management overlays;
- verification of the completeness and accuracy of the data bases used for ECL calculation purposes;
- verification, on a sample basis, with reference to the significant part of the loan portfolio valued on a collective basis, of the reasonableness of the classification among performing loans and non-performing loans (Staging), on the basis of available information about the debtor's status, in addition to the correct allocation of the applicable risk parameters and the accuracy of the ECL calculation formula;
- verification, for loans valued on an individual basis, of the methods to define assumed alternative recovery scenarios (sale or internal recovery), of their consistency with the sale objectives defined by the directors and the related probabilities assigned, as well as verification of the correct determination of the ECL on the basis of the weighted average of cash flows estimated in the context of internal recovery and sale scenarios;
- in relation to the internal recovery scenario, for each category outlined by the applicable regulatory framework, for loans

valued on an individual basis, verification on a sample basis of the reasonableness of the assumptions made regarding the identification and quantification of the future cash flows expected from recovery activities, the evaluation of the guarantees backing these exposures, and the estimation of recovery time;

- procedures for comparative analysis of loans to customers for both non-performing and performing loans, along with their coverage ratios, also through comparison with data from previous periods and sector information;
- analysis of the reasonableness of the expected future cash flows underlying senior Asset-Backed Securities, as well as of the correct classification and evaluation of the same pursuant to IFRS 9;
- verification of the completeness and adequacy of the information provided in the notes to the financial statements by the directors according to the provisions of the international accounting standards and the regulatory framework, as well as to the communications issued by the Supervisory Authorities.

Fair value measurement of the tax credits purchased in excess of the tax plafond

Notes to the Consolidated Financial Statements

Part A – Accounting policies

Part B – Information on the Consolidated

Balance Sheet, section 13 of the assets

Part C – Information on the Consolidated Profit and Loss Account, section 4

The tax credits purchased in relation to the implementation of the special tax measures set down in the “Relaunch” Decree and exceeding the tax plafond, are a considerable part of the Group’s assets.

As at 31 December 2024, these credits, recognised in line-item 130 “Other Assets”, showed a balance equal to Euro 291 million, accounting for about 6 per cent of the assets in the consolidated financial statements.

In performing the audit, we considered the internal control system relevant to the preparation of the consolidated financial statements in order to design the appropriate audit procedures in the circumstances. In particular, in order to address this key audit matter, the following main procedures were carried out also with the support of the PwC network experts:

- understanding, evaluating and testing the operating effectiveness of relevant controls over the IT systems and applications utilised;
- understanding and evaluating the design of relevant controls with reference to the purchase, classification and measurement of tax credits and testing the operating effectiveness of such controls;

The tax credits are included in the trading portfolio, in light also of the regulatory changes occurred during the year and measured at fair value.

The fair value measurement models require specific qualitative and quantitative assumptions to be made and incorporate significant judgemental elements.

Considering the materiality of the book value of these credits, the complexity of the measurement models used and taking account of the high degree of subjectivity of the hypotheses and assumptions on which the models are based, we considered the valuation of the tax credits as a key matter in the audit of the consolidated financial statements at 31 December 2024.

- analysing the methods used for the purpose of the fair value determination process of tax credits, as well as the methods to determine significant assumptions and the input data required;
- understanding the policies adopted in relation to the calculation of the fair value of the tax credits in order to verify that such policies comply with the applicable accounting standards and the sector prevailing practice;
- performing specific substantive procedures on the related accounting balances, including the stand-alone testing of the fair value of tax credits, also through the analysis of the disposals occurred in the first months of the subsequent year;
- performing specific analysis procedures of the tax capacity estimated for each single Group company;
- testing the completeness and adequacy of the disclosures provided in the notes to the financial statements by the directors in accordance with the applicable accounting standards and the applicable regulatory framework, together with the communications and recommendations issued by the Supervisory Authorities.

Recoverability of deferred tax assets

*Notes to the Consolidated Financial Statements
Part A – Accounting policies*

*Part B – Information on the Consolidated
Balance Sheet, section 11 of the assets*

*Part C – Information on the Consolidated Profit
and Loss Account, section 21*

At 31 December 2024, the line-item 110 b) “Tax assets – deferred” included deferred tax assets (hereinafter also “DTAs”) for an amount equal to Euro 52 million, attributable to tax losses that cannot be directly transformed into tax credits and other deductible temporary differences, whose recoverability depends on the availability of future taxable profits.

The directors regularly assess the recoverability of deferred tax assets by developing a suitable estimation process (“probability test”) which

In performing the audit, we considered the internal control system relevant to the preparation of the consolidated financial statements.

In particular, in order to address this key audit matter, the following main procedures were carried out also with the support of the PwC network experts:

- understanding and evaluating the process and methodology adopted by the directors to perform the probability test;
- verifying the compliance of the method adopted with the requirements of IAS 12, taking also into account the professional practice, as well as the communications and recommendations of the Supervisory Authorities;

aims, in accordance with IAS 12 “Income taxes”, to verify if sufficient taxable profits will be available in future.

The assessment of the recoverability of the DTAs requires information, parameters and assumptions which present a high degree of subjectivity and complexity, with particular reference to the estimate of future taxable profits, which depends on the fulfilment of the projected results formalised by the Parent Company and by the Group companies.

Because of the reasons set out above and the materiality of the line-item, we considered the recoverability of deferred tax assets as a key matter in the audit of the consolidated financial statements at 31 December 2024.

- assessing the reasonability of the main qualitative and quantitative assumptions adopted to prepare the probability test, on the basis of the applicable tax regulations;
- analysing the reasonability of the assumptions adopted by the Parent Company and by the Group companies in preparing the projected data;
- verifying the consistency of the projected data with the future taxable profits underlying the probability test;
- verifying the accuracy of the mathematical calculations underlying the probability test and the correctness thereof;
- testing the completeness and adequacy of the disclosures provided in the notes to the financial statements by the directors in accordance with the applicable accounting standards and the applicable regulatory framework.

Other matters

The consolidated financial statements of the Igea Banca Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 12 April 2024.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and article 43 of Legislative Decree No. 136/2015 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group’s ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Banca del Fucino SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group’s financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.



We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 6 May 2024, the shareholders of Banca del Fucino SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2024 to 31 December 2032.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10

The directors of Banca del Fucino SpA are responsible for preparing a report on operations of Igea Banca Group as of 31 December 2024, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section on the consolidated sustainability reporting;
- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of Igea Banca Group as of 31 December 2024.

Moreover, in our opinion, the report on operations, excluding the section on the consolidated sustainability reporting, is prepared in compliance with the law.



With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Our opinion on compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 2020/852 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree No. 39/10.

Milan, 14 April 2025

PricewaterhouseCoopers SpA

Signed by

Pasquale Tuccillo
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.